

**THE IMPACT OF FINANCIAL ACCOUNTABILITY ON GOOD GOVERNANCE  
AND SERVICE DELIVERY EFFICIENCY IN SELECTED PROVINCIAL  
DEPARTMENTS AND MUNICIPALITIES IN THE NORTHERN CAPE PROVINCE**

BY

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## DECLARATION

I, Mr Onkabetse Levy Motsumi, identity number\_\_\_\_\_, hereby declare that this research study is my original work and contains no material or work that has been previously written or published by any other individual. To the best of my knowledge, this project has not been used as the basis for a degree or diploma awarded by a university or any other institution of higher learning. Wherever contributions of others are involved, every effort has been made to indicate this clearly, with due reference to the relevant literature. This thesis is submitted for the Degree Doctor of Philosophy (PhD) in Management Sciences with specialisation in Public Sector Management at the Central University of Technology, Free State (CUT).

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This day of 07 March 2025

## ABSTRACT

Accountability (including financial accountability), good governance, and the delivery of effective services are constitutional priorities of South Africa's democratic system. Section 195(1) of the *Constitution of the Republic of South Africa, 1996* (hereinafter referred to as the *Constitution*), states that accountability, including financial accountability, is essential, and that good governance and service delivery should be institutionalised across the three spheres of government. The *Public Finance Management Act (Act 1 of 1999)* (hereinafter referred to as the *PFMA*) and the *Local Government, Municipal Finance Management Act (Act 56 of 2003)* (hereinafter referred to as the *MFMA*) establish the legislative frameworks for financial management in the public sector.

Despite the requirements outlined in Section 195 of the *Constitution* to deliver services effectively, efficiently, economically and accountably, the ongoing adverse audit outcomes of some provincial departments and most municipalities, including those of the Northern Cape Provincial Government (NCPG), raised questions about the effectiveness of current financial accountability, good governance, and service delivery approaches. By focusing on a few selected provincial departments and local municipalities within the NCP, the researcher projected a comprehensive and holistic picture of the state of financial accountability in the NCP. Thus, the study aimed to contribute theoretically and empirically to the body of knowledge about the relationship between financial accountability, good governance, and service delivery efficiency in selected provincial departments and local municipalities in the NCP. To enhance an understanding on the details of financial accountability, good governance and public service delivery efficiency, the principal-agent theory, public-service dominant logic and new public management theory guided the study on public service delivery and management. The study employed a quantitative research approach and a cross-sectional survey research design to investigate the impact of financial accountability on good governance and service delivery efficiency in selected provincial departments and municipalities in the NCP. The study examined several variables related to financial accountability, good governance and service delivery efficiency, including legislative provisions, public expenditure, oversight bodies, principles of good governance, public service delivery, financial performance outcomes, supply chain management (SCM), financial controls, capacity of staff complements and stability in senior positions. A structured questionnaire was administered to 150 public officials in the selected provincial departments and to 79 municipal officials in the selected local municipalities.

This study revealed that a lack of financial accountability frequently led to instances of financial misconduct and the disregard of important legislative frameworks, such as the *PFMA*, *MFMA*, and *SCM* regulations. The empirical phase of study employed both the descriptive and inferential statistical analyses. The empirical study revealed that the largest proportion of respondents from the selected provincial departments and municipalities agreed that poor financial accountability influenced poor financial performance. A significant proportion of respondents agreed that financial accountability has a positive influence on good governance and the efficiency of public service delivery. The hypotheses were tested through Spearman inferential statistical methods and consequently, it was found out that the alternative hypotheses  $H_{1a1}$  to  $H_{5a1}$  were accepted.

The study proposed a framework to promote financial accountability, good governance and public service delivery efficiency in the selected provincial departments and municipalities in the NCP.

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## ABBREVIATIONS AND ACRONYMS

|         |                                                            |
|---------|------------------------------------------------------------|
| AO      | Accounting Officer                                         |
| AGSA    | Auditor-General of South Africa                            |
| B2B     | Back to Basics                                             |
| CFO     | Chief Financial Officer                                    |
| DDM     | District Development Model                                 |
| DFA     | Diamonds Field Advertiser                                  |
| DHET    | Department of Higher Education and Training                |
| DCoGTA  | Department of Corporate Governance and Traditional Affairs |
| DoHSC   | Department of Health and Social Care                       |
| DORA    | Division of Revenue Act                                    |
| DoSD    | Department of Social Development                           |
| DPRSA   | Department of Public Administration and Management         |
| ELM     | Emthanjeni Local Municipality                              |
| EPWP    | Expanded Public Works Programme                            |
| FBDM    | Frances Baard District Municipality                        |
| FPMI    | Financial Performance Management Index                     |
| GoG     | Government of Greenland                                    |
| GoR     | Government of Rwanda                                       |
| GoZ     | Government of Zimbabwe                                     |
| GRAP    | Generally Recognised Accounting Practice                   |
| HoD     | Head of Department                                         |
| IDP     | Integrated Development Plan                                |
| IMF     | International Monetary Fund                                |
| LGSETA  | Local Government Sector Education and Training Authority   |
| LGTAS   | Local Government Turnaround Strategy                       |
| MAPS    | Methodology on Assessment of Procurement Systems           |
| MEC     | Member of the Executive Council                            |
| MFMA    | Municipal Finance Act                                      |
| MPAC    | Municipal Public Accounts Committee                        |
| MSCOA   | Municipal Standard Charts of Accounts                      |
| MTEF    | Medium Term Strategic Framework                            |
| MTSF    | Medium Term Strategic Framework                            |
| NCP     | Northern Cape Province                                     |
| NCPT    | Northern Cape Provincial Treasury                          |
| NDM     | Namakwa District Municipality                              |
| NDP     | National Development Plan                                  |
| NEPAD   | New Partnership for Africa's Development                   |
| NHA     | National Health Act                                        |
| NCDoe   | Northern Cape Department of Education                      |
| NCDoH   | Northern Cape Department of Health                         |
| NCDorPW | Northern Cape Department of Roads and Public Works         |
| NCDoTSL | Northern Cape Department of Transport, Safety and Liaison  |
| NCOPs   | National Council of Provinces                              |
| NSG     | National School of Government                              |
| OECD    | Organisation of Economic Co-operation and Development      |
| PACs    | Public Accounts Committees                                 |
| PEFA    | Public Expenditure and Financial Accountability            |
| PFMA    | Public Finance Management Act                              |
| PKSDM   | Pixley Ka-Seme District Municipality                       |
| PSC     | Public Service Commission                                  |
| RSA     | Republic of South Africa                                   |
| SCM     | Supply Chain Management                                    |
| SCOPA   | Standing Committee on Public Accounts                      |

|         |                                                                              |
|---------|------------------------------------------------------------------------------|
| SDGs    | Sustainable Development Goals                                                |
| SOPs    | Standard Operating Procedures                                                |
| UK      | United Kingdom                                                               |
| UNSG    | United Nations Sustainable Goals                                             |
| WHO     | World Health Organisation                                                    |
| WPNHI   | White Paper on National Health Insurance, 2015                               |
| WPNHI   | White Paper on the Transformation of the Health System of South Africa, 1997 |
| WPET    | White Paper on the Transformation of Education                               |
| WPOGFoS | White Paper on Organisation Governance and Funding of Schools, 1996          |
| WPToHS  | White Paper on the Transformation of the Health System                       |
| WPNTF   | White Paper on the National Transport Policy, 1996                           |
| WPToPS  | White Paper on the Transformation of the Public Service, 1995                |
| ZFMDM   | Zwelentlanga Fatman Mgcawu District Municipality                             |

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## CHAPTER ONE

### INTRODUCTION AND BACKGROUND TO THE STUDY

#### 1.1 INTRODUCTION AND BACKGROUND TO THE PROBLEM

The purpose of any government institution of a country is to deliver services efficiently to its communities. Due to the rising needs and demands of South African communities, both the provincial and local spheres of government must provide services effectively and efficiently. The ability to deliver services is determined by the availability of financial resources and the ability of provincial departments and municipalities to use limited financial resources accountably, effectively and efficiently. Without sufficient financial resources, it would be impossible for either provincial or local municipalities to provide the services required by the public and communities. Thus, as no public institution can render effective services to communities without public resources to cover the operational and capital expenditure, financial management is crucial in any public sector department.

Section 195(1) of the *Constitution of the Republic of the South Africa*, 1996 (hereinafter referred to as the *Constitution*) outlines a fundamental set of principles for good governance and public administration: encouraging the promotion and maintenance of a high standard of professional ethics; the efficient, economic and effective use of resources; developmental-oriented public administration; the fair and equitable provision of services without prejudice; the promotion of transparency by providing the public with timely, accessible and accurate information and ensuring good human resource management and career development practices. Furthermore, public administration must be broadly representative of the population and accountable to the public. As such, the *Constitution* laid the foundation for the enactment of the *Public Finance Management Act* (Act 1 of 1999) (hereinafter referred to as the *PMFA*) and the *Municipal Finance Management Act* (Act 56 of 2003) (hereinafter referred to as *MFMA*) in ensuring effective and efficient financial management in national, provincial and local spheres of government.

Accountability is the bedrock of any modern government; therefore, public functionaries (elected political officials and public officials) must account to the public for their actions, inactions, and expenditures of public funds. Due to their supremacy, legislatures must oversee and enforce accountability for the effective and efficient use of public funds. It would be beneficial to impose control measures to ensure that executives are held accountable for the

use of public funds. This could include executives' branches and functionaries submitting reports through delegated oversight structures, such as Councils, Public Accounts Committees, Audit Committees, and other Portfolio Committees.

Accountability refers to the obligation of public officials to justify their performance, obligations, and the management of public resources to the citizens they serve. This includes providing satisfactory explanations to the taxpayers (the public) regarding the exercise of power, authority and the spending of public funds entrusted to them (van der Waldt 2018:386). Effective accountability and oversight result in stronger governance, the effective management of finances and the promotion of effective service delivery (van Niekerk and Dalton-Brits, 2018:3). According to Sambo and Kanyane (2020:27), the concept of accountability has evolved and broadened over time to include the effective and efficient financial management and stewardship over the use of public financial resources at all levels of government. Barnejee (2015:95), in Sambo and Kanyane (2020:27), maintains that public accountability, the rule of law, ethics, good governance, and the fight against corruption are inextricably linked. It is financial accountability when functionaries (political and public officials) answer to the public concerning the use of public funds and the implementation of financial policies, treasury regulations and supply chain management (SCM) regulations.

In the 2018/19 Consolidated General Report on National and Provincial Audit Outcomes, the Auditor-General of South Africa stated that 82% of provincial departments had material findings, mostly owing to non-compliance with important legal requirements (AGSA, 2020:166-167). Although the two most frequently reported areas of non-compliance were the poor quality of financial statements submitted for auditing - affecting 73% of entities - and non-adherence to procurement and contract management procedures - reported at 64% - these issues were made worse by a general lack of accountability and inadequate consequence management (AGSA, 2020:166-167). The Auditor-General also warned that the lack of oversight and accountability had led to a breakdown in internal controls and, consequently, the exposure of the misappropriation of public funds in most municipalities (AGSA, 2020:1), including those of the NCP. Against this backdrop, this study aimed to assess the impact of financial accountability on good governance and service delivery efficiency in provincial departments and municipalities in the NCP.

Despite the requirements of Section 195 of the Constitution to deliver services effectively, economically, efficiently, and accountably, the ongoing negative audit outcomes of some

provincial departments and most municipalities raised concerns about the current state of financial accountability, good governance, and efficient service delivery. According to Beangstrom (2020:1), the late Auditor General of South Africa (AGSA), Kimi Makwetu, pointed out that the lack of financial accountability for the NCP was reflected in the 2018/2019 audit outcomes. The NCP had recorded overall regression, with six municipalities regressing and only three improving in their audit outcomes (Beangstrom, 2020:1). There was a continued breakdown in the control environment, with little response from the leadership to the Auditor-General's recommendations to implement preventative controls. Other concerns that contributed to the municipalities in the NCP incurring irregular expenditures totalling R390 million included the abuse of supply chain management (SCM) processes, insufficient scrutiny of bank accounts, loss of revenue due to system failures and duplication, and failing to perform proper reconciliations.

The lack of financial accountability and management has significantly affected the efficiency of public service delivery. In some instances, this has led to public unrest, such as in the Sol Plaatje Local Municipality, where community members barricaded roads and clashed with the police by pelting stones at them, which resulted in the closure of schools (Beangstrom, 2020:1). Lack of financial accountability was also evident in the Northern Cape Department of Transport, Safety and Liaison (NCDoTSL), where the Auditor-General could not confirm whether any disciplinary actions had been taken against responsible officials, despite clear evidence of financial mismanagement, non-compliance with the *PFMA*, and violations of treasury and SCM regulations (NCDoTSL, Annual Report 2017/18, 2018:126). Under Section 38(1)(h)(iii) of the *PFMA*, disciplinary measures must be instituted against officials responsible for government departments who incur unauthorised, irregular, fruitless or wasteful expenditure.

The Auditor-General's 2018/19 Consolidated General Report on National and Provincial Audit Outcomes showed that the NCP was the only province without a clean audit, and its financial health was in a poor state, with 69% of the auditees requiring urgent intervention. Among all the provinces, it also had the highest unauthorised, including fruitless and wasteful, expenditure (AGSA, 2020:14). The Auditor-General highlighted this pattern of financial mismanagement, noting that half, translating to eight of 13 of the NCP departments were unable to submit quality financial statements (AGSA, 2020:14). Furthermore, essential disciplines such as records management and financial controls were lacking. The Northern Cape Department of Health (NCDoH) was particularly vulnerable financially. The Northern Cape Departments of



Education (NCDoE) and Roads and Public Works (NCDoRPW) also faced financial difficulties that might have led them to the same situation as the NCDoH if leadership had not taken appropriate action to address these issues (AGSA, 2020:18). Despite evidence of financial maladministration and a lack of accountability, there remains no consequence management to address this problem, which the late Auditor-General, Kimi Makwetu, described as a breakdown in the control environment that persists with little response from the leadership of the NCP (Beangstrom, 2021:1).

The Northern Cape Department of Health (NCDoH) concept paper on restoring the corporate image through professionalism and promoting ethical behaviour in the NCDoH, vision 2020 (2020:1), argues that there are deep-rooted unprofessional practices such as non-compliance with key legislation, regulations and policies, misuse of government-owned financial resources, procurement irregularities, theft and inflated prices, poor quality of services, weaknesses in internal controls, maladministration, and negligence entrenched in the NCDoH. Keeping the above context in mind, the research question guiding this study is: What is the impact of financial accountability on good governance and the efficiency of public service delivery in selected provincial and local municipalities in the NCP?

## **1.2 PROBLEM STATEMENT**

The study examined the issue of low levels of sustained financial performance and the resulting lack of financial accountability by evaluating the impact of financial accountability on good governance and public service delivery efficiency in selected provincial departments and local municipalities in the NCP.

## **1.3 RESEARCH QUESTIONS, OBJECTIVES AND AIM**

It is worth noting that the study's hypotheses were formulated in Chapter Five.

### **1.3.1 Main Research Question**

What is the impact of financial accountability on good governance and public service delivery efficiency in provincial departments and municipalities in the NCP? This does, however, not preclude the other significant moderating variables where the researcher sought to examine the

relationship between financial accountability and financial performance outcomes, the functionality of financial controls and financial legislative prescripts.

### **1.3.1.1 Subsidiary Research Questions**

- What are the theoretical and legislative regulatory principles, standards and requirements of financial accountability and good governance to promote public service delivery efficiency?
- How does financial accountability influence the financial performance outcomes of provincial departments and municipalities in the NCP?
- How does financial accountability influence the implementation of key financial legislation, treasury, and SCM regulations in provincial departments and municipalities in NCP?
- How does financial accountability influence the functionality of financial controls in provincial departments and municipalities in the NCP?
- How does financial accountability influence good governance in provincial departments and municipalities in the NCP?
- How does financial accountability influence the delivery of public service efficiency in provincial departments and municipalities in the NCP?
- What lessons can be learned from international and national perspectives regarding financial accountability, good governance, and service delivery efficiency?

### **1.3.2 Main Research Objectives**

To determine the impact of financial accountability on good governance and public service delivery efficiency in provincial departments and municipalities in the NCP.

#### **1.3.2.1 Subsidiary Research Objectives**

- To determine the theoretical and legislative regulatory principles, standards and requirements of financial accountability and good governance to promote public service delivery efficiency.
- To determine the influence of financial accountability on the financial performance outcomes of provincial departments and municipalities in the NCP.
- To determine the influence of financial accountability on the implementation of and adherence to key financial legislation and treasury and SCM regulations in provincial departments and municipalities in the NCP.
- To determine the influence of financial accountability on the functionality of financial controls in provincial departments and municipalities in NCP.
- To determine the influence of financial accountability on the promotion of good governance in provincial departments and municipalities in the NCP.
- To determine the influence of financial accountability on the delivery of public service efficiency in provincial departments and municipalities in the NCP?
- To determine what lessons could be learned from international and national perspectives regarding financial accountability, good governance, and service delivery efficiency.

#### **1.4 AIM**

The study aimed to contribute both theoretically and empirically to the body of knowledge of the relationship between financial accountability, good governance, and service delivery efficiency in provincial departments and municipalities in the NCP. This study culminated in the development of a proposed framework to enhance financial accountability and subsequent financial performance, which should promote good governance and service delivery efficiency in provincial departments and municipalities in the NCP.

#### **1.5 NOVELTY OF THE STUDY**

This study is important because, although existing literature on public financial management and accountability highlights the poor financial performance of most provincial departments and local municipalities, the effect of financial accountability on good governance and service delivery efficiency in these entities within the NCP remains uncertain. The data trends and framework proposed in this research could enhance financial accountability, improve financial

management, and foster good governance and efficient service delivery in the NCP's provincial departments and municipalities. Additionally, the findings could help members of these departments and municipalities to better focus on financial accountability, leading to more effective financial management and progress towards good governance and improved service delivery in the NCP.

## 1.6 LEGISLATIVE REQUIREMENTS FOR FINANCIAL MANAGEMENT

The *PFMA* enacts Section 216 of the *Constitution* and applies to both national and provincial levels, including public entities under their control. Additionally, the *PFMA* implements financial management reforms that assign greater implementation responsibilities to managers in the public service, increasing their accountability for performance (Fourie, 2018:275). Fourie (2018:288) states that Section 38 of the *PFMA* mandates that the accounting officers of national or provincial departments must ensure their departments promote effective, efficient, and transparent systems of financial and risk management, along with internal controls as robust internal oversight measures. The AO must establish an internal audit system overseen by an audit committee, as stipulated in Sections 76 and 77 of the *PFMA*. Moreover, the AO should ensure that a fair, equitable, transparent, and cost-effective procurement and provisioning system is in place, suitable for all major capital projects.

Section 62(1) of the *MFMA* states that municipal resources must be used effectively, efficiently and economically, with complete and proper records of financial affairs kept in accordance with any prescribed norms and standards. This section also requires that municipalities maintain an effective, efficient, and transparent system of financial and risk management. Additionally, municipalities should have internal controls and internal audits to ensure compliance with all prescribed norms and standards.

Another important provision aimed at strengthening financial accountability and ensuring sound financial management practices is outlined in Section 38(1)(h) of the *PFMA*. It states that the AO of any national or provincial department must take effective and appropriate disciplinary measures against any public official who breaches or fails to comply with a provision of the Act, or who engages in conduct that undermines the department's financial management and internal control systems. The Act also requires AOs to ensure that no unauthorised, irregular, fruitless, or wasteful expenditure occurs within their departments. Additionally, Section 38(j) of the *PFMA* specifies that before the AO of a department can

transfer funds, other than under the provisions of the annual *Division of Revenue Act (DoRA)*, to a constitutional institution or entity within or outside government, a written guarantee must be obtained from that entity confirming effective, efficient, and transparent financial management and internal controls. Under Section 38(1)(l) of the *PFMA*, AOs are required to consider all financial implications, including propriety, consistency, and value-for-money, when evaluating policy proposals under their responsibility.

While Section 78 of the *MFMA* outlines financial management responsibilities for each senior manager and official of a municipality, Section 79 establishes an appropriate system of delegation that maximises administrative and operational efficiency while ensuring adequate checks and balances in the municipality's financial administration (van der Walddt, van der Walt, Venter, Phutiagae, Nealer, Khalo, and Vyas-Doorgapersad, 2018:234). Therefore, a lack of financial accountability indicates non-compliance with these statutory requirements, which negatively affects governance and efficient service delivery.

## **1.7 LITERATURE REVIEW**

### **1.7.1 Financial Accountability**

According to Sebakamotse (2020:9), financial accountability refers to how public funds are utilised to implement government policies and deliver services to communities. Financial accountability involves holding functionaries responsible for their actions and for the public funds under their control. Public functionaries (political and public officials) should be individually and collectively answerable for the collection, safekeeping, and the efficient and effective use of public funds. Dewi, Azam, and Yussof (2019:1376) maintain that financial accountability is a form of accountability for public institutions to ensure that public funds are used economically, efficiently, and effectively. While national and provincial treasuries can monitor the financial health of local government, only they can hold municipal functionaries accountable for their full range of responsibilities (*DoRA*, 2020:76).

Khanyile (2016:18) defines financial accountability as a means of promoting and reporting publicly on performance, requiring governments to manage finances prudently and integrate their financial and non-financial reporting. Therefore, national and provincial departments and municipalities must provide comprehensive reports on what they have achieved with their expenditure of funds, while ensuring that stakeholders behave ethically. It is crucial that

national and provincial departments and municipalities report on their financial position within the period, maintaining a continuous view of their liquidity and promoting accountability and transparency. Government departments that fail to sustain necessary balances or manage funds reliably, from budget to activity, are regarded as inefficient (Andrews and Shah, 2010:194).

Premchand (2013:155) states that the main instruments of financial accountability are government budgets, regularly published data on public finances, annual accounts, and reports prepared by independent agencies. According to Sebakamotse (2020:10), provincial and municipal legislatures (municipal councils) are the primary oversight structures that promote accountability, especially financial accountability. Delegated oversight bodies, such as councils, public accounts committees, audit committees, and portfolio committees, must implement control measures by reviewing reports submitted by executive branches and officials to ensure that those in office are accountable for how public funds are utilised. The oversight structures, the role of accounting officers (AOs), and the financial controls necessary for maintaining financial accountability were discussed in Chapters 2 and Three of this study.

### **1.7.3 Good Governance**

Governance can refer to various contexts, such as international governance, corporate governance, national governance, and local governance (Prinsloo 2013:3). It is a process of making decisions that may or may not be implemented. Keping (2017:3) defines governance as the sum of the many ways individuals and institutions, both public and private, manage their shared affairs. This is an ongoing process through which conflicting or diverse interests can be accommodated and cooperative action can be taken. Formal institutions carry out governance while regimes authorised to enforce compliance, as well as informal arrangements that people and institutions either have agreed to or perceive as being in their interest.

Considering the above, good governance has emerged as perhaps the most valued attribute by governments in recent years. Over the past two decades, governance has gradually become central in the mainstream study of public policy, administration, and politics (Huque and Zafarullah, 2017:2). Kemp, Parto, and Gibson (2005:3) and Prinsloo (2013:3) state that good governance comprises nine elements: public participation, transparency, accountability, rule of law, responsiveness, efficient and effective government, equity, consensus orientation, and strategic vision. Prinsloo (2013:3) asserts that it begins with the political will to govern effectively. According to Gebrihet and Pillay (2020:149), good governance was introduced by

the business sector as a normative approach to improve the effectiveness of public management and combat corruption in countries undergoing structural adjustment programmes by international financial institutions. In their perspective, governance involves two normative components: legislation and policy authorisation, and legislation and policy implementation (Gebrihet and Pillay, 2020:149). As mentioned in the introductory section of this study, Section 195(1) of the *Constitution* sets out the principles of good governance and public administration, which include, among others, the efficient, economic, and effective use of resources and the accountability of public administration to communities.

#### **1.7.4 Effective and Efficient Service Delivery**

Theron and Mchunu (2016:188) define service delivery as a series of activities by various institutions that mobilise, process resources into services, and present them satisfactorily and sufficiently to a target group of people. In contrast, Alford and Flynn (2012:8) view it as the production of outputs, including the provision of services to government agencies and their clients. Where the focus is on bringing about outcomes or imposing obligations, it is referred to as implementation and, in some cases, as achieving outcomes. While both definitions agree on the delivery of services, Theron and Mchunu refer to the beneficiaries of these services as a target group, and Alford and Flynn refer to them as government agencies and their clients. Additionally, the former authors emphasise that the provision of services should be adequate and satisfactory to clients, while the latter stress that services should lead to the achievement of outcomes (Theron & Mchunu, 2016:188; Alford & Flynn, 2012:8).

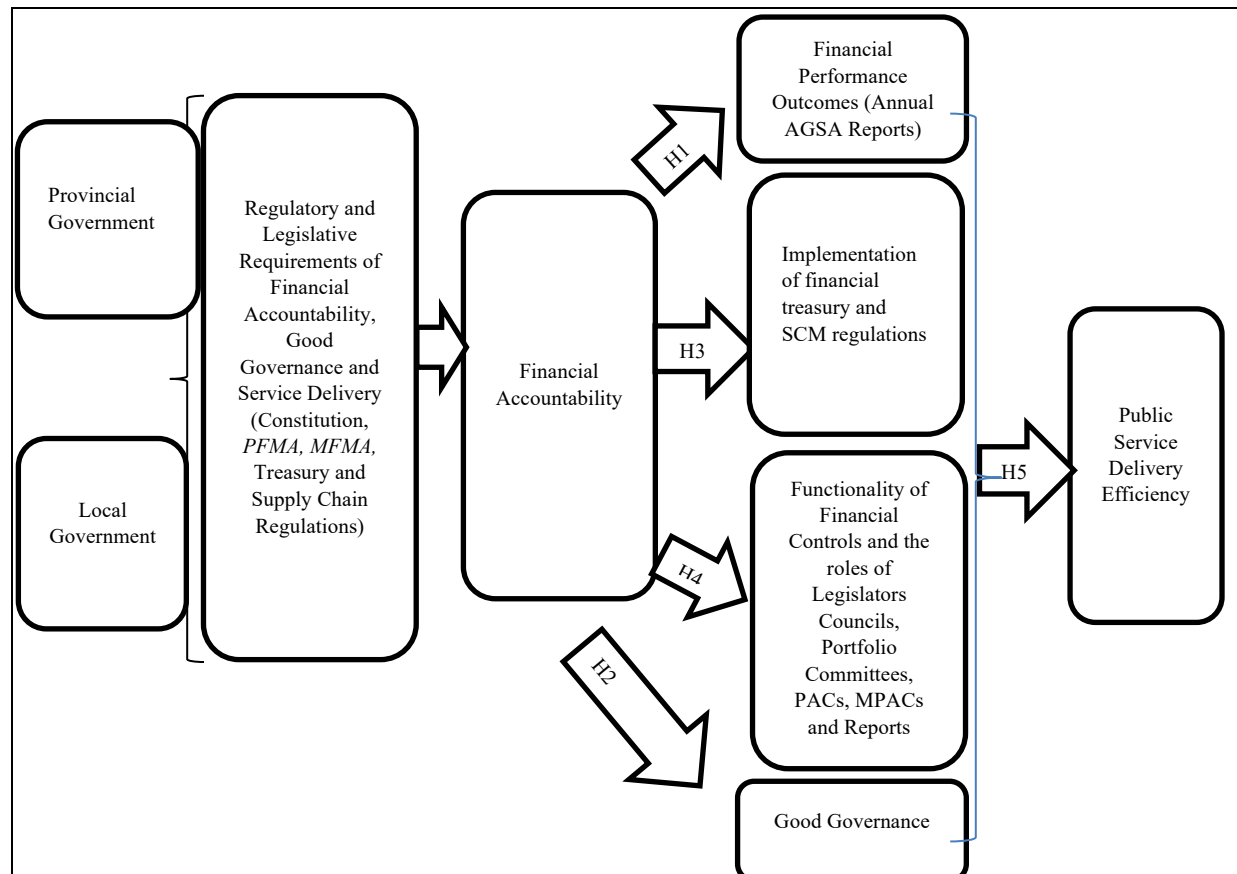
In most cases, municipalities are the fundamental units of government responsible for providing essential services within their regions and promoting development. According to Section 195 of the *Constitution*, municipalities should mobilise economic resources to improve the lives of all citizens (Lehohla, 2016:1). Nsingo (2019:47) describes effectiveness as the actual achievement of goals, while efficiency refers to striving to achieve the organisation's aims and objectives with minimal inputs. Consequently, delivering services effectively and efficiently supports Section 195 (1) of the *Constitution*, which emphasises the economical and optimal use of resources. Kristensen, Bowen, and Long (2019:62) found that evaluating public financial management outcomes, such as efficient service delivery or corruption, often required specialised studies or imperfect proxies. Effective service delivery has these antecedents: competent public officials, effective accountability mechanisms, effective human resource



practices, efficient leadership, adequate financial management, absence of nepotism, and non-tolerance of corruption (Fourie & Poggenpoel, 2017:171).

## 1.8 CONCEPTUAL FRAMEWORK OF THE STUDY

The conceptual framework for this study is illustrated in Figure 1.1. below.



(Source: Researcher's interpretation)

**Figure 1.1: The conceptual framework of this study**

The conceptual framework in Figure 1.1 illustrates the contextual setting of this research, focusing on the provincial government and local government in the NCP. Accountability is particularly important at the provincial and local municipal levels since a significant portion of the national budget aimed at addressing social issues, such as housing, health, education, and municipal services, is spent there (Jordaan, 2013:4). The regulatory and legislative requirements for financial accountability, good governance, and service delivery were the primary variables guiding this study. Financial accountability is presumed to be an independent variable that significantly influences financial performance outcomes, the effectiveness of financial controls, and the implementation of financial, treasury, and SCM regulations, as well as good governance. The four variables were considered dependent variables. The influence of

financial accountability on good governance in the NCP was the ultimate factor in achieving efficient public service delivery. This framework serves as a foundation for formulating the hypothetical statements and linking them to the theoretical frameworks selected for this study.

## **1.9 RESEARCH METHODOLOGY**

This section offers a brief overview of the research methodology employed in this study. Research methodology encompasses learning various techniques to conduct research, tests, experiments, surveys, and critical studies (Goundar, 2019:8). The research philosophical stances (epistemology and ontology), research paradigm, research design, research approaches, population and sampling, validity and reliability, data collection, and data analysis are detailed in Chapter Five of the study. The study was guided by a positivist research paradigm, which asserts that research should be limited to what can be observed and measured objectively (Welman, Kruger, & Mitchell, 2005:7). The approach was deductive. The deductive approach, which is quantitative, involves moving from general assumptions to ones that are more specific. A cross-sectional survey design was utilised to collect quantitative data, aiming to generate insights into how financial accountability could influence good governance and service delivery efficiency in provincial departments and municipalities within the NCP. According to Du Plooy-Cilliers, Davis, and Bezuidenhout (2014:149), a cross-sectional survey design is used to create an overall snapshot of a particular phenomenon at a specific point in time, meaning that data was collected from respondents once.

### **1.9.1 Research philosophy/paradigm**

A research paradigm is a set of fundamental assumptions and beliefs as to how the world is understood which then serves as a thinking framework that guides the behaviour of the researcher (Jonker and Pennik, 2010) in (Wahyuni, 2012:69). According to Babbie (2017:31), paradigms provide logical frameworks within which theories are created. It is a model or framework for observation and understanding that shapes both what we see and how we understand it. In fact, Ugwu, Ekere and Ono (2021:117) state that a paradigm creates a platform for the intention, motivation and what the research seeks to achieve. Although there are multiple paradigms that guide research (Leavy, 2017:12), there are three major types of paradigms, namely positivism, anti-positivism or interpretivist and pragmatism paradigms (Du Plooy-Cilliers, Davis and Bezuidenhout, 2014:23-27; (Ugwu, Ekere and Ono, 2021:117).

Abdul Rehman and Alharthi (2016:53) and Welman, Kruger and Mitchel (2005:6) point out that positivism paradigm assumes that reality exists independently of human influence and for knowledge to be true it should be produced through scientific methods. On the contrary, the anti-positivism paradigm or interpretivist (qualitative research) lays emphasis on experiencing reality and seek to understand human behaviour from the perspectives of the people involved (Welman, *et al.*, 2005:7). This study was conducted within the positivism paradigm (quantitative research) which focuses on the use of scientific methods and holds that research must be limited to what can be observed and measured objectively (Welman, *et al.*, 2005:7). To better appreciate the conceptual understanding of paradigms, it is also important to consider the essential components of a paradigm and these include epistemology, ontology, methodology and axiology (Eric, 2017:26). It is important that the researcher should be able to locate research within these components of paradigm, as they are a fundamental assumption, beliefs, norms, and values that provide meaning to paradigms (Eric, 2017:27).

### **1.9.2 Population and sampling**

The population, sampling, and sampling frames are described in detail in Chapter Five of the study. The target population for this study was limited to selected provincial government departments and local municipalities within the NCP. As it is not feasible to observe and analyse the entire population of interest, selecting a sample that accurately represents the population is crucial so that the conclusions drawn from the sample can be generalised to the entire population (Marczyk, DeMatteo, and Festinger, 2005:18). The study employed a random stratified sampling method, a probability sampling technique, to select the sample. Out of the thirteen provincial departments, three were selected: the Department of Transport, Safety and Liaison (NCDoTSL), the Department of Health (NCDoH), and the Department of Education (NCDoE), which served as the sample for data collection from provincial government departments in the NCP (as shown in Table 5.3 in Chapter Five). Additionally, as indicated in Table 5.1 in Chapter Five, four local municipalities linked to three of the five district municipalities were selected for data collection. These local municipalities included Sol Plaatje Local Municipality (from Frances Baard District Municipality - FBDM), Joe Morolong Local Municipality (from John Taolo Gaetsewe District Municipality - JTGDM), and Renosterberg and Thembelihle Local Municipalities (from Pixley-Ka Seme District Municipality), as illustrated in Table 5.2 in Chapter Five.

### 1.9.2 Data Collection

Detailed information on data collection from the selected sample in this study is available in Chapters 5, Six, and Seven. Data collection involves gathering and analysing information on specific variables systematically, allowing questions to be answered and outcomes assessed (Agyapong, 2017:59). The data was gathered using structured questionnaires handed out to respondents in both the selected provincial departments and municipalities of the NCP, aiming to thoroughly understand the impact of financial accountability on good governance and service delivery in the NCP. These questionnaires contained closed-ended questions utilising a five-point Likert scale, ranging from 5 (strongly agree) to 1 (strongly disagree).

### 1.9.3 Data analysis

Chapters Five, Six, and Seven provide detailed insights into how data from selected provincial departments and municipalities within the NCP was analysed. Henning, Van Rensburg, and Smit (2004:6-7) emphasise that data analysis is vital in helping researchers address their questions and fulfil their research objectives. Descriptive analysis was conducted using a univariate instrument, while inferential statistical analysis employed a bivariate instrument. To analyse the data, Moonstats software, DATAtab, and SPSS were utilised. Moonstats is a standalone statistical program for Windows 95 or newer, capable of handling up to 100 variables and 1000 cases (units of analysis) in a data sheet (Welman *et al.*, 2005:319). For inferential analysis, including Pearson and Spearman correlation coefficients, SPSS 2.0 was used to examine the relationships between variables and test hypotheses outlined in Chapter Five. An experienced statistician assisted in developing the structured questionnaire and guided the researcher in collecting, analysing, and interpreting the results.

### 1.9.4 Ethical considerations

An ethical foundation influences all parts of the research process (Hesse-Biber and Leavy, 2011; Leavy, 2011a) as discussed in (Leavy, 2017:24). This study adhered to the following ethical principles:

- **Informed consent and voluntary participation.** The researcher obtained verbal informed consent from stakeholders (see Annexure A: Consent letters) prior to administering the structured questionnaire (see Annexure C: Questionnaire). The

researcher verified the stakeholders' availability and willingness to take part in future interviews. A consent letter explaining the research process was provided to the respondents. They were encouraged to read it carefully, ask questions if anything was unclear, and sign the consent form if they agreed to participate.

- **Consent and Approval.** Before collecting data from the selected departments and municipalities for this study, approval and consent were obtained from the Heads of Departments (HoDs) and Municipal Managers (see Annexure B: Approval letters). Additionally, the relevant research units of these departments were informed about the purpose of the study.
- **Privacy, confidentiality, and anonymity.** Participants were guaranteed that their personal information and responses would remain confidential, and the results would be anonymised to safeguard their identities.

The study adhered to the ethical principles of honesty, commitment, and respondents' willingness to participate in the survey. The Management Sciences Faculty's Research and Innovation Committee (FRIC) at the Central University of Technology, Free State, granted ethical clearance before the study began (see Annexure D: Ethical approval letter).

## 1.10 LIMITATIONS AND DELIMITATIONS OF THE STUDY

Detailed information regarding the limitations and delimitations of the study is provided in the last chapter (Chapter 8). However, the delimitations discussed as the descriptive analyses in Chapter Four were restricted to the Medium-Term Strategic Framework (MTSF) reports of the 2015–2019 financial years, since those of 2019–2024 were still being implemented and consolidated. Although only partial MTSF data were available when the study was finalised, the recent Auditor-General Audit Outcomes Reports were utilised to supplement the information in Chapter Four.

## 1.11 FORMAT OF THE STUDY

The structural layout of the research is as follows:

**Chapter One** introduces the study and its background.

**Chapter Two** reviews existing literature on financial accountability, good governance, and service delivery efficiency. It examines how other scholars theorise and conceptualise the

impact of financial accountability on good governance and public service delivery efficiency in the provincial departments and municipalities of the NCP.

**Chapter Three** examines international perspectives on financial accountability, good governance, and service delivery efficiency, drawing on the use of the Public Expenditure and Financial Accountability (PEFA) Assessment Tool.

**Chapter Four** provides a theoretical overview of South African government structures and functions responsible for financial accountability, good governance, and service delivery.

**Chapter Five** describes the research design and methodology.

**Chapter Six** presents the empirical findings regarding the impact of financial accountability on good governance and public service delivery efficiency in the selected provincial departments of the NCP.

**Chapter Seven** continues the empirical analysis, focusing on the impact of financial accountability on good governance and public service delivery efficiency within the selected local municipalities of the NCP.

**Chapter Eight** concludes the study by summarising key findings, recommendations, and proposing a financial accountability framework for provincial and local government.

## 1.12 SUMMARY

This chapter offered background details on the problem, including the problem statement, a concise literature review of key concepts, and a summary of previous research related to the topic. It also covered the study's objectives, aims, novelty, a brief overview of the research methodology, ethical considerations, limitations, delimitations, and the overall chapter structure. The following chapter discusses the theoretical frameworks and reviews literature on financial accountability, good governance, and public service efficiency.

## **CHAPTER TWO**

### **THEORETICAL FRAMEWORK AND LITERATURE REVIEW: FINANCIAL ACCOUNTABILITY, GOOD GOVERNANCE AND PUBLIC SERVICE EFFICIENCY**

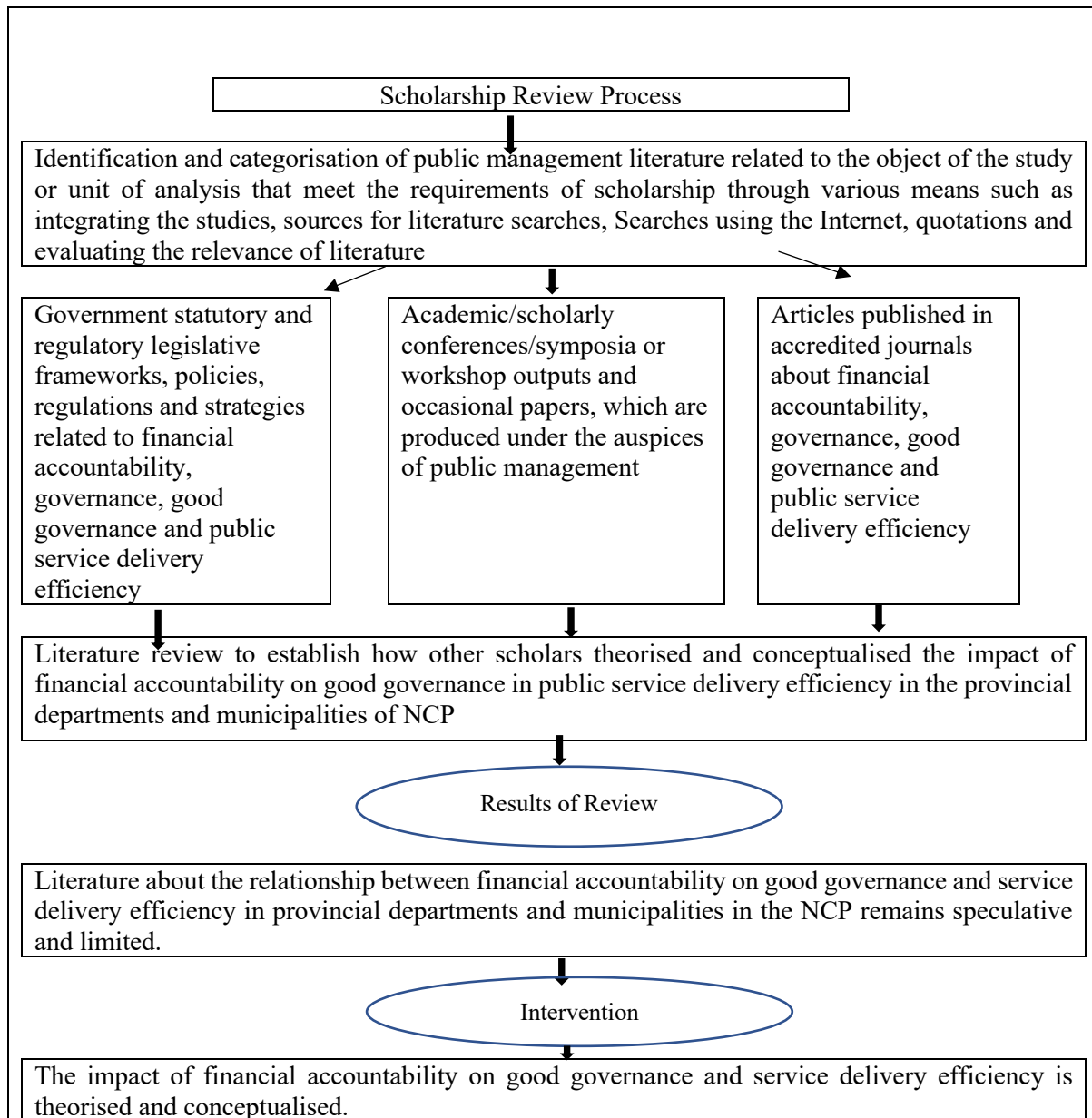
#### **2.1 INTRODUCTION**

The previous chapter outlined the study and provided background information. This chapter addresses the research question: What are the theoretical and legislative principles, standards, and requirements for financial accountability and good governance that enhance the efficiency of public service delivery? The study begins by presenting the theoretical framework that guides it. Next, it conceptualises key concepts such as financial accountability, good governance, and its components, including effective and efficient service delivery, and examines how these are viewed within different legislative frameworks. The researcher also discusses the connections between financial accountability and the variables of good governance and service delivery efficiency. Additional variables related to these concepts, such as financial performance outcomes, the implementation of financial legislation, supply chain management, treasury regulations, the effectiveness of financial controls, and the results of public service delivery, form the core focus of this study.

##### **2.1.1 Conceptual framework of the literature chapter**

While there is extensive literature on financial accountability, governance, good governance, and public service delivery efficiency, this study aimed to present multiple perspectives on how scholars interpret these variables and to identify the existing gaps related to them within the context of provincial departments and municipalities in the NCP. These scholars include researchers who have written extensively on accountability and its various forms, such as financial accountability, good governance, and public service delivery efficiency. As outlined in Chapter One, a literature review encompassing primary, secondary, and tertiary sources (including published and unpublished theses primarily in the discipline of public administration and management, as shown in Figure 2.1 below) was conducted.





(Source: Researcher's interpretation - adapted from Maserumule 2011:29)

**Figure 2.1 Discourse of the literature review process**

## 2.2 THEORETICAL FRAMEWORK GUIDING FINANCIAL ACCOUNTABILITY, GOOD GOVERNANCE, AND SERVICE DELIVERY EFFICIENCY

This study is primarily based on the principal-agent theory, which scholars use to guide research on public accountability, including financial accountability (Gailmard, 2012:2; Braun and Guston, 2003:303). Secondly, the public-service dominant theory of public service delivery and management (Osborne, Radnor and Nasi, 2012:145) has influenced the discussion about improving service delivery efficiency. These theories are outlined below.

### 2.2.1 Principal-Agent Theory

The principal-agent theory, also known as agency theory, provides a common framework for examining public accountability (Gailmard, 2012:2). Braun and Guston (2003:303) suggest that the principal-agent literature concentrates on a specific social relationship, namely delegation, where two actors exchange resources. The theory has been widely applied across various disciplines, including accounting, political science, public administration, psychology, economics, and others. An analysis and assessment of this theory requires identifying who is accountable to whom (Gailmard, 2012:2-3). In this context, public functionaries (political and public officials) are accountable to the citizens (communities) they serve and should be responsible for performing their key responsibilities in delivering healthcare services, educational activities, social services, transport, and safety at the provincial and municipal levels (Gailmard, 2012:2-3). Therefore, accountability in this case encompasses public, financial, performance, and political accountability, as previously mentioned.

Leruth and Paul (2006:6) describe ‘principals’ as those on whose behalf tasks are carried out or who receive public services. The ‘agents’ are government or municipal officials responsible for implementing policies and delivering services to the public or local communities. They point out that many government activities involve ‘principal–agent’ relationships. For instance, a minister, usually the head of a ministry or a political appointee, can be considered the ‘principal’, aiming to ensure that public officials, the ‘agents’, fulfil their election promises. Consequently, in provincial and local governments, political figures such as Members of the Executive Councils (MECs) and public officials, including accounting officers (AOs), serve as principals. Likewise, in local government, mayors (political officials) and municipal managers (public officials and accounting officers) also function as principals.

In both spheres of government, it is the responsibility of agents and public functionaries (political officials, public officials, or municipal officials) to ensure the implementation of the strategic intent towards service delivery. The realisation of service delivery efficiency depends on internal and external controls, good governance, financial performance outcomes, and the effectiveness of financial controls. Based on the principal-agent theory, Leruth and Paul (2006:12) argue that departmental ‘agents’ (public officials) are responsible for ensuring that public expenditure and procurement follow legislative prescripts. Therefore, in this study, the principal-agent theory was employed to guide and explain the relationship between agents (functionaries) and principals (the public or local communities), thereby supporting the

analysis of accountability in promoting financial accountability, good governance, and efficient service delivery.

### 2.2.2 Public-service dominant logic of public services delivery and management

Societal evolution has required various organisations and government departments to collaborate across all sectors in delivering services to communities. The emergence of a public service-dominant logic offers a solid theoretical basis for reviewing the longstanding New Public Management (NPM) theory, which has been influential since the late 1970s (Osborne, 2017:225). This public service-dominant approach emphasises the role of community members or citizens as key stakeholders in service delivery (Osborne, 2017:225). Since an important research focus is on how financial accountability affects the efficiency of public service delivery, this theory provides valuable insights for the discussion. Osborne *et al.* (2013:157) highlight that community members significantly contribute to service delivery through their experience and knowledge, engaging in co-creating value and ensuring government accountability- an aspect central to this study.

Osborne *et al.* (2013:157) further assert that four propositions form the basis of a public-service dominant logic of public services delivery and management. These propositions are listed below:

- **Proposition 1:** Public and community participation is vital because they are key stakeholders in public policy and service delivery, and their involvement enhances both processes.
- **Proposition 2:** A public service-dominant marketing approach is crucial for translating the strategic intent of a public service into a clear 'service promise' or offering, and for shaping the expectations of public service users, as well as the role of government and public officials, by providing and delivering these services. It also offers a strong framework for building trust between government departments and community members, who are the end-users of public services, and for holding the government accountable.
- **Proposition 3:** Adopting a public service-oriented approach, co-production becomes an integral part of delivering public services, prioritising the experiences and knowledge of community members as the end users of public services in the design and delivery process.

- **Proposition 4:** Without a public service-oriented approach, managing public resources would result in more efficient but not necessarily more effective public services (Osborne *et al.*, 2013:157).

Considering the above propositions, one could argue that the public service-dominant approach has played a significant role in recognising community members as key stakeholders in managing and delivering various services, including effective healthcare, high-quality education, dependable transportation, and essential municipal services.

### 2.2.3 New Public Management Theory

The New Public Management (NPM) paradigm or approach as refers to by some scholars became popular in the 1980s after the former Prime Minister, Mrs Margaret Thatcher requested that the public service in the United Kingdom must make use of more business-like practices. The NPM paradigm proposed that public officials should focus on the outcome of their actions and not hampered by red tape and other cumbersome procedures delaying the reaching of objectives and delivery of public services. Therefore, the principles of the NPM paradigm include the nature and values of democratic nations, implying that public officials should work more closely with the public or communities. The NPM paradigm entails that the public sector must adopt management principles from the private sector to increase management effectiveness and productivity (Thornhill, Van Dijk and Ile, 2014:19; Van der Walddt, 2022:284). Landsberg and Graham (2017:188) mentioned that the NPM paradigm can be seen as an approach of managing public services in such a way that applies principles of management traditionally associated with the private or business sector. It means that there have been reforms in the context of public administration and management that led to progression from traditional public administration modules towards managerialism to a new public management approach. The main elements of the NPM paradigm includes *inter alia* the adoption of private-sector management practices in the public sector, such as short-term contracts, performance-linked remuneration systems, and a move away from rules and procedures and controls, towards output measurement and performance targets, that accentuated accountability or accountability framework. Another key element is the devolution of management control with improved reporting and monitoring mechanisms. This led to the new NPM paradigm in public administration.

According to Basheka and Tshombe (2017:5), the NPM paradigm can be explained by five fundamental characteristics namely, the emphasis on results, both in planning and evaluation of programmes and people; promotion of service delivery to the public, with a special concern for quality and the citizen as a client; delegation of authority, as close as possible, to the level of action, empowerment of public officials and public employees; more focus to cost through comprehensive auditing, contracting out and introduction of competition; and private sector techniques for motivating public employees such as merit pay, mission statements and quality circles. Public service delivery efficiency is the ultimate outcome or results of variables such as good governance, financial performance outcomes, implementation of key financial legislation, treasury and SCM regulations, and financial controls, and these are aligned to NPM paradigm that lays emphasis on results, both in planning and promotion of service delivery to the public. According to Mpofana and Ruiters (2019:181), the NPM paradigm spread around the globe as many governments make use of a network of external management consulting firms advocating the adoption of a more managerial approach in government.

Mpofana and Ruiters (2019:182) further point out that the South African approach followed from 1994 was in line with the NPM paradigm that focuses on a slimmed-down state, focussing on reduced levels of public expenditure, increased efficiency in the provision of public services through mechanisms focussing on outsourcing and that extension of the private-sectors role. However, Steinberg (2011:349) points out that the NPM paradigm was oversold to the newly established democracy, which was keen to rapidly transform the old state and deliver services to all. In the South African context, Mpofana and Ruiters (2019:179) argue that since 1994 with the establishment of a democratic government in South Africa, the NPM paradigm was introduced and combined with other policies such as preferential procurement for black-owned companies, anti-union measures such as affirmative action promotions, outsourcing, promotion of black bourgeoisie, and cadre deployment amongst others. A concern is that institutional instability, state capture, large-scale corruption, and the fragmented nature of the state have been the centre of debates in the last few years. Another concern is that South Africa became a major site for policy proliferation, class formation, and neoliberal institutional experiments without building a strong democratic government (Mpofana and Ruiters 2019:182; Pillay and Mantzaris 2017).

Maserumule (2023:939) contents that the promotion of market approaches in the public service creates a conducive environment for self-interest and exploitation of state resources by unscrupulous private consultants. According to Mpofana and Ruiters (2007:113), the NPM

paradigm works best when it is built on the secure foundations of a stable bureaucracy, the NPM paradigm can have very negative effects, when the public service is highly politicised, unprofessional, and the public service ethics is questioned, budgets are unstable, and accountability is poor. Another, criticism against the NPM paradigm was that management principles in the private sector cannot be applied in public sector institutions. It was further argued that the context and circumstances of the two sectors are too different.

The NPM paradigm suggested that more business-like methods, for planning, monitoring, and evaluation, and motivation of cost-effectiveness analysis, decentralise decision-making and eradicate cumbersome rules, measures, and procedures. However, some scholars argue that in the South African public sector context certain management application from the private sector can be used to plan effectively for its effects such as strategic management principles, cost-analysis, and monitoring and evaluation methods (Van der Waldt 2022:284). Thus, one could argue that although the private and public sectors differ in context as some measures and principles suggested by the NPM paradigm to promote effectiveness and efficiency can be applied in the public sector, but without neglecting the need for accountability in the public sector. It is further argued that the NPM paradigm works best in a stable state such as Weberian Bureaucracy; furthermore, it was argued that the NPM paradigm could have a very negative effect when the public service is highly politicised, unprofessional, and public ethics are questioned, budgets are unstable, and accountability is weak.

## **2.3 GOVERNMENT STATUTORY AND REGULATORY FRAMEWORK RELATING TO FINANCIAL ACCOUNTABILITY, GOOD GOVERNANCE, AND SERVICE DELIVERY EFFICIENCY**

The following discussions detail the constitutional obligations associated with the main concepts of this study.

### **2.3.1 Accountability in the *Constitution of the Republic of South Africa, 1996***

The *Constitution* highlights accountability as a core principle to foster effective public administration, including good governance and efficient service delivery across all levels of government. According to Section 46(1) of the Constitution, Parliament is the National Assembly, elected to represent the people. Section 92(2) of the Constitution states that

members of the Cabinet are responsible, both collectively and individually, to Parliament for the exercise of their powers and the fulfilment of their duties (Thornhill, 2015:81).

In a provincial sphere of government, which is the contextual setting of this study, Sections 116(b) and 133 of the *Constitution* establish accountability as a key principle necessary for the internal arrangements, proceedings, and procedures of Provincial Legislatures. This ensures that the needs and aspirations of the people in the provinces, including those represented by the National Council of Provinces (NCOP), are reflected in the provincial legislatures (Thornhill, 2012: 43; van der Walddt, 2021:148).

Section 215 of the *Constitution* stipulates that national, provincial, and municipal budget, as well as their processes, must promote transparency, accountability, and the effective management of the economy. In the context of local government, the *Constitution* specifies in Chapter 7, Section 151 that the local sphere of government comprises municipalities that must be established across the entire territory of the RSA, and that the executive and legislative authority of a municipality is vested in the municipal council. Section 152 (1)(a) declares that local government must provide democratic and accountable governance to local communities (Thornhill, 2014:20). Therefore, accountability, including financial accountability, is a constitutional obligation that must be upheld by all three spheres of government.

In addition to the above, Section 100 of the *Constitution* outlines the intervention of the national government if a province fails or refuses to fulfil an executive constitutional obligation. Section 139 provides for provincial interventions in municipalities if a municipality cannot or does not fulfil an executive constitutional obligation (Munzhedzi, 2014:700).

### **2.3.2 Governance in the *Constitution***

According to Section 40(1) of the *Constitution*, South Africa's government has three distinct yet interconnected and interdependent spheres: national, provincial, and local (Munzhedzi, 2014:699). Section 41(1)(c) mandates that all these spheres adhere to principles of co-operative governance to promote an effective, transparent, and cohesive government for the RSA. While the constitution emphasises accountability across all government levels, Section 195(a-i) sets out core values guiding public administration, including maintaining high professional ethics, using resources efficiently, focusing on development, providing impartial and equitable services, ensuring transparency through accessible and timely information, fostering good



human resource practices, ensuring broad representation, and being accountable to communities (Thornhill 2015:82-83; Holtzhausen in Draai, Van Rooyen & Raga, 2016:94; Jordaan, 2013). This accountability aligns with the principal-agent theory, which states that officials are accountable to citizens (Gailmard, 2012:2-3).

Chapter 9 of the *Constitution*, Section 181, defines the principles for establishing and governing state institutions that uphold constitutional democracy in the RSA through effective governance and efficient public service. As per Section 181(2), these institutions are independent, bound by the *Constitution*, and must act impartially, exercising their powers without fear, favour, or prejudice. This underscores their important role in financial oversight, ensuring compliance with financial laws, treasury procedures, and SCM regulations. Their responsibilities to enhance financial accountability, good governance, and service delivery are detailed in Sections 182 and 188 of the *Constitution* (Moeti, 2019:53). The following institutions are examined: the Public Protector, the Auditor-General, and the Public Service Commissioner.

### **2.3.2.1 Public Protector**

In terms of Section 182 (a) to (c) of the *Constitution*, the Public Protector has the authority to investigate any conduct in state affairs or in the public administration across any sphere of government that is alleged or suspected to be improper or to cause any impropriety or prejudice, to report on that conduct and to take appropriate remedial action (Thornhill 2015:84; Moeti, 2019:53).

### **2.3.2.2 Auditor-General of South Africa**

Section 188(a) and (b) of the *Constitution* grant the Auditor-General of South Africa (AGSA) the authority to audit and report on the accounts, financial statements, and financial management of all three spheres of government. Thornhill (2015:85) states that, under Section 188 of the *Constitution*, the Auditor-General is obliged to audit and report on the accounts, financial statements, and financial management of national and provincial departments and administrations, municipalities, and other entities. The Auditor-General must submit reports to the relevant legislature, municipal council, or any other authority designated by national legislation, and must ensure that the public has access to all reports for scrutiny. Van Niekerk and Dalton-Brits (2018:121) highlight that, in accordance with Section 4(c) and (d) of the

*Auditor-General Act* (Act 15 of 1995), meetings where the findings of the Auditor-General's annual audit reports are presented may not be conducted behind closed doors. Therefore, the Auditor-General plays a crucial role in fostering accountability across all three spheres of government.

### **2.3.2.3 Public Service Commission**

The Public Service Commission (PSC) is mandated, under Sections 196(5) to (12) of the *Constitution*, to investigate, monitor, and evaluate personnel practices in the public service. The PSC must assess how well the public service adheres to the constitutional values and principles outlined in Section 195(1) and suggest measures to enhance effective and efficient performance within the public service (Thys and Wait 2020:69). This Commission is constitutionally tasked with investigating, researching, monitoring, evaluating, communicating, advising, directing, and reporting on the public service's compliance with the values and principles specified in Section 195(1) of the *Constitution* (Public Service Commission, 2014:1).

Considering the above, the researcher has outlined the constitutional foundation regarding accountability as a principle in governance, along with the core values and principles of public administration and management. The importance of Chapter 9 institutions and the principles and values detailed in Chapter 10 of the *Constitution* was emphasised as crucial for strengthening governance to enhance efficient public service delivery and accountable governance.

### **2.3.3 Constitutional setting of spheres of government on accountability, good governance, and public service delivery efficiency**

Accountability is a fundamental constitutional requirement across all levels of government in the RSA, established by Section 195(1) of the *Constitution*. Each of the three government spheres is responsible for delivering services in an honest, transparent, accountable, effective, and efficient way. The local government sphere, which includes municipalities, is outlined in Chapter Seven, Sections 151 to 164 of the *Constitution*. According to Section 152(1), municipalities are tasked with providing democratic and accountable local government, ensuring sustainable service delivery, promoting social and economic development, fostering a healthy and safe environment, and involving communities and organisations in local

government matters. Section 152(2) emphasises that municipalities should aim to meet these goals within their financial and administrative capacities, functioning efficiently, effectively, and economically. The subsequent discussions focus broadly on financial issues as detailed in Chapter 13 of the Constitution (Munzhedzi, 2016:1; Ndevu, 2019:26; Prinsloo, 2013:3).

Chapter 13, Section 215 of the *Constitution* states that national, provincial, and municipal budgets, along with their processes, must promote transparency, accountability, and the effective management of public resources and debt within the public sector. Notably, Sub-Section 2(c) specifies that each sphere of government's budget must disclose income sources and show how planned expenditure complies with national legislation. Additionally, Section 216 requires the National Treasury to enforce treasury control across all three spheres of government, ensuring compliance with generally recognised accounting practice (GRAP) and standardised expenditure classifications as normative guidelines for good financial governance.

Given the above, it can be argued that financial accountability is an essential principle across all three spheres of government, in line with the *Constitution* and consistent treasury norms and standards. Therefore, accountability (covering financial accountability, good governance, and efficient service delivery) is a fundamental constitutional duty of each sphere. The discussion also highlighted that, according to the *Constitution*, provincial departments and municipalities are required to adhere to the financial control measures set by the National Treasury. A more comprehensive understanding of financial accountability as a key factor influencing good governance and efficient public service delivery is reflected in financial regulatory legislation, as illustrated in the sections below, including the *PFMA*, *MFMA*, and various policy documents such as the NDP, treasury legislation, and SCM regulations.

#### **2.3.4 Public Finance Management Act (Act 1 of 1999)**

The *PFMA* enacts Section 216 of the *Constitution* and governs the national, provincial, and public entities under its control. It also introduces financial management reforms that assign greater responsibility to public service managers, making them accountable for their performance (Fourie, 2018:275). De Vries, Nemec, and Špaček (2019:146) note that the *PFMA* promotes transparency, accountability, and proper management of revenue, expenditure, assets, and liabilities across all levels of government. It oversees financial management at both the national and provincial levels and serves as a precursor to the *MFMA*, which regulates local government (De Vries et al., 2019:146). To enhance public financial management, the National

Treasury has issued Treasury Regulations aligned with the *PFMA* (Theletsane, 2014:38). Alam, Mokate, and Plangemann (2016:22) emphasise that the *PFMA* is based on holding managers accountable for the prudent use of financial resources to implement government policies.

Jordaan (2014:159-160) asserts that, according to the *PFMA*, the administrative head is usually the director-general at the national level, while the provincial head of department is responsible and accountable to Parliament or the Provincial Legislature for implementing policies, outputs, and managing and executing the budget. Additionally, Jordaan (2014:159-160) further notes that the *PFMA* assumes that the political head of a department (Cabinet Minister or provincial MEC) is responsible for public policy decisions and outcomes, which require approval by Parliament or the provincial legislature, including the adoption of the department's budget vote.

In terms of Section 136 of the *PFMA*, every department must have an accounting officer (AO). In accordance with Section 38(1)(a), the AO of national or provincial departments must ensure that the department maintains effective, efficient, and transparent systems of financial and risk management, as well as internal control (Moeti, 2019:58). This section, 138(1)(a), further stipulates that the AO must ensure a system of internal audit that operates under the guidance of the audit committees. While Section 138(1)(b) of the *PFMA* states that the AO is responsible for the effective, efficient, and economic use of public resources within a department or entity, Section 138(1)(c) specifies that the AO must prevent unauthorised, irregular, fruitless, and wasteful expenditure, and must report expenditure details in writing to the treasury and relevant Tender Board in cases of irregular expenditure related to the procurement of goods or services.

In addition to the above, Section 38(a)(iii) of the *PFMA* requires the AO to manage an appropriate procurement and provisioning system that is fair, equitable, transparent, competitive, and cost-effective, as well as oversee a system responsible for all major capital projects. This ensures that every member of the public has the right to access information on how procurement and provisioning of suppliers in the public service are carried out. Furthermore, under Section 38(1)(g), the AO must take the necessary disciplinary actions against any official who fails to comply with or contravenes any provisions of the *PFMA*.

Sections 76 and 77 of the *PFMA* specify that the AO of a department or entity must supervise an internal audit system under the control and guidance of an audit committee to promote financial accountability, good governance, and the effective and efficient use of financial

resources (Fourie, 2018:288). Consequently, an accountable role is assigned to the AO to ensure the effective, efficient, and economical use of public resources. Jordaan (2013:162-163) contends that under the *PFMA*, the AO is responsible for operating essential financial management systems, including internal controls. The AO must ensure that the department does not overspend its budgets and is accountable for the department's financial reporting in accordance with prescribed time frames, such as the publication of annual reports in a specified format and the release of performance reports. Therefore, the *PFMA* permits AOs to manage the department while also holding them accountable for the utilisation of resources within that department.

### **2.3.5 The Local Government: Municipal Finance Management Act (Act 56 of 2003)**

De Vries *et al.* (2019:146) emphasise that the MFMA establishes governance over local government financial management. It is relevant to every aspect of financial management, from operating bank accounts and preparing budgets to incurring debts, overall financial management, and SCM (Siddle and Koelble, 2012:109).

According to Ngqobe, Fourie, and Tshiyoyo (2021:113), Section 62(1) of the *MFMA* states that the municipal manager is the accounting officer responsible for managing a municipality, and within the scope of this study, for its financial accountability. It further specifies that municipal resources should be used effectively, efficiently, and economically, with comprehensive and accurate records of the municipality's financial activities maintained in line with any prescribed norms and standards. This aligns with the NPM theory, which stresses the importance of efficiency and the optimal use of resources. Additionally, Section 62(1) stipulates that the municipality must maintain an effective, efficient, and transparent system for financial management, risk management, and internal control, with internal audits conducted in accordance with established norms and standards. To support the proper utilisation of municipal resources as outlined in this section, accountability structures such as the council, oversight committees, the Provincial Legislature, and national departments, including the National Treasury, must be capable of fulfilling their roles and responsibilities effectively.

Masehela, Mamogale, and Makhado (2012:346) emphasise that the municipal council plays a crucial role in oversight, accountability, and policymaking, as outlined by Section 79 of MSA, 1998, and Section 129 of *MFMA*. In addition to formulating policies and their outcomes, the municipal council and MPACs should hold the municipal administration accountable for policy implementation and results (Masehela *et al.*, 2012:346). According to Section 105 of the

*MFMA*, managers are responsible for ensuring effective and efficient operations, including reporting, compliance with regulations governing internal control, and maintaining good governance practices (Ncgobo and Malefane, 2017:79). While managers are accountable for financial management, Section 105 of *MFMA* also requires all public officials to ensure that financial management systems and internal controls are consistently adhered to, and any acts of financial misconduct are reported to the accounting officer (Ncgobo and Malefane, 2017:80). Provincial government interventions under Section 139 of the *Constitution* and Sections 136 and 137 of *MFMA* enable the provincial government to intervene in municipal affairs. Under Sections 141 and 142 of the *MFMA*, at the request of a provincial executive, a suitably qualified individual within the municipality must prepare a financial recovery plan for a mandatory provincial intervention, as stipulated in Section 139 of the *Constitution*.

Section 142(12) of the *MFMA* states that a financial recovery plan aims to ensure a municipality's ability to meet its obligations to deliver basic services or fulfil its financial commitments, whether for discretionary or mandatory intervention. The financial recovery plan remains effective until the municipality recovers its capacity to meet its responsibilities to provide essential services to its community or to satisfy its financial commitments (Dondashe, 2014:5). This makes the *MFMA* a vital regulatory legislative framework for financial accountability, good governance, and efficient public service delivery.

### **2.3.6 White Paper Documents**

The importance of accountability, good governance, and effective public service delivery is emphasised in many RSA white paper documents. This chapter reviews the white papers related to the three spheres of government: national government, provincial governments, and local municipalities. Jordaan (2013:4) highlights that accountability is particularly crucial at the provincial and local municipality levels, as these are the areas where a significant portion of the national budget is allocated to address social issues through housing, health, education, and municipal services. In the context of this study, relevant white papers on provincial departments and local municipalities are discussed in this section. A common theme of similarity and alignment appears across the various white papers concerning accountability, governance, and the efficiency of public service delivery, which are outlined below.

- *White Paper on National Health Insurance, 2015 (WPNHI)*,

- *White Paper on the Transformation of the Health System of South Africa*, 1997 (WPToHS),
- *White Paper on the Transformation of Education* (WPET),
- *White Paper on Organisation Governance and Funding of Schools*, 1996 (hereinafter referred to as WPOGFoS),
- *White Paper on the National Transport Policy*, 1996 (WPNTP),
- *White Paper on the Transformation of the Public Service*, 1997 (WPToPS),
- *White Paper on Local Government*, 1998(WPoLG).

These white papers emphasise that South Africans, like citizens of any other country, expect their government to provide and deliver quality services in a more responsive, transparent, accountable, and efficient manner (WPLG, 2007:9; WPNTP, 1996:3). The *WPToPS* (1997) stipulates that public services should be delivered economically and efficiently to offer citizens the best possible value for money. The *WPET* (1995:22) states that fostering a culture of accountability, including financial accountability, is vital for restoring a culture of teaching, learning, and management. Section 3.20 of the *WPOGFoS* (1996:4) specifies that provincial departments of education are responsible for the funding and performance of schools. This means that the provincial education departments in South Africa, including the NCDoE, must ensure they have adequate capacity to coordinate and manage schools' functions in line with established laws, regulations, and procedures. Moreover, it specifies that when schools violate rules, laws, or procedures related to public fund management, it is the provincial government's responsibility to step in and enforce compliance.

Regarding healthcare service delivery, the *WPNHI* (2015:13) states that the NHI aims to create a more responsive and accountable healthcare system. A responsive system is expected to enhance patient satisfaction, improve citizens' quality of life, and lead to better health outcomes across various socio-economic groups (WPNHI, 2015:13). These white papers emphasise accountability as a constitutional duty for good governance, entrusted to government spheres and municipalities, and underscore the strong link between accountability, governance, and efficient public service delivery. The *WPToPS* (1997:15), also known as the 'Batho Pele' principles, recommends that to deliver services effectively, national and provincial departments should consult their clients about their needs and priorities, and develop service standards with implementation plans. Holtzhausen, as cited in Draai *et al.* (2016:95), explains that the *WPTPS* (1997) 'Batho Pele' requires that citizens be provided with complete and accurate information



regarding their entitled services. Jordaan (2013:149) and Thornhill (2012:111) note that the *WPTPS* (1997:6) offers principles and values aimed at promoting effective service delivery.

- **Consultation** involves engaging all citizens in discussions about the level and quality of public services they receive. Whenever feasible, citizens should also be provided with options regarding the services offered.
- **Service standards** mandate that all citizens be informed about the level and quality of public services they can expect.
- **Access** implies that all citizens should have equal access to the services they are entitled to.
- **Courtesy** entails that citizens should be treated with courtesy and consideration (*WPTPS*, 1997:6),
- **Information** refers to citizens being given complete and accurate information about the public services to which they are entitled.
- **Openness and transparency** concerns citizens' right to be informed about how national and provincial departments are managed, their associated costs, and the individuals in charge.
- **Redress** involves an apology, a thorough explanation, and a prompt, effective remedy when the promised standard of service is not met; citizens should receive one. Additionally, when complaints are made, citizens should be met with a sympathetic and positive response.
- **Value for money** relates to public services that should be delivered economically and efficiently to ensure citizens receive the best possible value for their money.

In the realm of local government, a pivotal development occurred with the publication of the *WPLG* in 1998, introducing a new vision centred on developmental local government. The *WPLG* emphasises sustainable practices to improve and elevate the quality of local communities. Its three core strategies focus on integrated development planning and budgeting, performance management, and fostering participation from local communities and partners (van der Walddt *et al.*, 2018:47). Based on this, one can assert that all three levels of government should aim to uphold the 'Batho Pele' principles to foster good governance and enhance the efficiency of public service delivery across the board.

### 2.3.7 Codes of Ethics

Ethics relates to behaviour and mental orientation, especially concerning choices that could affect the dignity and well-being of others (Wajim and Ukpata, 2023:140). Wajim and Ukpata (2023: 140) regard ethics as the study that differentiates between what is right or wrong, good or bad, and what is morally acceptable. Meanwhile, Gildenhuys (2016:18) defines ethics as an embodiment of principles and standards guiding human behaviour. This suggests that ethical behaviour involve principles and values recognised by society. According to Section 195(1)(a) of the *Constitution*, public administration must be governed by democratic values and principles enshrined in the *Constitution*, and a high standard of professional ethics must be promoted and maintained. Principles and values are fundamental components of codes of ethics (Gilman, 2005:12). While principles are expectations or rules for behaviour, seen as standards, values represent broad moral obligations (Gilman, 2005:10). Therefore, in this study's context, financial accountability serves as a vital principle for achieving good governance and effective public service.

Good governance, acting as a mediating variable, influences the relationship between financial accountability and public service, serving as a crucial value necessary to achieve the ultimate goal of providing efficient public service, which society greatly values. Van Niekerk (2023) states that ethics, oversight, and accountability are integrated within many statutory and regulatory frameworks. For example, the *Executive Members' Ethics Act* (Act 82 of 1998) establishes a code of ethics governing the conduct of cabinet members, deputy ministers, and members of the provincial executive council. Chapter 2 of the Public Service Regulations, 2016, outlines a code of ethics concerning conduct, financial disclosure, anti-corruption measures, and ethics management. However, van Niekerk (2023) argues that the effectiveness of ethics codes is often compromised by adverse reports about state capture, corruption, and unethical behaviour among senior officials, which undermine public trust and confidence in the South African government. Similarly, Gilman (2005:16) contends that any codes will remain ineffective without the necessary institutional mechanisms for implementation.

Schedule 1 of the *MSA*, 2000, outlines the Code of Conduct for Municipal Councillors, emphasising that councillors are elected to serve and represent local communities on municipal councils. Consequently, they must be answerable to their communities and provide updates to their constituencies at least quarterly. Meanwhile, Schedule 2 of the *MSA* specifies the Code of Conduct for Municipal Members, which requires municipal staff to uphold the core values

and principles of public administration outlined in Section 195(1) of the *Constitution*, including fostering accountable local government. The legislative provisions mentioned above primarily focus on accountability in general. However, they do not specifically address financial accountability or its influence on good governance and the efficiency of public service delivery. Therefore, further investigation is necessary to understand how financial accountability impacts good governance and public service delivery in the selected provincial departments and municipalities within the NCP. The following sections present the core concepts of the study.

## **2.4 CONCEPTUALISATION OF CONCEPTS**

This section aims to provide a conceptual and theoretical understanding of previous research, as reflected in academic books, journals, theses, dissertations, scholarly articles, conferences, and symposia. Different perspectives on the variables of financial accountability, good governance, and public service delivery are organised into subheadings based on the distinct variables that form the core of this study. The theoretical frameworks underpinning this research and their connections to the study are also discussed.

### **2.4.1 Financial Accountability**

Accountability begins with the commitment of public servants at all levels to develop strong, honest, transparent, and legally grounded relationships within processes, systems, and organisational principles and responsibilities (Ndevu, 2019:26). Sebakamotse (2020:9) explains that financial accountability pertains to explaining how public funds are used to implement government policies and provide services to communities. Allen, Schiavo-Campo, and Garrity (2016:18) state that financial accountability involves resource mobilisation, allocation, utilisation, controls, and the interactions between the executive, legislative branches, and civil society regarding fiscal and budget matters. Accountability means holding officials responsible for their actions and the management of entrusted funds. Public officials (both political and public) should be individually and collectively accountable for the collection, safeguarding, and effective use of public funds, consistent with the principal-agent theory. Dewi *et al.* (2019:1376) argue that financial accountability is a form of accountability that ensures public institutions use funds economically, efficiently, and effectively. Although national and provincial treasuries monitor the financial health of local governments, oversight

bodies such as SCOPA, PPAC, and MPACs can hold municipal officials accountable for their duties.

The National Planning Commission dedicates Chapter 14 of the National Development Plan (NDP) to emphasising the importance of promoting accountability in both the public and private sectors as a way to combat corruption (NPC, 2011:401-410). Corruption undermines the quality and accessibility of public services. An accountable state can be achieved if provincial governments and local municipalities focus on building a resilient anti-corruption system, reinforcing accountability and responsibility among public servants, creating an open and responsive public service, and improving judicial governance and the rule of law (NPC 2011:402). The NDP (2017:88) also highlights accountability as a strategic key to sustainable development, especially concerning goals 10 and 11, which aim to reduce inequality and foster sustainable cities and communities, as discussed in Chapter One of this study. Furthermore, the National Treasury, which manages the nation's financial resources, considers accountability a core value (National Treasury, 2020-25; 2020:14). Its policy mandate emphasises ensuring transparency and sound financial controls in managing public finances (National Treasury, 2020-25; 2020:12).

Financial accountability, as outlined, involves the allocation, use, tracking, and reporting of financial resources (Botlhoko, 2017:81; Khanyile, 2016:18). Consequently, national, provincial, and local governments (municipalities) must provide detailed reports on their spending and accomplishments and ensure stakeholder ethical conduct. It is crucial for these levels of government to regularly report on their financial status, monitor liquidity, and uphold accountability. Departments that fail to maintain proper balances or manage funds reliably from budget to execution are considered inefficient (Andrews and Shah, 2010:194).

Section 1.7.2 emphasises that the main tools for fostering financial accountability are government budgets, regularly published public finance data, annual accounts, and reports from independent agencies such as investigations and other oversight bodies (Premchand 2013:155). Additionally, Sebakamotse (2020:10) states that the primary oversight structures are delegated bodies within provincial and municipal legislatures, such as public accounts committees, municipal accounts committees, audit committees, and other portfolio committees, including Section 79 and 80 committees in local municipalities. These committees are tasked with ensuring the implementation of control measures, including reports from executive branches and officials, to hold executives responsible for managing public funds.

Despite these control mechanisms, issues such as irregular spending, fruitless and wasteful expenditure, corruption, and incompetence cost all three levels of government approximately 100 billion annually (Gumede, 2021:20).

The Auditor-General's *MFMA* Consolidated Report on Local Government Audit Outcomes for 2018/19 (AGSA, 2020:4) showed that only 8% of the 257 local municipalities received clean audits. Just 18% (44) submitted error-free financial statements, while 48% (109) of achievements reported were deemed unreliable. Financial mismanagement resulted in material irregularities totalling roughly R32 billion. Additionally, the AGSA (2020:4) notes that despite contracting consultants at a cost of R1.26 billion to help prepare financial statements, municipal financial management did not improve; 59% (134) of the submitted statements for audit had significant flaws. This suggests that weak oversight and poor financial accountability have hindered good governance and efficient public service delivery. Key elements of financial accountability are detailed below.

#### **2.4.1.1 Performance Budgeting as an Important Component of Financial Accountability**

Moeti (2019:102) describes a budget as a documented source of information on expected income and expenses over a specific period. Additionally, Moeti (2019:103) considers a budget as a report to stakeholders, particularly the public, enabling verification that expenditures and revenue collections align with plans or mandates. Theletsane (2014:177) regards budgets as crucial tools for financial accountability. Instead of viewing budgeting solely as a means to allocate resources, it should also serve as a tool to enhance efficiency, effectiveness, and accountability in public spending. Although various budgeting approaches exist, the RSA government employs performance budgeting, which is why this section focuses more on that method (Theletsane, 2014:250).

Blazey and Nicol (2018:6) emphasise that performance budgeting encompasses spending reviews, programme evaluations, and the development of annual budgets informed by performance data. Brumby and Robinson (2005:14) state that it includes processes designed to strengthen the link between public funds and expected outcomes, utilising formal performance data to steer budget decisions. Downes, Moretti, and Nico (2017:14) outline four models of performance budgeting: rational budgeting, performance-informed budgeting, direct performance budgeting, and managerial performance budgeting. They clarify that rational budgeting offers performance data alongside the annual budget; performance-informed

budgeting uses such data to shape financial choices; direct performance budgeting shares performance information with financial data tied to specific objectives, directly influencing budget allocation; and managerial performance budgeting employs performance data for managerial oversight and accountability.

According to Blazey and Nicol (2018:3-5), the best practices of performance budgeting in OECD countries include:

- The rationale and objectives of performance budgeting are explicitly documented.
- Performance budgeting aligns expenditure with the strategic priorities and goals of government.
- The performance budgeting approach enables flexibility in managing the diverse nature of government activities and the complex relationship between spending and outcomes.
- The government invests in human resources and the necessary infrastructure to complement performance budgeting.
- Performance budgeting facilitates systematic oversight by the legislature and civil society, enhancing financial accountability.
- Performance budgeting enhances other tools aimed at boosting performance orientation, such as programme evaluation and spending reviews.
- Incentives within the performance budgeting system promote performance-driven behaviour and learning (Blazey and Nicol, 2018:5).

Based on the approaches above, one could argue that aligning performance budgeting with strategic priorities is essential for improving financial accountability. Once aligned with strategic goals, spending patterns can be monitored more effectively to ensure they support planned activities. Additionally, oversight committees within the legislature or council should be empowered to carry out their oversight functions and hold public officials accountable for the expenditure of public funds. According to the principal-agent theory, the legislature must ensure that public officials and the executive are answerable for how public funds are used. Downes *et al.* (2017:13) identify several benefits that result from implementing performance budgeting, including:

- **Evidence-based policy making:** A clear correlation between budgets, results, and impacts, along with access to findings from various sectors and comparable countries

and regions, helps establish a foundation for an evidence-based policy-making approach.

- **Promoting ‘Culture Shift’:** The practice of defining objectives, designing indicators, outcomes, and impacts, and tracking progress is essential for shifting from a traditional input-based model to a governance model that prioritises results and performance.
- **Budgetary decision-making:** The performance budgeting system provides the necessary information to facilitate annual and multi-year budgeting, including ensuring the correct allocation of resources (Downes *et al.*, 2017:14).

The points discussed above emphasise the importance of budgeting in financial management and its influence on governance, as well as its subsequent effect on the efficiency of public service delivery. From this discussion, one could argue that effective budgeting and budget performance, as elements of public financial management, help to promote public financial accountability, good governance, and efficient service delivery.

#### **2.4.1.2 Financial performance as a key aspect of financial accountability**

Financial performance refers to the process of evaluating an institution's results in monetary terms based on its policies and operations. In local government, the audit process acts as a tool to assess the municipality's overall financial performance over a specific period (Mamogale, 2014:88). To evaluate or analyse the financial performance of a government department or municipality, Mamogale (2014:88) emphasises that financial statements are a crucial instrument in performance analysis. Kleynhans and Coetzee (2019:6) note that financial performance is typically measured using financial ratios, which assess revenue, operating income, profit, the strength of the balance sheet, cash flow, debt levels, and the ability to meet financial commitments. It also considers reliance on government transfers, capacity to generate own revenues, and expenditure trends.

Jordaan (2013:6) states that developing countries are beginning to recognise that issues in public departments such as health, education, and agriculture may share a common origin, namely weak public financial performance management. Kleynhans and Coetzee (2019:6) propose that control over resources could lead to improved financial performance in local governments. To support effective resource control, the skills of the management team also play a crucial role. Where the mayor and top management possess higher levels of education



and relevant experience, local authorities tend to perform better, and their financial performance remains stable, demonstrating growth (Kleynhans and Coetzee, 2019:6).

Quarterly monitoring reports, in-year financial monitoring reports, and annual assessment reports are crucial tools utilised by various directorates or programmes to oversee and assess the financial performance of government departments. These reports evaluate performance against key strategic priorities by measuring progress toward meeting set targets (Alexander, 2018:154). According to Sebakamotse (2020:189), the AOs are therefore obliged to compile annual reports for their respective organisations, which must accurately depict the performance and financial position of a government entity for a specific fiscal year. The information included in the annual report should, therefore, demonstrate the achievement of a provincial government department in relation to the objectives outlined in the strategic plan and the organisation's annual budget for that fiscal year. The annual report, along with mid-year budget and performance assessment reports, can be regarded as essential oversight tools to hold political office-bearers and public or municipal officials accountable for their decisions and actions (Sebakamotse, 2020:189).

#### **2.4.1.3 Financial controls as a key mechanism to ensure financial accountability**

Sibanda (2017:317-318) states that financial control includes policies, procedures, reporting, auditing, and mechanisms aimed at addressing misconduct and ensuring transparency during issues. Muzaale and Auriacombe (2019: 152) emphasise that financial controls are crucial for maintaining government accountability, preventing the misappropriation of public funds, and ensuring transparent financial transactions. Section 216 of the *Constitution* creates a National Treasury to improve transparency, accountability, and sound financial management of public funds. To achieve these objectives, Section 18 of the *PFMA* mandates provincial governments to supervise budget implementation and promote transparency and effective management of revenue, expenditure, assets, and liabilities across provincial departments and public entities.

The *PFMA* requires both national and provincial departments to establish internal audit functions, create audit committees, and adhere to generally accepted accounting principles. Section 40(1)(a) mandates keeping accurate records of financial activities. It also requires the AO to produce annual financial statements in accordance with generally accepted accounting standards, which are then reviewed by the Auditor-General and the Treasury. Gildenhuys

(2018) highlights that, for effective implementation of the *PFMA*, these financial statements and audit reports should be submitted to the legislative assembly, which holds the executive accountable for financial performance. Oversight bodies, such as public accounts standing committees, portfolio committees, internal audit units, and audit committees, are crucial for ensuring accountable governance at the provincial and local levels.

Specifically, at the provincial level, Public Accounts Committees (PACs) assist in scrutinising government expenditure, policy implementation, and administration (Botlhoko, 2017:173). This author also notes that the Municipal Public Accounts Committee (MPAC) should perform functions similar to those of SCOPA at the national level and the PPSC at the provincial level, although without certain powers, such as subpoenaing individuals (Botlhoko, 2017:163). When municipalities incur irregular, wasteful, or fruitless expenditures, MPACs have the authority to summon the municipality's accounting officer to appear and provide information. Makhado, Maschela, Motimele, Mokhari, and Maluleke-Nyathela (2012: 4) add that MPAC reviews financial statements and audit reports, assesses the annual report, and promotes good governance, transparency, and accountability. They can also recommend investigations within their jurisdiction if needed.

## **2.4.2 Good Governance**

Prinsloo (2013:3) states that governance can be applied across various contexts, including international, corporate, national, and local levels. Maserumule (2011:3) observes that within NEPAD, good governance is regarded more as a principle than merely a concept. As a principle, good governance provides a normative guideline indicating what is right or aligns with universal societal laws (Maserumule, 2011:3). Prinsloo (2013:3) describes it as the process of decision-making and how decisions are implemented or not implemented. Regardless, the core principles of sound governance are accountability and responsibility (CFO Handbook for Departments, 2011:7). Keping (2017:3) emphasises that governance is an ongoing process, reflecting the collective ways in which individuals and institutions manage their affairs.

### **2.4.2.1 Element One: Public Participation in Governance**

Public participation is an essential part of a democratic society. It should not be seen as a privilege given to the community, but as a constitutional right (Maphazi, Raga, Taylor and

Mayekiso, 2013:56). Maloba and Auriacombe (2019:163) suggest that citizen participation is the most important element of a democratic developmental state. In local government, the state must ensure that citizens can access basic services. This highlights the significance of the principal-agent theory and the public service dominant theory, both of which focus on the relationship between public officials and community members. According to the principal-agent theory, public participation involves principals (community members) who are responsible for holding agents (public officials or public servants) accountable for their governance duties. Kolisang (2019:iii) stresses the principal-agent theory, where principals (members of the community) can monitor and enforce compliance among agents (public officials or municipal officials) through public participation.

Dywili and Draai (2019:257) state that policy and statutory obligations position municipalities as platforms for service delivery in line with their Integrated Development Plans (IDP). The IDP provides a space where both the municipality and the community can engage in governance matters (Dywili and Draai, 2019:256). Public participation is essential for good governance at municipal councils. It can lead to effective service delivery by ensuring residents are involved in developing the IDP and contribute to the municipality's budget planning. To complement public participation from a principal-agent perspective, the public-service dominant theory of public service delivery and management asserts that members of the public and community stakeholders are key participants in public policy and service delivery processes, and their engagement adds value to governance (Osborne *et al.*, 2013:157). Furthermore, as outlined in Section 1.4, adopting a public service-dominant approach makes cooperation and public participation integral to public service delivery, centring the experiences and knowledge of community members as the end users of services, which is crucial for designing and delivering effective and efficient public services (Osborne *et al.*, 2013:157).

#### **2.4.2.2 Element Two: Transparency**

As previously discussed in Section 2.3.3, openness and transparency are fundamental principles according to the *WPTPS* (1997:16). They hold that citizens should be informed about the management, costs, and leadership of national and provincial departments. In the use of public funds, transparency can help promote good governance. When processes and procedures related to revenue and expenditure management are transparent within government entities, the risk of mismanaging public funds decreases. Malombe and Auriacombe (2019:163) note that

transparency and human rights protection are linked, fostering cooperation and trust between the state and its citizens. Downes *et al.* (2017:13) suggest that transparency involves sharing performance information, which helps both public officials and citizens understand fund utilisation and procurement activities. It also assesses public service delivery, quality standards, and efficiency levels. Overall, transparency enhances public trust and confidence in the management of public funds, supporting the public-service dominant theory of service delivery. Therefore, transparency is a crucial factor in achieving good governance.

#### **2.4.2.3 Element Three: Accountability**

Accountability is widely regarded as the cornerstone of good governance (McNeil and Malena, 2010:1). According to the OECD (2014:13), accountability refers to the relationship between the state and society, emphasising the need for improved governance. Public officials responsible for managing state resources must account to their citizens for how these resources are utilised (Ugwu and Okoli, 2021:20). Van Bussel (2021:62) notes that the meaning of accountability varies across different contexts. He also argues that despite these differences, all interpretations relate to the idea of ‘being accountable’, with varying definitions and properties (van Bussel, 2021:64). Rock (2020:13) observes that although accountability is contested, there is a shared understanding that it functions as a relational mechanism, assessable through questions such as: who is accountable, to whom, for what, and why? Sambo and Kanyane (2020:27) highlight that the concept has evolved, now also encompassing financial management and stewardship of public finances across government sectors.

#### **2.4.2.4 Element Four: Rule of law**

Johnston (2003:2) describes the rule of law as the exercise of state authority guided by, applied according to, and documented in written standards that uphold widely supported social values, prevent favouritism, and have broad public backing. Maloba and Auriacombe (2019:163) state that good governance relies on the rule of law, meaning decisions are made following relevant laws, policies, and regulations. In South Africa, the *Constitution* is the highest law and the primary foundation for all legislative frameworks, policies, and regulations (Maloba and Auriacombe, 2019:163). When the rule of law functions effectively, public officials who commit embezzlement, fraud, or misconduct are prosecuted and face appropriate sanctions (Matshaphala, 2016:777).

According to Sannerholm (2022:238), accountability is a vital element of the rule of law, helping to prevent and diminish arbitrary power. The consequences of such unchecked power have been experienced in Africa, where nonresponsive and unaccountable governance has severely affected the people. In this context, corruption and governance failures have caused African governments to struggle in achieving the Sustainable Development Goals, including reducing poverty and enhancing human development. Matshaphala (2016:777) states that good governance in any country is characterised by the rule of law, where every citizen is governed by the laws of the land rather than by the whims of individuals or influential groups. Therefore, the rule of law can be regarded as a fundamental pillar in promoting good governance.

#### **2.4.2.5 Element Five: Responsiveness**

Responsiveness is a crucial component of good governance, emphasising the importance of providing timely responses to all stakeholders within a reasonable timeframe (Bedawy, Ramzy, Anwar, & Eldahan, 2019:132). Bedawy *et al.* (2019:132) state that responsive governments and municipalities ensure their services are accessible to communities, including through online platforms via social media. This author also indicates that some government departments and municipalities use social media to communicate how communities can access services without needing to visit municipal offices physically (Matshaphala, 2016). Both the principal-agent theory and the public-service dominant theory of public service delivery emphasise that officials must be accountable to the public or community members regarding the use of public funds and the delivery of services.

#### **2.4.2.6 Element Six: Efficiency and effective service delivery**

Efficiency measures how well limited financial resources consistently meet set targets, as reflected by the outputs, outcomes, and impacts of the services delivered using these resources (Downes *et al.*, 2017:13). In Section 1.4, it was noted that Theron and Mchunu (2016:188) define service delivery as a series of activities undertaken by various institutions to mobilise and convert resources into services, which are then satisfactorily provided to a target group. Conversely, Alford and Flynn (2012:8) see service delivery as the process of producing outputs, including supplying services to government agencies and their clients. Motsumi (2019:20) emphasises that service delivery should focus on achieving outcomes, whether in health or education. Both definitions agree on the core concept of delivering services: the

former emphasises serving beneficiaries as a group, while the latter views beneficiaries as clients of government agencies.

According to the public service dominant logic of service delivery and management, community members, as key stakeholders, must hold service providers accountable (Osborne *et al.*, 2013:157). In this context, Maloba and Auriacombe (2019:175) argue that public governance should optimally utilise social capital, resources, and time to foster economic growth and development. Effective public financial management depends on human resources aware of resource scarcity, who utilise resources efficiently, effectively, and economically (Nsingo, 2019:47). Moreover, Links and Draai (2023:1087) contend that incompetence and skill deficiencies among administrative officials hinder institutional performance. Therefore, the proper and efficient use of resources is vital for promoting good governance and effective service delivery.

#### **2.4.2.7 Element Seven: Equity**

Equity relates to how well public organisations can streamline service delivery to address the needs of diverse citizens (Andrews & Van de Walle, 2013:13). The National Skills Development Strategy (NSD) iii (2011:8) highlights how development and transformation goals, such as age, gender, race, ethnicity, migrant status, geography, and HIV/AIDS, affect governance. A society's well-being relies on ensuring all members feel they can participate fully and are not marginalised from the mainstream. A truly inclusive society recognises the aspirations of every group, especially the most vulnerable, and provides opportunities for them to improve their lives (Prinsloo, 2013:12; Steffek & Wegmann, 2021:5).

#### **2.4.2.8 Element Eight: Consensus orientation**

Consensus-oriented decision-making is a powerful group process applicable to nearly any type of decision within almost any group setting (Hartnett, 2010:1). It promotes collaborative relationships among diverse groups, including community members, aiming to achieve widespread agreement (Hartnett, 2010:2). Mavee (2021:150) states that consensus seeking has become central to collaborative network governance and has gained significant importance in recent years. This approach can be implemented in policy development, implementation, and monitoring to attain desired results (Cole, 2008:11-12). Waikenda, Lawa, and Muchera (2019:2) argue that consensus helps extend the lifespan of planned processes within

organisations. When stakeholders participate in the planning stage and reach a collective agreement, they develop a sense of ownership of the decisions. Without consensus, it is difficult to hold public officials accountable for the use of funds and resources. If communities cannot access services or hold officials responsible for delivery failures, they may resort to violence or property destruction. Therefore, consensus is a crucial element of good governance, supported by the public-service dominant theory, which highlights community members as key stakeholders in service delivery and accountability.

#### **2.4.2.9 Element Nine: Strategic vision**

Strategy refers to a unique approach for organising a place, organisation, or institution, providing a sense of direction and a vision for the future (Lusk and Birks, 2014:1). Effective strategies generate prosperity, strengthen cities and nations, and help achieve desired outcomes. In contrast, poor strategies can lead to conflict, community destruction, and loss of hope (Lusk and Birks, 2014:1). The Medium-Term Strategic Framework (MTSF) defines a strategic vision that outlines government actions and targets for the medium term (MTSF, 2014:2). It serves as a communication tool to clearly convey policies and plans, ensuring alignment (MTSF 2014:2). For the MTSF to be effective, each programme or vote must have an allocated budget to transform policies into community services. Ministers should sign performance agreements with the President at the national level, while members of the executive council should do so with the Premier at the provincial and local levels (MTSF 2014:2). A well-considered strategy enables the government to achieve outcomes such as efficient healthcare, quality education, reliable transportation, and basic municipal services. In the NCP, these outcomes are guided by the strategic vision of the provincial treasury, described as ‘the heartbeat of sound financial management that supports economic growth and development’ (NCPT Final Five-Year Strategic Plan for the Fiscal Years 2015-2020:7). This vision has informed the strategic outputs of all provincial government departments and local municipalities throughout the five-year period of the MTSF from 2015 to 2020 (NCPT Final Five-Year Strategic Plan for the Fiscal Years 2015-2020, 2015:13).

The Provincial Treasury plays a central role in all provincial departments in promoting good governance, fiscal discipline, and economic growth (NCPT Final Five-Year Strategic Plan for the Fiscal Years 2015-2020, 2015:13). The focus on the 2015 to 2020 MTSF was because this period had concluded, and relevant data were available for review. Conversely, the 2020-2024 MTSF was still ongoing in 2024, limiting the available data for evaluation. Consequently, all



provincial and local government departments should align their financial performance, management processes, and internal controls with the Provincial Treasury's strategic framework. The strategic vision acts as a guiding lens for the strategic outcomes of all three spheres of government (national, provincial, and local). Ultimately, public resources used to achieve these outcomes must be monitored and evaluated against the strategic vision to ensure sound financial management.

## **2.5 THE RELATIONSHIP BETWEEN FINANCIAL ACCOUNTABILITY, FINANCIAL PERFORMANCE, CONTROLS AND STATUTES**

This section provides a review of existing literature on how scholars have theorised and conceptualised the connections between financial accountability and financial performance outcomes. It also discusses the role of financial controls, key legislation, and treasury and SCM regulations in promoting good governance and improving the efficiency of public service delivery in the provincial departments and municipalities of NCP. Central to this discussion are the theories underpinning the study, namely the principal-agent theory and the public service dominant theory of service delivery and management, as detailed in Section 2.2.3.

### **2.5.1 The impact of financial accountability on financial performance outcomes**

Accountability and oversight are vital constitutional responsibilities across all spheres of government in the RSA, as outlined in the *Constitution* (Munzhedzi, 2016:1). Each sphere of government, including provincial and local authorities, is responsible for delivering services in a manner that is accountable, effective, and efficient (Munzhedzi, 2016:1). The lack of financial accountability notably affected the Northern Cape Department of Health's (NCDoH) financial performance, evidenced by substantial losses from unauthorised, irregular, fruitless, and wasteful expenditures (NCDoH Annual Performance Report 2020/2021, 2021:18). The report states that the NCDoH spent R253.793 million on unauthorised expenses. Meanwhile, R497.829 million was unaccounted for due to irregular costs. Overall, the programmes underspent their budgets by R46.739 million in 2019/20 and R78.418 million in 2020/21 (NCDoH Annual Performance Report 2020/2021, 2021:18). This suggests that, due to inadequate financial oversight, some programmes did not fully utilise their allocated funds, thereby highlighting persistent financial mismanagement.

Despite the NCDoE incurring unauthorised expenditure of R18 818 000, no measures were taken to address financial mismanagement (NCDoE Annual Performance Report 2018/19, 2019:138). In the following financial year, 2019/20, the NCDoE again recorded unauthorised spending of R18 315 000, along with irregular, fruitless, and wasteful expenditure of R522 380 000 and R347 000, respectively (NCDoE Annual Performance Report 2019/20, 2020:12). The 2019/20 report (2020:92) noted that, according to SCOPA resolutions, no instances of financial misconduct were reported by the NCDoE, resulting in no disciplinary or punitive actions against responsible officials. This suggests that, due to a lack of financial accountability, both the NCDoH and NCDoE had poor financial performance outcomes. Examples illustrating this poor financial performance are provided to give clarity to the discussion in this chapter. The effects of insufficient financial accountability on the performance outcomes of the NCDoH, NCDoE, and NCDoTSL will be discussed in Chapter Four of the study.

### **2.5.2 Financial Accountability and the Functionality of Financial Controls**

Section 2.4.1 states that accountability begins with public servants at all spheres of government committing to promote strong, honest, transparent, and legally grounded relationships within processes, systems, and organisational principles (Ndevu, 2019:26). Additionally, Section 2.4.1.3 highlights that financial controls encompass public policies, regulations, procedures, reporting, auditing, and actions against misconduct. Van Niekerk and Sebakamotse (2020:276) describe financial accountability as the explanation of how public funds are spent in response to government policy implementation. Financial control may be defined as the procedures designed to protect assets and ensure all financial transactions are properly recorded, thereby reducing errors and fraud risks (Avery and Obah, 2018:37). Meanwhile, internal controls are systems- manual or electronic- procedures, and processes created to minimize financial risks faced by national and provincial departments due to fraud, negligence, errors, incapacity, or other reasons (CFO Handbook for Departments, 2011:50).

Thys and Wait (2020:27) highlight that control within government departments encompasses a wide range of activities, such as delegation of authority, segregation of duties, standard operating procedures, authorization processes, and reporting to strengthen the control environment. Supporting this perspective on financial controls, Nsingo (2019:48) states that all government activities must be monitored and controlled to ensure proper use of government resources and to prevent waste. Internal and external audits are performed to reinforce financial control. Public managers can provide internal control by ensuring that suitable organisational

structures, policies, procedures, and accounting systems are in place and properly implemented by public officials.

These control measures are essential for enhancing financial accountability and the overall financial performance of a department. Fourie and Malan (2020:14) and Avery and Obah (2018:38) argue that ineffective management of public funds often results from ineffective internal controls and a general lack of financial skills needed to manage internal controls effectively. Furthermore, a lack of proper financial control can result in inaccurate financial statements, loss of government assets, fraud, and mismanagement of important documents, and unreliable financial records, all of which can damage the financial integrity of government departments.

Within a provincial government department, financial control at the strategic level primarily falls to the CFO and the AO, who acts as the Head of Department (HoD). Section 2.3.4 emphasises that, under Section 38 of the *PFMA*, the AO must ensure the implementation of effective, efficient, and transparent financial and risk management systems, along with internal controls. Thys and Wait (2020:64) note that the key duties of the AO in a national or provincial government setting include the following:

- **In year monitoring, management, and reporting.** Under Section 40(4)(c) of the *PFMA*, the AO must verify the effectiveness and efficiency of resource management mechanisms within 15 days after the end of each month. They are responsible for keeping departmental expenditure within the approved budget and avoiding unauthorised expenses. Furthermore, the AO should oversee the department's operational plan, including the budget, and review monthly and quarterly reports, taking necessary actions. They are also responsible for analysing financial reports, signing them, and submitting all required documentation to the relevant treasury.
- **To investigate audit queries.** The AO is responsible for addressing any outstanding queries raised by the Auditor-General or the Audit Committee.
- **To establish effective internal control mechanisms.** The AO must establish effective internal control mechanisms, such as policies, systems, and procedures, to ensure that the department's revenue, expenditure, assets, and liabilities are efficiently, economically, and effectively managed.
- **Banking arrangements.** The AO has a duty under Section 22 of the *PFMA* to ensure that all revenue collected by the department is deposited exclusively into the

designated revenue fund. Additionally, the AO must clear all suspense accounts and allocate their balances to the correct spending Centre each month. Failing to do so could lead to charges of financial misconduct against the AO.

- **Financial statements.** Section 40(1) of the *PFMA* stipulates that the CFO of a department must prepare the financial statements for the financial year in accordance with generally accepted accounting practices within two months of the financial year-end.
- **Treasury consent.** According to Thys and Wait (2020:65), departments require consent from the relevant treasury before incurring expenditure or making any SCM contract commitments above a specific threshold.

Regarding Sections 60-61 of the *MFMA*, the municipal manager who also serves as the AO of a municipality has responsibilities similar to those of the provincial AO. The municipal manager, acting as AO, must carry out the fiduciary duties specified in Sections 61(1)(a) to (c), which include acting with fidelity, honesty, and integrity, and prioritising the municipality's best interests in managing its financial affairs; ensuring that financial resources are used effectively, efficiently, and economically; maintaining complete and proper records; and implementing robust risk management, financial management, and internal controls. Furthermore, Sections 61(1)(a) to (c) stipulate that the AO must safeguard the municipality's financial interests; prevent unauthorised, irregular, or fruitless and wasteful expenditure, and prevent losses; enforce policies related to rates, tariffs, credit control, debt collection, and SCM; oversee revenue, expenditure, assets, and liabilities; report on expenditure related to salaries, wages, allowances, and benefits; assist the mayor with the budgeting process; and execute the approved budget within 14 days.

The AO is responsible for submitting the Service Delivery Budget Implementation Plan (SDBIP) to the mayor, which includes the annual performance agreements for all senior managers, including themselves. Additionally, the AO must provide written reports to the municipal council on potential shortfalls, budget overspending, and actions taken to address these issues. The AO is also required to submit monthly budget statements to the mayor and the provincial treasury. They must evaluate the municipality's performance and supply necessary information, documents, and explanations to the National Treasury, provincial treasury, or Auditor-General (van der Waldt *et al.*, 2018:85-86; Thornhill & Cloete, 2014:113-114; Dzomira, 2017:2015). Consequently, the municipal manager, acting as the AO, holds

responsibility and accountability for the effective and efficient management of the municipality's financial affairs.

To enhance financial accountability and oversight, the CFO Handbook (2011:83) emphasises that a primary duty of the CFO is to consolidate financial reports on a monthly, quarterly, and yearly basis and to ensure comparison of financial performance with budget estimates. These reports play a vital role in improving accountability by providing municipal managers with essential financial data to review and respond to public spending. Sebakamotse and van Niekerk (2020:283) note that the CFO reports to the municipal manager and is responsible for overseeing financial management, including budgeting, financial accounting and analysis, reporting, debt management, and cash flow management.

#### **2.5.2.1 Internal Controls and the Control Environment**

The control environment is the set of standards, processes, and structures that provide the necessary foundation to enable the functioning of internal controls within an organisation (Koutoupis and Pappa, 2018:92). Sebakamotse (2020:194) views an effective control environment in local government as encompassing overall governance and management functions. These include the institutionalisation of value systems and a commitment to these values, including integrity and accountability. The Auditor-General's Consolidated General Report on National and Provincial Audit Outcomes for 2020/21 reports that investing progressively in building a strong internal control environment is the lasting solution that the national and provincial governments need to do more with the limited funds at their disposal (AGSA, 2021:68).

In addition to the above, the control environment refers to the nature of an organisation and the influences and mindset of its people (Joseph, Albert & Byaruhanga, 2017:48). This means that the internal control environment provides fundamental principles upon which internal controls operate and how the public responds to these controls. According to Joseph *et al.* (2017:48), the internal control environment comprises management philosophy and operating style, integrity and ethical values, the competency of officials within the organisation, delegation of authority and responsibility by management, organisational development, and the direction provided by the board of directors.

Considering the above, Moeller (2014:13) and Hayati and Aviana (2021:90) define internal controls as a process influenced by management's philosophical outlook and public service officials, designed to provide reasonable assurance regarding the achievement of objectives in operational efficiency and effectiveness, financial reporting reliability, and compliance with applicable laws and regulations. Hayati and Aviana (2021:90) assert that the proper implementation of internal controls is one of the key elements of good governance that enhances organisational performance. Internal control plays a crucial role in financial management activities within the department as a means to the positive end result. Ncgobo and Malefane (2017:1) maintain that internal controls promote transparency and accountability, ensure adherence to legislative requirements, and support efficiency, effectiveness, and responsiveness to beneficiaries' needs. Thys and Wait (2020:27) argue that government departments should establish internal control procedures aligned with the organisation's overall objectives. They further contend that departments must verify the validity, accuracy, and completeness of expenditure and ensure the reliability of accounting data. Internal controls are broadly classified into three categories: operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations, and policies (Henk, 2020:240). These categories of internal controls necessitate that principals and internal auditors assess agents (public officials) in every programme or directorate within government departments and municipalities.

In 2001, the World Bank (2001:2) identified internal controls as essential checks and balances for daily procedures, such as procurement, payroll, accounting, reporting, and internal audit, within the service delivery departments of provincial and local municipalities. More recently, the CFO Handbook (2011:15) emphasises that internal controls should be implemented across the three primary directorates of the financial unit: management accounting, financial accounting, and supply chain management. Management accounting includes financial support, risk management, strategic planning, budgeting, and performance evaluation. Financial accounting manages transaction processing and internal and external reporting. Meanwhile, supply chain management involves overseeing procurement, logistics, disposal, and assets (CFO Handbook, 2011:15). According to Section 38(a)(i) of the *PFMA* and Section 62(1)(i) of the *MFMA*, effective, efficient, and transparent systems of financial and risk management, including internal controls, are mandated for national, provincial, and local government.

Roles and responsibilities should be clearly defined within key performance areas so that, if any issues occur during the execution of duties, it is evident who is accountable for delivering specific outcomes in service delivery. In this way, internal controls play a vital role in reducing theft, fraud, and waste of state resources by ensuring compliance with standard operating procedures (SOPs). Rezaee (2019:6) states that the opportunity to commit fraud often arises from ineffective internal controls. Weak controls include the ability to override activities, a lack of password restrictions, and the absence of measures to prevent collusion. Thys and Wait (2020:27) argue that the *PFMA* requires the AOs of government departments to develop their own internal control policies and procedures to manage internal and external risks.

Building on this, the Auditor-General's 2020/21 Consolidated General Report on National and Provincial Audit Outcomes (AGSA, 2021:74) indicates that internal controls support the achievement of national and provincial objectives by monitoring risks such as human error, poor decision-making, fraud, abuse, and losses of resources or public funds. The report further emphasises that the internal control environment in national and provincial governments remains weak, as reflected by the fact that 89% of auditees did not receive clean audits. Consequently, it can be argued that adequate internal controls enhance financial accountability and good governance.

### **2.5.2.2 Internal Audits**

Grima and Boztepe (2021:209) argue that internal auditing is an independent, objective assurance and consultancy function designed to add value to an organisation's activities and improve its operations. Sections 38(1)(a)(ii) of the *PFMA* and 62(1)(c)(ii) of the *MFMA* are relevant to internal audit. According to Section 38(1)(a)(ii) of the *PFMA*, the AO must ensure that the department maintains a system of internal audit under the control and guidance of an audit committee, complying with and operating in accordance with treasury regulations and instructions. Section 62(1)(c)(ii) of the *MFMA* states that the AO of a municipality must maintain effective, efficient, and transparent internal audit systems operating according to any prescribed norms and standards. Thornhill and Cloete (2014:125) and Grima and Boztepe (2021:209) state that in terms of Section 166 of the *MFMA*, each municipality must establish an audit committee functioning as an independent advisory body to advise the municipal council, political office-bearers, and the municipal manager on internal control matters, risk management, and accounting policies.



The internal audit function is used to control risk management and acts as an effective tool in managing operational, financial, and legal risks. It supports accounting officers and authorities by providing independent assurance on internal controls, financial information, risk management, performance management, and compliance with legislation (Dzomira, 2020:93). This suggests that the internal audit aims to assist management in performing its duties effectively through analysis, evaluations, recommendations, and advice related to the activities under review. From a theoretical perspective within this study's context, in terms of the principal-agent theory, programme managers and AO assume the roles of agents and report to the internal audit committee and internal auditors, who act as the principals (Sambo, 2019:38). To ensure good governance, Sambo (2019:38) stresses that the relationship between the agent and the principal is guided by the mutual contract between the agents (programme managers and AO) and the principals (the internal auditors), with internal auditors functioning as agents in relation to the internal audit committee.

Sambo (2019:38) explains that an internal audit can be a highly effective tool for monitoring and promoting good governance if appropriately conducted. However, if internal audits are carried out ineffectively, they may produce biased results due to interference from senior management. Additionally, Sambo (2019:39) notes that internal auditors might develop loyalty towards senior managers rather than the internal audit committees, driven by personal interests such as career progression, especially when they perceive that senior managers can influence their promotions and salary increases.

To further illustrate the effect of weak internal audit controls, the Auditor-General highlights in the Consolidated General Report on National and Provincial Audit Outcomes of 2019/20 that there were significant weaknesses in basic internal controls, including poor quality of financial statements and performance reports submitted for audit (AGSA, 2021:12). The AGSA (2021:12) also points out that action plans devised by CFOs to prevent misstatements were not adequately implemented, records were not properly maintained, and only 42% of auditees had effective controls. In-year and year-end reporting on financial issues, performance against targets, and compliance monitoring were ineffective, with only 24% having efficient processes. Only 25% of national and provincial government departments complied with legislative requirements, while just a small fraction (8%) of these governments had information and technology controls in place. It could be argued that when the audit committee and internal auditor perform their functions effectively within their mandate, free from undue influence, it

leads to improved financial accountability, the promotion of good governance, and increased efficiency in public service delivery.

### **2.5.2.3 Financial statements, monthly, quarterly and annual performance reports**

The *PFMA*, Section 40(1)(a) to (c), requires the AO of the department, entity, or constitutional institution to keep complete and accurate records of its financial activities, following any prescribed norms and standards. Comite (2022:4) emphasises that well-maintained records are essential because financial accountability depends on an effective records management system. Monitoring performance reports on a monthly, quarterly, and annual basis is a crucial internal control measure that helps track the performance of all three spheres of government against set targets. According to Botlhoko (2017:104), performance reports are utilised by the government to assess how well strategic plans and budgets have been implemented. Botlhoko (2017:104) further highlights that these performance reports focus on expected outcomes, progress on planned outputs, progress on capital projects, financial performance in terms of expenditure versus the actual budget, and procurement of goods along with other SCM programmes. This indicates that the approach to performance reporting is aimed at monitoring the achievement of outcomes as defined by the NPM theoretical framework, which stresses the importance of delivering results.

Gryphon (2014:1) explains that financial statements are the fundamental tools used by public officials to communicate the results of their operations, financial positions, and cash flows to the public. Financial statements highlight financial performance against the budget, management of revenue and expenditure, assets and liabilities, business activities, financial results, and financial position at the end of the financial year (Botlhoko, 2017:104; Nkuna and Sebola, 2019:175; Thornhill and Cloete, 2014:117). Well-prepared financial statements with accurate, reliable data act as a key internal control measure (Nasser and Matriano, 2022: 1589). Mnguni and Subban (2022:153) and Nkuna and Sebola (2019:175) state that, in terms of the *MFMA*, municipalities are required to compile financial statements that are reliable and aligned with the Generally Recognised Accounting Practice (GRAP). Botlhoko (2017:138) points out that GRAP is a framework that defines assets, liabilities, revenue, expenditure and own capital. Botlhoko (2017:138) notes that GRAP provides a framework to enhance financial accountability, ensuring consistency in the compilation of annual financial statements and subsequent reporting.

Nkuna and Sebola (2019:175) point out that financial statements should present information in accordance with Sections 123 to 125 of the *MFMA*, regarding:

- Disclosures on intergovernmental transfers and other allocations that the municipality might have received from other sectors.
- Financial disclosures for councillors, directors and officials. Financial disclosures include salaries, allowances, and benefits of political office bearers and councillors of the municipality, whether financial or in-kind.

It can be argued that financial disclosures serve as a control measure that has the potential to restrain public officials from misappropriating public funds for personal use or self-interest, as their financial affairs would be known. They would likely be held accountable for any misuse of public funds.

#### **2.5.2.4 External Controls**

Section 188 of the Constitution provides for the Auditor-General (AG) to audit and report on the accounts, financial statements, and financial management of all three spheres of government. Apart from the Auditor-General, numerous intergovernmental committees exist across all three spheres to oversee public sector financial activities, reporting, and adherence to policies and laws (Makhado, 2016:2). The legislatures in the national and provincial spheres and councils in the local government play an oversight role through the SCOPA, PPACs, and MPACs at the local sphere. Makhado (2016:5) points out that in the national and provincial spheres, SCOPA is established to play a significant role in monitoring how the executive authority uses public funds. In municipalities, a similar function of scrutinising the use of public funds is performed by MPACs.

Considering the above, Sebakamotse (2020:98) argues that if Parliament, as the national legislature, and legislative committees such as SCOPA fail to hold the executive to account, they would have renounced their constitutional oversight function as outlined in Sections 55(2) and 92 of the *Constitution*. The oversight role played by SCOPA in the legislative assembly has, in some cases, been criticised for its selective tendencies in holding the executive to account. Mofolo and Adonis (2021:2) state that MPACs are established under Section 79(1) of the *Municipal Structures Act, 1998*, and are mandated to maintain internal accountability. Section 79(1) states that a municipal council may form one or more committees essential for

the effective and efficient performance of any of its functions. All these committees have a general mandate to improve financial management standards and hold the executive accountable for their actions regarding the spending of public funds (Makhado, 2016:2). Further details of the role played by these oversight and accountability committees are discussed in Chapter Four.

#### **2.5.2.5 The Influence of Financial Controls on Public Service Delivery**

There are sufficient systems of financial controls across all spheres of government, along with public accounts committees whose general mandate is to ensure that public funds are used effectively and efficiently in every sphere of government in South Africa. However, the influence of these structures seems to be limited, as indicated by extensive literature. Matebese-Notshulwana (2019:159-169) notes that, despite the good intentions behind establishing various legislative institutions to hold the executive accountable for public funds, negative outcomes have arisen since political reforms in 1994. These adverse results are linked to the ongoing abuse of power by executives in national and provincial departments, which adversely impacts service delivery. Matebese-Notshulwana (2019:161) asserts that the failure of oversight bodies, such as national and provincial legislatures (and municipal councils), to hold the executive accountable has led to continued maladministration and misappropriation of public funds, resulting in irregular, fruitless, and wasteful expenditure, along with poor service delivery. It could also be argued, that financial misconduct does not necessarily lead to poor service delivery. Houses and clinics can be built and food parcels delivered to learners at public schools even when public funds have been spent irregularly. Additionally, AOs often ignore rules, policies, and legislation when performing their duties, which can cause a lack of financial accountability, poor financial performance, and failure to deliver services.

### **2.6 RELATIONSHIP BETWEEN FINANCIAL ACCOUNTABILITY AND THE IMPLEMENTATION OF KEY FINANCIAL LEGISLATION, TREASURY, AND SUPPLY CHAIN MANAGEMENT REGULATIONS**

Financial legislation, Treasury, and SCM regulations are essential financial frameworks outlined in Sections 213-17 of the *Constitution*. Theletsane (2014:43) notes that the *PFMA* aims to enhance financial management accountability across national and provincial spheres of government. In local government, the *MFMA* offers guidance on all aspects of municipal

financial management, including bank account operations, budget preparation, debt management, and overall financial governance and SCM (Sebakamotse, 2020:65). These frameworks aim to bolster financial accountability, governance, and the efficiency of public service delivery. Regarding financial accountability, Sebakamotse (2020:5) states that Section 216 of the *Constitution* mandates the establishment of a National Treasury through national legislation and the implementation of measures to promote transparency and proper expenditure at all government levels by adopting generally recognised accounting principles, standardised expenditure classifications, and uniform norms and standards (CFO Handbook, 2011:6).

Fourie and Malan (2020:7) maintain that regulatory prescripts, such as the National Treasury Framework for Supply Chain Management (SCM) and National Treasury regulations, strengthen the provisions of the *PFMA* and *MFMA*. According to Sibanda, Zindi, and Maramura (2020:2), SCM regulations were updated in 2005 in terms of the *MFMA*. The update of SCM regulations obliges all spheres of government to contract goods and services in a fair, equitable, transparent, competitive, and cost-effective manner. It should, however, be indicated that while there is an acknowledgement of a relationship between financial accountability and the *PFMA* and *MFMA*, other key regulatory frameworks include the following:

- ***Preferential Procurement Policy Framework Act (Act 5 of 2000)***. This Act implements Section 217(3) of the *Constitution* by establishing a framework for executing the preferential procurement policy. As outlined, contract awards should prioritise previously disadvantaged groups affected by unfair discrimination (Ambe & Badernhorst-Weiss, 2012:8; Molepo & Jahed, 2022:239).
- ***Broad-based Black Economic Empowerment Act (Act 53 of 2003)***. *The Broad-based Black Economic Empowerment Act of 2003* creates a legal framework to promote black economic empowerment. It authorises the minister to issue codes of good practice, publish transformation charters, establish a transformation charter and a Black Economic Empowerment Advisory Council, along with other related responsibilities (Ambe and Badernhorst-Weiss, 2012:8; Anthony, 2018:41).
- ***Promotion of Administrative Justice Act (Act 3 of 2000)***. The Act establishes fair administrative procedures and provides an opportunity for those affected by unfair administrative action to request an explanation for such action. Administrators are obliged by the provisions of this act to provide answers to the aggrieved or complainant

on why they are subjected to unfair administrative action (Ambe and Badernhorst-Weiss, 2012:7).

- ***Promotion of Equality and the Prevention of Unfair Discrimination Act (Act 4 of 2000)***. Ambe and Badernhorst-Weiss (2012:8) state that this Act prohibits the state or any person from discriminating unfairly against any person based on race and gender through the denial of access to contractual opportunities for rendering services or by failing to take reasonable steps to accommodate the needs of such persons.
- ***Construction Industry Development Board Act (Act 38 of 2000)***. This Act outlines how the board can promote and implement policies, programs, and projects, including those aimed at procurement reform, standardisation, and uniformity in procurement documentation, practices, and procedures within the framework of the government's procurement policy. This is achieved through the establishment of the National Register of Contractors (Central Database of Suppliers), which manages public sector procurement risk and facilitates public sector procurement. The register includes contracts with a specified financial value, containing data on contracts awarded and completed, as well as a best practice project assessment scheme. It also establishes a code of conduct for parties involved in the construction industry (Ambe and Badernhorst-Weiss, 2012:8).
- ***Prevention and Combatting of Corrupt Activities Act (Act 12 of 2004)***. This Act makes corruption and related activities an offence. In accordance with the Act, a register was established to place certain restrictions on persons and enterprises convicted of corrupt activities relating to tenders and contracts. It also places the responsibility upon certain persons of authority to report corrupt activities (Ambe and Badernhorst-Weiss, 2012:8).

The above legislative frameworks are significant as they provide an enabling environment for the effective implementation of the *PFMA* and *MFMA*, enhancing financial accountability, promoting good governance, and effectively delivering services across national, provincial, and local governments.

### **2.6.1 Supply Chain Management**

Ambe and Badenhorst-Weiss (2012:5) state that SCM functions in RSA are aligned with legislative frameworks enacted by the national government and linked to specific legislation, policies, and regulations of provincial and local government bodies. According to Ambe and

Badenhorst-Weiss (2012:5), the National Treasury reinforces the implementation of the *PFMA* to guide SCM operations at national and provincial governments, while the *MFMA* strategic focus area is on local government. The *PFMA* is also supported by the General Procurement Guidelines issued by the National Treasury (Fourie & Malan, 2020:6), which serve as a government-issued framework of fundamental standards, values, and required ethics. They also outline the accountability principles public officials must follow when carrying out their duties to deliver services to the public. According to Leruth and Paul (2006:12), the principal-agent theory states that departmental “agents” (public officials) are responsible for ensuring that public expenditure and procurement are conducted in accordance with legislative requirements.

The Auditor-General's 2018/19 Consolidated General Report (AGSA, 2020:18) highlights ongoing concerns about compliance with key legislation in the NCP, noting that only 36% of auditees adhered to SCM legislation. The Report further emphasises that non-compliance has been an issue for several years, with the executive and senior leadership failing to take decisive action against transgressors, especially those not complying with SCM laws. The 2020/21 Local Government Audit Outcomes report indicates that 54% of municipalities faced material findings due to SCM non-compliance, and 79% experienced uncompetitive and unfair procurement practices. Such violations often lead to financial losses, through either overpriced goods and services or unfulfilled contracted work (AGSA, 2022:45). The latest 2022/23 report continues to show that non-compliance with SCM legislation is widespread and significantly contributes to irregular expenditure in municipalities. This persistent disregard for SCM laws reflects a lack of financial accountability and poor governance, ultimately hindering effective service delivery.

It was stated in Section 2.3.4 that, according to Section 38(1)(a) of *PFMA*, the accounting officer or authority of a public sector institution must establish and implement an effective and efficient SCM system for acquiring goods and services, as well as for disposing and/or letting of state assets, including the disposal of goods that are no longer needed. According to Fourie and Malan (2020:6) and Ndebele and Mdlalose (2021:542), public procurement plays a crucial role in the purchasing of goods and services. To enhance good governance and efficient service delivery, the five pillars of procurement should underpin SCM activities. These pillars include value-for-money or cost-effectiveness, open and effective competition, ethics and fair dealing, accountability and reporting, and equity. A brief explanation of each of these pillars is provided below:



- **Cost-effectiveness.** Value-for-money refers to the best possible outcome when all relevant costs and benefits over the procurement cycle are considered (Fourie and Malan, 2020:6). This means that the price of the set of goods and services, regardless of whether it is the lowest, should not be the sole factor in determining their value. Sometimes, the lowest price may be offered, but the quality of goods and services could be poor. Khalo and Vyas-Doorgapersad in van der Waldt (2018:245) argue that by allowing prospective suppliers to compete against each other through bids, municipalities can ensure that goods and services are procured cost-effectively.
- **Open and effective competition.** This means transparent policies, guidelines, and procedures that are accessible to all parties involved in supply chain management, allowing each to compete openly and fairly (Ndebele & Mdlalose, 2021:542).
- **Ethics and fair dealing.** Ethics and fair dealing involve maintaining ethical standards that promote respect and trust among all parties involved in competition. This approach helps reduce doubts about procurement processes and is likely to minimise litigation, as SCM processes would be regarded highly by everyone involved (Fourie & Malan, 2020:6).
- **Accountability and reporting.** This means public officials should account for their plans, outputs, and outcomes through open and transparent reporting systems. An appraisal of these reports would provide the necessary accountability mechanism for public officials to provide answers when objectives were not met or when policies could not be implemented (Ndebele & Mdlalose, 2021:542).
- **Equity.** Equity involves promoting developmental and transformational goals so that everyone, especially those previously disadvantaged, has an equal chance to participate in the procurement of goods and services for the government, thereby fostering socio-economic activities for all (Fourie & Malan, 2020:7; Khalo & Vyas-Doorgapersad, in van der Waldt *et al.*, 2018:245).

Munzhedzi (2015:701) asserts that the challenges relating to SCM in the public sector include amongst others, awarding tenders without following a fair bidding process, or a lack of appropriate bid committees, using suppliers who are unqualified and who do not have the capacity to delivery, using incorrect procurement procedures regarding the thresholds', incorrect utilisation of the limited bidding process and extensions of validity periods. One could also argue that it is not necessarily lack of appropriate specification, bid evaluation, or bid

adjudication committees that is the problem. Rather, the inappropriate application of the collective discretion to the relevant prescripts poses a challenge.

## **2.7 IMPACT OF FINANCIAL ACCOUNTABILITY ON PROMOTING GOOD GOVERNANCE**

Section 2.1.2 states that Section 195 of the *Constitution* establishes the core values and principles guiding public administration and management. Gildenhuys (2018:14) and Draai, Van Rooyen, and Raga (2016:94-95) emphasise that public administration must adhere to these constitutional values and principles. These include upholding high standards of professional ethics, the efficient, economical, and effective use of resources, developmental orientation, and unbiased, fair, and impartial public service delivery. Transparency should be promoted by providing the public with timely, accessible, and accurate information. Additionally, public human resource management and career development should be supported. Public administration should reflect the diversity of the community and remain accountable to the public (Gildenhuys, 2018:14; van Niekerk and Sebakamotse, 2020).

The King IV Report (2016:4) states that good governance involves cultivating an ethical culture, achieving good performance, establishing effective controls, and maintaining legitimacy within the organisation. For organisations, including provincial and local governments, to achieve good governance, clear outcomes related to these areas must be evident. The MTEF Technical Guidelines (2021:7) recommend developing a detailed business plan aligned with the government's strategic outputs, which should be planned properly and funded throughout the MTEF period. Consequently, all activities should be based on annual plans aligned with the MTEF, and comprehensive monitoring and evaluation should be conducted to ensure accountability and progress.

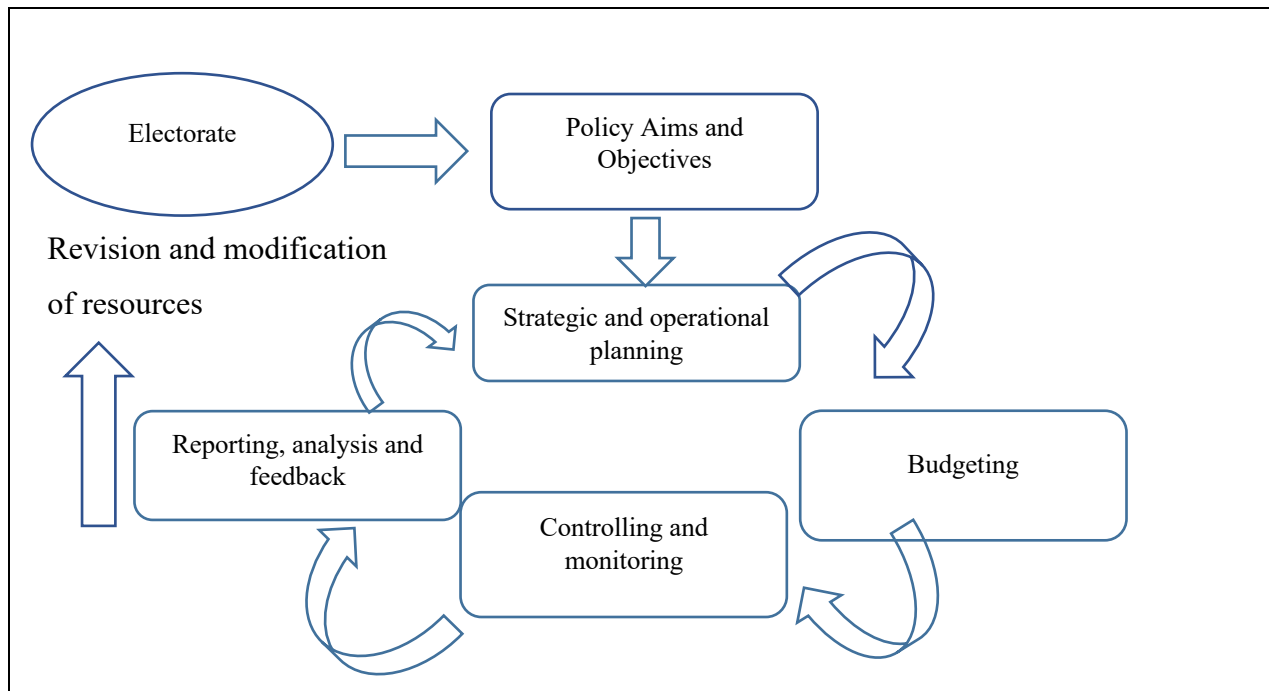
### **2.7.1 Monitoring and Evaluation of Outcomes**

As early as 2004, Kusek and Rist (2004:12) argued that monitoring and evaluation of outcomes should be aligned with established targets. This approach facilitates an accurate assessment of whether the initial objectives for reaching specific targets within the designated provincial departments and local municipalities have been achieved. While areas of deviation can be readily identified, a more recent review of monitoring and evaluation suggests that monitoring primarily focuses on tracking what was planned, whereas evaluation involves a systematic and

rigorous analysis of interventions to assess and enhance their performance (Goldman and Pabari, 2020). According to Mubangizi (2019:559), there has been growing global pressure on governments to be more accountable for how citizens' needs are met. Mubangizi (2019:559) further emphasises that it is essential for public officials to adhere to the principles of good governance and to ensure continuous monitoring and evaluation of outcomes.

According to Munzhedzi (2014:700), monitoring and evaluation play a critical role in promoting service delivery efficiency, as they are the primary means of tracking government processes in terms of achieving realistic performance targets. Supporting the latter statement, Omotor *et al.* (2019:138) maintain that monitoring and evaluation enhance effective coordination and delivery of government programmes and projects. Monitoring is a continuous function that involves systematic collection of data on specific indicators to inform management and main stakeholders about the ongoing development of interventions, helping to trace the progress of achieving objectives and the utilisation of allocated funds (Kusek and Rist, 2004:12). Kusek and Rist (2004:12) define evaluation as a systematic and objective assessment of an ongoing or completed project, programme, or policy, encompassing its design, implementation, and results. The goal is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact, and sustainability (Kusek & Rist, 2004:12). Risk assessment is also an essential element to mitigate the risks of financial mismanagement.

With the above in mind, it becomes relatively easier to trace and account for how public functionaries utilised public funds through financial accountability. If internal controls were breached, those responsible must be held accountable and should subsequently face sanctions through labour relations processes. Figure 2.2 below demonstrates integration of planning, budgeting, monitoring, and reporting processes for effective governance.



(Source: Siswana, 2007:115)

**Figure 2.2: Integrating the Planning, budgeting, monitoring and reporting processes**

The above figure illustrates how financial accountability can be integrated into policy aims and objectives, setting the tone for strategic and operational planning. Expenditure of public funds should be monitored against the budget (Siswana, 2007:115). For the effective and efficient utilisation of financial resources, internal and external controls, as expressed in Section 2.5.2, should be adhered to and complied with in the implementation of projects, programmes, or policies. Upon completion of projects, a systematic evaluation needs to be carried out to assess the impact on the delivery of services in the selected departments and local municipalities of the NCP. Considering the above, one might argue that these approaches improve financial accountability by making it easier for stakeholders to understand the purpose, vision, mission, and objectives of programmes. By integrating budgeting with strategic and operational planning, spending patterns can be closely monitored to ensure that expenditures align with planned activities. Furthermore, this allows oversight and accountability bodies such as portfolio committees, SCOPA, MPACs, Internal Audit Committees, and the Auditor-General to hold public officials accountable for how public funds are spent, thereby strengthening financial accountability.

### 2.7.2 Consequence Management

In Section 2.3.4, it is highlighted that, according to Section 38(1)(g) of the PFMA, the AO of a national or provincial department must take disciplinary action against any public official who fails to comply with the *PFMA*. Similarly, Section 2.3.5 emphasises that, under Section 105 of the *MFMA*, all public officials are responsible for ensuring compliance with financial management systems and internal controls, and any financial misconduct must be reported to the AO. Section 62 of the *MFMA* mandates that the AO must initiate disciplinary measures or criminal proceedings against public officials involved in financial misconduct or related offences (Ncgobo & Malefane, 2017:80; Moeti, 2019:170).

## 2.8 THE INFLUENCE OF FINANCIAL ACCOUNTABILITY ON PUBLIC SERVICE DELIVERY EFFICIENCY

Public service delivery is a constitutional right outlined in Section 197 of the *Constitution*, which mandates that citizens or end-users receive quality, accessible, and acceptable services, including health and basic education, as specified in Sections 27 and 29. Furthermore, Section 152(b) emphasises that services to communities must be provided sustainably. Provincial departments and local governments are responsible for ensuring the efficient operation of public transportation and providing basic municipal services to citizens. According to Basheka and Tshombe (2017:5), five key characteristics derived from the NPM theory are essential for effective and efficient public service delivery:

- Promoting service delivery with a focus on quality and viewing citizens as clients.
- Concentrating on results in both planning and evaluating programmes and personnel.
- Delegating authority as close as possible to the point of action and empowering public officials and employees.
- Emphasising cost-efficiency through comprehensive audits, contracting out, and introducing competition.
- Applying private sector techniques such as merit pay, mission statements, and quality circles to motivate public employees.

From this discussion, it can be argued that there is no single, linear definition of public service delivery. Instead, multiple perspectives exist, depending on the type of service provided by agents or public officials to citizens. In the context of this study, which examined selected

provincial departments and municipalities of the NCP, service delivery efficiency is limited to the provision of quality healthcare, basic education, efficient public transportation, and effective local municipal services.

## **2.9 IMPACT OF FINANCIAL MISMANAGEMENT ON PUBLIC SERVICE DELIVERY EFFICIENCY**

Khanyile (2016:1) highlights that local government is crucial because it is the sphere of government closest to the community, where services such as water, electricity, and housing are delivered. Section 18(1)(a) to (d) of the *Constitution* requires the provincial treasury to prepare the budget, control its implementation, and promote transparency and effective management regarding revenue, expenditure, assets, and liabilities of provincial departments and public entities. It must also ensure that its fiscal policies do not significantly and unreasonably prejudice national economic policies.

As mentioned in Section 2.3.1, the provincial government is required to step in and manage a municipality's finances under Section 139 of the *Constitution* if the municipality encounters a financial crisis, repeatedly fails to provide essential services, defaults on financial commitments, or admits that it is unable to meet its obligations or financial commitments. To implement these constitutional mandates, Section 2(b) of the *PFMA* requires the provincial treasury to enforce this act, along with any prescribed national and provincial norms and standards, including generally recognised accounting practices and standard classification systems in provincial departments. Furthermore, Sections 2(e) to (f) of the *PFMA* instructs the provincial treasury to assist provincial departments and public entities in developing capacity for efficient, effective, and transparent financial management, and to investigate any financial management or control system applied by these entities (Munzhedzi, 2014:700; Jordaan 2014:159-160). While these constitutional provisions establish a strong foundation for financial management, regrettably, there remain persistent practices of financial mismanagement, as discussed below. Baloyi and Beyers (2019:464) argue that despite the existence of laws, regulations, and policies governing financial management, public officials often disregard these. Consequently, financial malpractice arises from non-compliance with legislation and unethical SCM practices by public officials.

Rangongo, Mohlakwana, and Beckmann (2016:2) state that issues of financial mismanagement, corruption, and widespread financial misconduct plague South Africa. These

malpractices have become deeply rooted in the public sector. Mishi, Mbaleki, and Mushonga (2022:7) note that financial misconduct manifests as unauthorised, irregular, fruitless, and wasteful expenditures, which negatively impact service delivery. Baloyi and Beyers (2019:1) contend that these expenditures continue unabated because management fails to take disciplinary action against non-compliant officials, allowing financial mismanagement to persist. Conversely, Jordaan (2013:5) points out that the inefficient use of financial resources, often disregarding budgetary constraints, has become a widespread and entrenched practice across all levels of government, including public entities. The failure to maintain proper financial management and accountability results in ineffective allocation and distribution of resources, thereby hampering service delivery. Beyond this, Baloyi and Beyers (2019:466-467) identify factors contributing to financial malpractice and negatively affecting service delivery. These include a lack of financial capacity, unfair SCM and procurement processes, poor planning, improper delegation of authority, misuse of public funds, lack of internal controls, as well as corruption, fraud, and political interference. In conclusion, one could argue that financial malpractice, driven by poor financial accountability and weak controls, significantly undermines service delivery efficiency. It could, however, once again be argued that financial misconduct does not necessarily lead to poor service delivery as expressed in Section 2.5.

## **2.10 SUMMARY**

The chapter began with a discussion on the theories guiding the study, namely the principal-agent theory and the public service dominant logic and new public management theory of public service delivery and management. Furthermore, the chapter examined key variables such as financial accountability, good governance, and service delivery efficiency by analysing how these concepts were articulated in various legislative frameworks, policies, and strategic documents. Discussions on the relationships between financial accountability, good governance, and service delivery efficiency are included. Other related variables discussed are the impact of financial accountability on financial performance outcomes, the implementation of financial legislation, supply chain management and treasury regulations, the functionality of financial controls, and the overall outcome of public service delivery efficiency and consequence management. The key concepts (financial accountability, good governance, and service delivery efficiency) framing this study were primarily defined from a South African perspective. In the next chapter, an attempt was made to broaden the discussion to include an



understanding of financial accountability from an international perspective and the lessons that could be drawn from this viewpoint.

## CHAPTER THREE

### AN INTERNATIONAL PERSPECTIVE ON THE IMPACT OF FINANCIAL ACCOUNTABILITY ON GOOD GOVERNANCE AND SERVICE DELIVERY EFFICIENCY

#### 3.1 INTRODUCTION

This chapter aimed to explore the research question: What lessons can be drawn from an international perspective regarding financial accountability, good governance, and service delivery efficiency. It considers countries outside South Africa to understand these variables in different contexts. The focus initially was on governments outside the South African context that use assessment tools to evaluate public financial management and financial accountability at the national, sub-national, or local levels.

Kristensen *et al.* (2019:xiii) describe the PEFA tool as a metric for financial accountability. Established in 2001 by seven international development partners, including the European Commission, IMF, World Bank, and the governments of France, Norway, Switzerland, and the UK, the PEFA is one among many diagnostic instruments used by governments to evaluate financial accountability (Kristensen *et al.*, 2019:xiii). The researcher chose governments that have completed PEFA assessments because the primary aim of this tool aligns with the study's focus on the impact of financial accountability on good governance and public service delivery. As the PEFA Secretariat (2018:14) notes, the framework relies on seven pillars: budget reliability, transparency of public finances, asset and liability management, policy-based fiscal strategy and budgeting, budget execution predictability and control, accounting and reporting, and external oversight and auditing.

From an international perspective, the researcher selected the Government of Zimbabwe (GoZ), the Government of Rwanda (GoR), and the Government of Greenland (GoG) to discuss the findings of the PEFA assessments in these countries. The selection of these governments was based on their differing levels of financial accountability. Rwanda is recognised for having a relatively strong financial accountability system, while Zimbabwe is known for its weaker systems (Otwoma, Rotich, Ombui, and Buyema, 2021:77). The PEFA assessment of financial management and accountability in the Government of Zimbabwe (GoZ) and the Government

of Rwanda (GoR) aimed to provide a balanced perspective on how financial accountability influences good governance. Otwoma *et al.* (2021:77) highlight that, in Africa, South Africa (RSA) is regarded as having the most advanced financial management and accountability system, followed by Rwanda and Ethiopia. As previously noted in this chapter, Rwanda has also been recognised as a case study demonstrating the positive impact of effective financial accountability on good governance and service delivery due to its superior financial management systems (PEFA Secretariat 2017:29).

Otwoma *et al.* (2021:77) indicated that the financial accountability systems in Comoros, Madagascar, and Zimbabwe are considered weak. The Government of Zimbabwe (GoZ) is frequently cited as an example of poor financial accountability, especially when compared to Rwanda. It is characterised by poor financial management and governance (PEFA Secretariat 2018:14). In addition to these African nations, the Government of Greenland (GoG) was also identified as a case study because it is one of the few countries outside Africa that has used the PEFA tool to assess its public financial accountability systems. As noted earlier, the researcher selected the PEFA diagnostic tool as the most suitable for drawing lessons on how financial accountability influences good governance and the effectiveness of service delivery from an international perspective. Besides examining the PEFA outcomes related to financial accountability in the GoZ, GoR, and GoG, this chapter also provides a detailed discussion of financial accountability from a European perspective, with a focus on the UK.

### **3.2 TOOLS OR INSTRUMENTS FOR ASSESSING FINANCIAL ACCOUNTABILITY IN AN INTERNATIONAL CONTEXT**

As detailed in Section 3.1, donor organisations like the World Bank employ a range of tools and instruments to assess financial management and accountability in developing countries. Allen *et al.* (2002:18) and Knack, Parks, Harutyunyan, and DiLorenzo (2020:8) offer, as shown in Table 3.1 below, a summary of the functions of each tool or instrument used by either the World Bank or the IMF to review public expenditure, procurement, and financial accountability. The meanings of alphabetical indicators (P, C, and N) in Table 3.1 are clarified as key-level coverage:

- C means complete or substantial coverage.
- P means moderate or partial coverage.
- N means little or no coverage.

**Table 3.1: Tools or instruments by the World Bank or International Monetary Fund to assess financial management and accountability**

| FUNCTIONAL AREA                                                | PER | CFAA | CPAR | Fiscal<br>ROSC | HIPC<br>AAP | EC<br>Audit |
|----------------------------------------------------------------|-----|------|------|----------------|-------------|-------------|
| Legal framework for expenditure management                     | P   | P    | P    | P              | N           | P           |
| Intergovernmental fiscal relations                             | C   | P    | N    | P              | N           | N           |
| Relations between the government and non-governmental entities | P   | N    | N    | C              | N           | N           |
| Government structure                                           | P   | P    | P    | N              | N           | N           |
| Budget coverage                                                | C   | C    | N    | C              | P           | N           |
| Expenditure analysis                                           | C   | N    | N    | N              | P           | N           |
| Fiscal framework and expenditure programming                   | C   | P    | N    | C              | P           | N           |
| Budget preparation                                             | C   | C    | N    | P              | P           | N           |
| Treasury systems, cash management and expenditure monitoring   | C   | C    | N    | N              | P           | C           |
| Public procurement and management of physical assets           | N   | N    | C    | N              | N           | P           |
| Internal control and audit                                     | C   | C    | C    | C              | P           | P           |
| Accounting, reporting and records management                   | P   | C    | N    | P              | P           | P           |
| Debt and aid management                                        | P   | P    | N    | P              | P           | P           |
| External audit                                                 | P   | C    | P    | C              | N           | P           |
| Personnel quality, capacity, incentives, and management        | N   | P    | P    | P              | N           | N           |

(Source: Adapted from Allen *et al.*, 2002:32)

In Table 3.1, the indicated financial tools or instruments for donor organisations such as the World Bank or International Monetary Fund for assessing financial management and accountability cover the following salient areas:

- **Public Expenditure Review (PER).** The World Bank partially utilises this tool to evaluate various aspects, including the legal framework for managing expenditures, the relationships between the government and non-governmental entities, government structure, accounting, reporting, records management, debt and aid management, and external auditing. It fully covers areas such as inter-governmental fiscal relations, budget scope, expenditure analysis, fiscal framework, expenditure planning, budget creation, treasury systems, cash management, expenditure oversight, and internal control (World Bank, 2003:2).
- **Country Financial Accountability Assessment (CFAA).** The CFAA is one of the diagnostic tools used by the World Bank to measure financial accountability. It provides information about the country's public financial management (PFM) systems (World

Bank, 2003:1; 2002:32; Knack *et al.*, 2020:8). According to the World Bank (2003:1), the public financial management system encompasses budget development, budget implementation and monitoring, external fiscal reporting and transparency, internal and external auditing, and legislative scrutiny of budget execution as an integrated whole. Assessing the public financial management system is essential for establishing the link between financial accountability, good governance, and the efficiency of public service delivery. The World Bank (2003:1) emphasises that financial accountability and efficiency in managing public resources are crucial for reaching public policy objectives, such as the Millennium Development Goals.

- **Country Procurement Assessment Reports (CPARs).** The World Bank partially utilises this tool to evaluate the legal framework for expenditure management, government structure, external audit, and personnel quality, capacity, incentives, and management. Key areas covered in financial management and accountability include public procurement, management of physical assets, and internal control and audit (Allen *et al.*, 2002:32; Knack *et al.*, 2020:8).
- **IMF Reports on the Observance of Standards and Codes of Fiscal Transparency (Fiscal ROSC).** This tool partly evaluates the legal framework for expenditure management, intergovernmental fiscal relations, government structure, budget preparation, accounting, reporting, records management, external audits, personnel quality, capacity, incentives, and management. Functional areas that are thoroughly evaluated include relations between government and non-governmental entities, budget coverage, budget preparation, internal control and audits, and external audits (Allen *et al.*, 2002:32).
- **World Bank-IMF Public Expenditure and Tracking Assessments and Tracking Action Plans for Heavily Indebted Poor Countries (HIPC AAP).** This tool partially assesses budget coverage, budget analysis, fiscal framework, budget programming, budget preparation, treasury systems, cash management, expenditure monitoring, internal control and audit, accounting, reporting, records management, as well as debt and aid management (Allen *et al.*, 2002:32).
- **European Commission Audit (EC Audit).** This tool is used by the EC to partially assess the legal framework for expenditure management, public procurement and management of physical assets, internal control and audit, accounting, reporting and records management, debt and aid management, and external control. It completely assesses Treasury systems, cash management, and expenditure monitoring (Allen *et al.*, 2002:32).

Given the above, it is essential to note that although the PEFA tool was the primary assessment method chosen for evaluating financial accountability in this study, it is not the sole option available. As discussed earlier in this chapter, the researcher preferred the PEFA tool due to its seven core pillars. These include budget reliability, transparency of public finances, asset and liability management, policy-driven fiscal strategy and budgeting, predictability and control in budget execution, accounting and reporting, and external scrutiny and auditing. These components are essential for ensuring financial accountability (PEFA Secretariat, 2018:14). The following discussion elaborates on each of the seven pillars of the PEFA diagnostic framework.

### 3.2.1 Public Expenditure and Financial Accountability Programme

As stated in Section 3.1 above, Kristensen, *et al.* (2019: xiii) note that the PEFA tool was launched in 2001 by seven international development partners, including the European Commission, IMF, World Bank, and the governments of France, Norway, Switzerland, and the United Kingdom. The PEFA tool serves as a means for assessing and reporting on the strengths and weaknesses of public financial management and accountability, using quantitative indicators to evaluate performance. According to the PEFA Secretariat (2018:14), the PEFA framework is based on seven pillars: budget reliability, transparency of public finances, management of assets and liabilities, policy-based fiscal strategy and budgeting, predictability and control in budget execution, accounting, recording, and reporting, and external scrutiny and audit. These pillars are briefly summarised below (Kristensen *et al.*, 2019:10):

- **Budget reliability.** Budget reliability means that the budget should be realistic and implemented as planned.
- **Transparency of public finances.** The budget and fiscal risk oversight are comprehensive, and fiscal and budget information is accessible to the public (Kristensen *et al.*, 2019:10).
- **Management of assets and liabilities.** To provide mechanisms for the effective and efficient management of assets and liabilities.
- **Policy-based fiscal strategy and budgeting.** The budget is prepared in line with the government's strategic objectives.

- **Predictability and control in budget execution.** The budget is implemented in an orderly and predictable manner, and systems are in place to control and monitor public funds (Kristensen *et al.*, 2019:10).
- **Accounting, recording, and reporting.** Adequate records and information are produced, maintained, and shared to inform decision-making, control, management, and reporting purposes.
- **External scrutiny and audit.** Systems are in place for oversight bodies to scrutinise public finances and to hold the executive to account for the use of public funds (Kristensen *et al.*, 2019:10).

To highlight the impact of financial accountability in procurement and contract management, the MAPS assessment of the GoR was briefly integrated into the PEFA assessment.

### **3.3. APPLICATION OF THE PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY (PEFA) TOOL IN SELECTED COUNTRIES**

As previously mentioned in Section 3.1, the discussion on how financial accountability affects good governance and service delivery efficiency was limited to the Government of Zimbabwe (GoZ) and the Government of Rwanda (GoR). The African countries include one with weak financial management and accountability systems, such as Zimbabwe, and others with relatively stronger systems, like Rwanda (Otwoma *et al.*, 2021:77).

Sections 3.3.1 and 3.3.2 below cover the assessment of public financial management and accountability using the PEFA tool for the Governments of Zimbabwe (GoZ) and Rwanda (GoR). Additionally, the PEFA assessment of Greenland's Government (GoG) is discussed in Section 3.8 of this study.

#### **3.3.1 Public Expenditure and Financial Accountability Assessment of the Government of Zimbabwe**

As noted earlier in Section 3.2.1, the PEFA tool provides a framework for evaluating and reporting on the strengths and weaknesses of Public Financial Management (PFM) and financial accountability. It utilises quantitative indicators to measure performance, with each indicator assigned a corresponding performance level, as indicated by a grading system, as shown in Table 3.2.



**Table 3.2: Generic Interpretation of PEFA Tool Scores**

|          |                                                                                                                                                                      |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> | Represents performance that meets good international practice; the criteria for the indicator are met in a complete, orderly, accurate, timely, and coordinated way. |
| <b>B</b> | Typically represents a level of performance ranging from good to medium by international standards.                                                                  |
| <b>C</b> | Represents the basic level of performance for each indicator and dimension, consistent with good international practices.                                            |
| <b>D</b> | Indicates that either the feature is below the basic performance level, absent, or there is insufficient information to score the dimension.                         |

(Source: PEFA Secretariat, 2018)

The Government of Zimbabwe (GoZ) participated in the PEFA tool assessment in 2017 in collaboration with the World Bank (PEFA Secretariat, 2018:10). The objective of this assessment was to identify areas of strength and weakness in the GOZ's public financial management performance, focusing on indicators such as budget reliability, transparency of public finances, management of assets and liabilities, policy-based fiscal strategy and budgeting, predictability and control in budget execution, accounting and reporting, and external scrutiny and auditing. A detailed assessment of these indicators using the PEFA tool scores is presented in Tables 3.3 to 3.9 below. It shows the results of the PEFA assessment of the GoZ, aimed at illustrating how different aspects of public financial management influence financial performance, controls, procurement, and governance.

According to the PEFA Secretariat (2018:11), PEFA assessment tools were developed to assist governments in achieving three key fiscal and budgetary objectives: maintaining overall fiscal discipline, enabling strategic resource allocation, and ensuring efficient service delivery. In this study, which examines the influence of financial accountability on good governance and public service efficiency, the subsequent sections focus on specific pillars and their performance indicators to demonstrate the proposed link between financial accountability and financial performance outcomes. To illustrate this relationship, pillar one, related to budget reliability in Table 3.3 is used as a reference to highlight the strong connection between financial accountability and performance outcomes. The analysis of financial accountability and the effectiveness of financial controls emphasises aspects of the performance indicators for pillars five, six, and seven, as detailed in Tables 3.7 to 3.9. These include predictability and control

over budget execution, accounting and reporting, as well as scrutiny and external audits. Furthermore, to deepen the understanding of the relationship between financial accountability and treasury and procurement processes, particular attention was paid to pillar five, especially regarding procurement management, which is considered highly relevant to the discussion.

### 3.3.1.1 Pillar One: Budget reliability in the Government of Zimbabwe

This section highlights the importance of budget reliability as a key element of financial accountability and its influence on financial performance outcomes. It includes three performance indicators: aggregate expenditure outturn, expenditure composition outturn, and revenue outturn, as detailed in Table 3.3. According to the PEFA Secretariat (2018:33), aggregate expenditure outturn compares actual spending to the initially approved budget. Expenditure composition outturn measures the movement of funds between the main budget categories (line ministries, main divisions, or votes) or across economic classifications within the main division during the implementation of the budget, and how this contributes to variances in the budget composition. Revenue outturn encompasses forecasts and projections of income from taxes, social contributions, grants, and natural resources. Revenue is vital for funding government services. Table 3.3 presents the PEFA tool scores for these performance indicators, followed by an explanation of their significance.

**Table 3.3: Budget reliability in the Government of Zimbabwe (G0Z)**

| PFM Pillar and Performance Indicator |                                 | Scoring Method | Dimension Ratings |    |    |    | Overall Score |
|--------------------------------------|---------------------------------|----------------|-------------------|----|----|----|---------------|
|                                      |                                 |                | .1                | .2 | .3 | .4 |               |
| Pillar I. Budget reliability         |                                 |                |                   |    |    |    |               |
| PI-1                                 | Aggregate expenditure outturn   | -              | B                 |    |    |    | B             |
| PI-2                                 | Expenditure composition outturn | M1             | D*                | D* | D* |    | D             |
| PI-3                                 | Revenue outturn                 | M2             | D                 | C  |    |    | D+            |

(Source: PEFA Secretariat, 2018:14)

The overall expenditure outturn score, shown in Table 3.3, is B, indicating fair performance. This suggests that the government adhered to its approved budget plan; however, it does not necessarily mean the budget was used efficiently, as both the budget composition out-turn and revenue outturn received low scores.

The overall score for budget composition was a D, indicating that the government was not performing well in budget planning and allocation. As a result, one could argue that poor

planning led to public funds being moved and reallocated to different programmes. This caused variances, and the lower score of D shown in Table 3.3 above reflects this. Revenue outturn was also among the budget reliability indicators that performed poorly. The inadequate revenue collection suggests the system was not effectively managed and failed to meet targets (OECD, 2019:37). It can therefore be argued that the low score on budget reliability, as shown in Table 3.3 and obtained by the Government of Zimbabwe (GoZ) contributes to poor financial performance, especially since the budget is not well aligned with set plans. This means that budget allocation was misdirected and failed to address some of the GoZ's key policy priorities.

### 3.3.1.2 Pillar Two: Transparency of public finances in the Government of Zimbabwe

Transparency of public finances encompasses budget classification, budget documentation, central government operations outside of financial reports, transfers to sub-national governments, performance information for service delivery, and public access to fiscal information, as outlined in Table 3.4. A brief explanation of each of these performance indicators is highlighted below:

- **Budget classification.** It measures a financial system used to formulate, execute, and inform about government budgets (PEFA Secretariat, 2018:166).
- **Budget documentation.** Assesses the comprehensiveness of the information included in the annual budget documentation and contains budget statement, budget speech, budget estimates, draft finance bill, and budget highlights
- **Central government operations outside financial reports.** This indicator measures the extent to which government expenditure and revenue are reported outside government financial reports. (PEFA Secretariat, 2018:166).
- **Transfers to sub-national governments.** This indicator measures the transparency and timelines of transfers from central to sub-national governments.
- **Performance information.** This indicator shows the public access to performance information that is required for service delivery and access to fiscal information.

Table 3.4 below presents the PEFA tool scores of GoZ performance indicators highlighted above.

**Table 3.4: Transparency of public finances in the Government of Zimbabwe (GoZ)**

| PFM Pillar and Performance Indicator       |                                                         | Scoring Method | Dimension Ratings |    |    |    | Overall Score |
|--------------------------------------------|---------------------------------------------------------|----------------|-------------------|----|----|----|---------------|
|                                            |                                                         |                | .1                | .2 | .3 | .4 |               |
| Pillar II: Transparency of public finances |                                                         |                |                   |    |    |    |               |
| PI-4                                       | Budget classification                                   | -              | C                 |    |    |    | C             |
| PI-5                                       | Budget documentation                                    | -              | C                 |    |    |    | C             |
| PI-6                                       | Central government operations outside financial reports | M2             | D                 | D  | B  |    | D+            |
| PI-7                                       | Transfers to sub-national governments                   | M2             | D                 | C  |    |    | D+            |
| PI-8                                       | Performance information for service delivery            | M2             | C                 | C  | D  | D  | D+            |
| PI-9                                       | Public access to fiscal information                     | -              | D                 |    |    |    | D             |

(Source: PEFA Secretariat, 2018:14)

In Table 3.4 above, it is shown that the overall score for the transparency of public finances in the GoZ was unsatisfactory, with four of the six indicators performing poorly. Financial processes at the central government in the GoZ lacked transparency, as indicated by a PEFA tool score of more than D, which is considered poor performance, as shown in Table 3.4. This suggests that it was difficult to measure the level of transparency in financial performance due to the unknown nature of certain operations. Transfers to sub-national governments in the GoZ were not transparent, making it difficult for the public to understand the amount of funding transferred from the central government, as depicted in Table 3.4. It can be argued, that since the transfer system from the central to sub-national governments in the GoZ was not transparent, this might have led to the diversion of public funds from their intended use. Performance information regarding public service delivery and access to fiscal information in the GoZ also received low scores, implying that, without adequate information, public officials would be unable to account for the misuse or abuse of public resources and funds. It can, therefore, be argued, that due to low levels of transparency in public finances, financial accountability was also weak in the GoZ, most public officials could not be held accountable for the use of public funds.

### 3.3.1.3 Pillar Three: Management of Assets and Liabilities in the Government of Zimbabwe

The management of assets and liabilities is a vital aspect of financial accountability. Performance indicators for this pillar include fiscal risk reporting, public investment

management, public asset management and debt management (PEFA Secretariat, 2018:55), as shown below:

- **Fiscal risk reporting.** It measures the state of fiscal risks reported to the central government. These risks can be attributed to macroeconomic conditions and the financial position of sub-national governments within the GoZ (PEFA Secretariat, 2018:55).
- **Public investment management.** Public investment management plays a key role in driving economic growth. Effectively and efficiently managing public investments contributes to supporting government developmental programmes (PEFA Secretariat, 2018:60).
- **Public asset management.** It measures the effective management of assets and the overall fiscal discipline of the government, as well as the extent to which public funds and resources are used effectively and efficiently to deliver services (PEFA Secretariat, 2018:57).
- **Debt management.** It measures the effective management of debt and ensures the fulfilment of obligations. Governments, such as the GoZ, that fail to manage financial liabilities caused by foreign and domestic debt, guaranteed debt, overdue accounts, and salaries may result in fruitless and wasteful expenditure, leading to the government's failure to deliver services (PEFA, Secretariat, 2018:55).

Amante, Anderson, Jonasson, Kamil, and Papaioannou (2019:7) assert that the goal of effective asset and liability management is to ensure the efficient implementation of government policies. It can be inferred from the above that effective management of assets and liabilities can reduce fiscal risks, leading to improved public investment. Fournier (2016:5) states that enhanced public investment contributes to policy implementation, especially in healthcare and research and development. Moreover, better mechanisms for debt management would decrease the loss of public funds by reducing fruitless and wasteful expenditure on funds allocated for implementing government policies. Table 3.5 illustrates the scores of the GoZ's performance in managing assets and liabilities, such as fiscal risk reporting, public investment management, and public asset management.

**Table 3.5: Management of assets and liabilities in the Government of Zimbabwe (GoZ)**

| PFM Pillar and Performance Indicator             | Scoring Method | Dimension Ratings |    |    |    | Overall Score |
|--------------------------------------------------|----------------|-------------------|----|----|----|---------------|
|                                                  |                | .1                | .2 | .3 | .4 |               |
| Pillar III: Management of assets and liabilities |                |                   |    |    |    |               |

|       |                              |    |   |   |   |   |    |
|-------|------------------------------|----|---|---|---|---|----|
| PI-10 | Fiscal risk reporting        | M2 | C | D | D |   | D+ |
| PI-11 | Public investment management | M2 | C | D | C | C | D+ |
| PI-12 | Public asset management      | M2 | D | D | D |   | D  |
| PI-13 | Debt management              | M2 | B | A | D |   | B  |

(Source: PEFA Secretariat, 2018:14)

In Table 3.5, it is shown that the GoZ was underperforming in areas such as fiscal risk reporting, public investment management, and public asset management. Fiscal risk reporting is vital for reducing financial risks that could lead to wasteful expenditure and corruption. A low score in public investment management suggests that investors may be hesitant to invest in the country, and those who have already invested might choose to withdraw their investments and seek better returns elsewhere. Poor management of assets and liabilities can cause the state to lose significant financial resources due to fiscal risks stemming from a lack of accountability. Ultimately, the government might be compelled to spend large sums on maintaining assets that are in disrepair or need replacement, or on replacing assets that may not require it but need better upkeep. The World Bank (2020:35-36) states that the maintenance of the GoZ's infrastructure, especially roads, railways, and airports (the main transport networks), is poorly managed. This hampers the effective and efficient delivery of services, especially considering that the GoZ is landlocked, and functional infrastructure is essential for successful public service delivery (World Bank, 2020:35).

#### 3.3.1.4 Pillar Four: Policy-based fiscal strategy and budgeting in the Government of Zimbabwe

This pillar covers macroeconomic and fiscal forecasting, fiscal strategy, medium-term expenditure planning, budget preparation processes, and legislative review of budgets. This indicates that the budget and strategy should align with the policy direction of the GoZ or any other government. Below is a brief explanation of each performance indicator of policy-based fiscal strategy as provided by the PEFA Secretariat (2018:66-75):

- **Macroeconomic and fiscal forecasting.** This indicator gauges the ability of the GoZ to develop effective macroeconomic and fiscal forecasts that support the sustainability of fiscal strategies and enable better predictions of budget allocations (PEFA Secretariat, 2018:68).

- **Fiscal strategy.** The fiscal strategy provides an analysis of the capacity of the GoZ to develop and implement a clear fiscal strategy (PEFA Secretariat, 2018:65).
- **Medium-term perspective in expenditure budgeting.** This indicator focuses on the structuring of budgets over the medium-term period of three to five years.
- **Budget preparation process.** It focuses on the effectiveness of stakeholder participation in the budget preparation process (PEFA Secretariat, 2018:72).
- **Legislative scrutiny of budgets.** It assesses how thoroughly the legislature, particularly through oversight and accountability bodies, scrutinises, debates, and approves the annual budget (PEFA Secretariat, 2018:75).

The scores of the above indicators, which measured the effectiveness of the policy-based fiscal strategy and budgeting of the GoZ, are shown in Table 3.6 below. A descriptive analysis of the performance of the GoZ's policy-based fiscal strategy and budgeting is also provided in Table 3.6.

**Table 3.6: Policy-based fiscal strategy and budgeting scores in the Government of Zimbabwe (GoZ)**

| PFM Pillar and Performance Indicator                  |                                                  | Scoring Method | Dimension Ratings |    |    |    | Overall Score |
|-------------------------------------------------------|--------------------------------------------------|----------------|-------------------|----|----|----|---------------|
|                                                       |                                                  |                | .1                | .2 | .3 | .4 |               |
| Pillar IV: Policy-based fiscal strategy and budgeting |                                                  |                |                   |    |    |    |               |
| PI-14                                                 | Macroeconomic and fiscal forecasting             | M2             | C                 | C  | C  |    | C             |
| PI-15                                                 | Fiscal strategy                                  | M2             | C                 | C  | B  |    | C+            |
| PI-16                                                 | Medium-term perspective in expenditure budgeting | M2             | B                 | D  | C  | D  | D+            |
| PI-17                                                 | Budget preparation process                       | M2             | C                 | A  | C  |    | B             |
| PI-18                                                 | Legislative scrutiny of budgets                  | M1             | A                 | B  | C  | C  | C+            |

(Source: PEFA Secretariat, 2018:14)

Policy-based fiscal strategy and budgeting demonstrate a basic level of performance in macroeconomic and fiscal forecasting. These forecasts support fiscal policy discussions and decisions (Leal, Pérez, Tujula, and Vidal, 2007:5). In Table 3.6, the PEFA tool's assessment of the GoZ's policy-based fiscal strategy and budgeting yielded a score of Cs for macroeconomic and fiscal forecasting. Fiscal strategy received a C+. This indicates that the GoZ needed to make greater efforts to improve policy discussions for a more effective fiscal strategy and budgeting. While Table 3.6 shows the GoZ performed well in the budget preparation process, the indicator on the medium-term expenditure framework scored poorly, with a grade of D+. The C scores in Table 3.6 for legislative scrutiny of the budget indicate a basic level, suggesting



that the legislature, as an oversight body, had fallen short in some responsibilities related to reviewing medium-term fiscal forecasts and priorities. This also implies that some communities were not consulted when the government reviewed its policies and financial performance.

### **3.3.1.5 Pillar Five: Predictability and control in budget execution in the Government of Zimbabwe**

In demonstrating the relationship between financial accountability and treasury and procurement processes, a special focus in this pillar is centred on procurement management. Predictability and control in budget execution refer to a government's performance related to revenue administration, accounting for revenue, predictability of in-year resource allocation, expenditure arrears, payroll controls, procurement management, internal controls on non-salary expenditure, and internal audit. The meanings of these performance indicators as provided by PEFA Secretariat, 2018:87-99) are highlighted below:

- **Revenue administration.** This indicator assesses the procedures used to collect and monitor government revenues.
- **Accounting for revenue.** Accounting of revenue assesses procedures for recording and reporting revenue collections, consolidating collected revenue and reconciling tax revenue accounts (PEFA Secretariat, 2018:84).
- **Predictability of in-year resource allocation.** Measures the effectiveness of the Ministry of Finance in the GoZ or any other government in forecasting cash commitments and the ability to provide reliable information on the availability of funds for budgetary units to be able to deliver services (PEFA Secretariat, 2018:87).
- **Expenditure arrears.** Refers to overdue accounts, liabilities, and obligations. This indicator assesses a database of arrears and the mechanisms in place to manage overdue accounts, liabilities, and financial commitments (PEFA Secretariat, 2018:89).
- **Payroll controls.** It assesses how the payroll of public officials is managed, how changes are managed, and how consistency with personnel management is achieved (PEFA Secretariat: 2018:91)
- **Procurement management.** This assesses whether procurement processes were transparent, open, fair, and competitive.

- **Internal controls on non-salary expenditure.** This measures the internal controls of expenditure commitments, payment of goods and services, casual labour wages, and discretionary staff allowances (PEFA Secretariat, 2018:99).
- **Internal audit.** Internal audits give assurance that operations are carried out to achieve government objectives effectively and efficiently (PEFA Secretariat, 2018:102).

The table below shows the PEFA tool scores of the GoZ regarding predictability and control in budget execution.

**Table 3.7: Predictability and control in budget execution scores of the Government of Zimbabwe (GoZ)**

| PFM Pillar and Performance Indicator                     |                                               | Scoring Method | Dimension Ratings |    |    |    | Overall Score |
|----------------------------------------------------------|-----------------------------------------------|----------------|-------------------|----|----|----|---------------|
|                                                          |                                               |                | .1                | .2 | .3 | .4 |               |
| Pillar V: Predictability and control in budget execution |                                               |                |                   |    |    |    |               |
| PI-19                                                    | Revenue administration                        | M2             | B                 | C  | C  | D  | C             |
| PI-20                                                    | Accounting for revenue                        | M1             | B                 | A  | A  |    | B+            |
| PI-21                                                    | Predictability of in-year resource allocation | M2             | A                 | C  | D  | D  | C             |
| PI-22                                                    | Expenditure arrears                           | M1             | D                 | D  |    |    | D             |
| PI-23                                                    | Payroll controls                              | M1             | B                 | B  | B  | C  | C+            |
| PI-24                                                    | Procurement management                        | M2             | D                 | D* | D  | A  | D+            |
| PI-25                                                    | Internal controls on non-salary expenditure   | M2             | C                 | C  | D  |    | D+            |
| PI-26                                                    | Internal audit                                | M1             | A                 | C  | C  | C  | C+            |

(Source: PEFA Secretariat, 2018:14)

Table 3.7 shows that the indicators of this pillar did not perform well in the GoZ, except for one indicator, accounting revenue, which received a good score of B. Revenue administration, predictability of in-year resource allocation, and payroll controls each received a basic performance score of C, indicating average performance. Indicators with poor scores included expenditure arrears (D), procurement management (D+), and internal controls on non-salary expenditures (D+).

The scores shown in Table 3.7 indicate that the GoZ had effective procedures for recording and reporting revenue collections, consolidating revenue gathered, and reconciling tax revenue accounts. They also suggest that the GoZ was able to implement processes and procedures for revenue management related to tax, customs, and social security administration in a sensible

manner. Another aspect of fair performance was the predictability of in-year resource distribution, meaning that the central government could forecast cash commitments and requirements and share information on fund availability with budgetary units responsible for service delivery.

However, the GoZ performed poorly in settling overdue accounts, liabilities, and obligations, which led to suppliers withdrawing their services and negatively affected service delivery. The GoZ also underperformed in procurement management due to the lack of procurement databases, the unavailability of procurement data for evaluating methods, and the absence of public access to procurement information. Furthermore, public officials in the GoZ ignored the need for compliance with a set system of internal control when implementing the budget. When processing payments, officials did not adhere to payment procedures and regulations, often failing to explain deviations from standard rules. Considering these issues, it is clear that although an internal control system was in place, there was a deliberate disregard for compliance with legislation, procurement procedures, and internal controls due to a lack of financial accountability within the GoZ.

### **3.3.1.6 Pillar Six: Accounting and reporting in the Government of Zimbabwe**

Financial accounting and reporting are closely linked to the integrity of financial data, in-year budget reports, and annual financial statements (PEFA Secretariat, 2018:106). Ensuring financial data integrity requires that financial information and records are dependable and undergo ongoing verification. In-year budget reports must be connected to budget coverage and classifications to facilitate monitoring of budget performance and support timely corrective measures (PEFA Secretariat, 2018:110). The indicator on annual financial reports assessed the comprehensiveness, timeliness, and compliance with generally accepted accounting principles of the annual financial statements in the GoZ or other governments (PEFA Secretariat, 2018:112). In this context, accounting and reporting are fundamental components of the PEFA framework, and greater care should be taken to ensure that financial data are reliable and that regular reports are produced on a monthly and annual basis. To enhance financial accountability, the reporting approach should be based on standardised economic classifications and widely accepted accounting practices (Arda, Gororo, Grochalska, and Mohlala, 2017:6). Table 3.8 below demonstrates the performance indicators for the accounting and reporting scores of the GoZ.

**Table 3.8: Accounting and reporting scores of the Government of Zimbabwe (GoZ)**

| PFM Pillar and Performance Indicator |                          | Scoring Method | Dimension Ratings |    |    |    | Overall Score |
|--------------------------------------|--------------------------|----------------|-------------------|----|----|----|---------------|
|                                      |                          |                | .1                | .2 | .3 | .4 |               |
| Pillar VI: Accounting and reporting  |                          |                |                   |    |    |    |               |
| PI-27                                | Financial data integrity | M2             | D                 | D  | D  | C  | D             |
| PI-28                                | In-year budget reports   | M1             | D                 | D  | C  |    | D+            |
| PI-29                                | Annual financial reports | M1             | D                 | D  | D  |    | D             |

(Source: PEFA Secretariat, 2018:14)

Table 3.8 indicates that the accounting and reporting indicators suggest the GoZ was performing below average. The integrity of financial data, as well as in-year budget reports and annual financial statements, all received a D, highlighting weaknesses in the accounting and reporting systems. Some GoZ ministries failed to reconcile their financial accounts on time, and updates to advances and suspense accounts were delayed, resulting in distortions or misrepresentations of the financial account statuses. (PEFA Secretariat, 2018:110-115)

### 3.3.1.7 Pillar Seven: External Scrutiny and Audit in the Government of Zimbabwe

To strengthen financial accountability, the Auditor-General's office acts as an external body responsible for auditing the GoZ's annual financial statements. After the audited statements are submitted to Parliament, legislative oversight and accountability bodies review and scrutinise the audit reports further. Table 3.9 below shows the results of the PEFA assessment of the GoZ's external oversight and auditing processes.

**Table 3.9: External scrutiny and audit scores of the Government of Zimbabwe (GoZ)**

| PFM Pillar and Performance Indicator    |                                       | Scoring Method | Dimension Ratings |    |    |    | Overall Score |
|-----------------------------------------|---------------------------------------|----------------|-------------------|----|----|----|---------------|
|                                         |                                       |                | .1                | .2 | .3 | .4 |               |
| Pillar VII: External scrutiny and audit |                                       |                |                   |    |    |    |               |
| PI-30                                   | External audit                        | M1             | B                 | A  | C  | D  | D+            |
| PI-31                                   | Legislative scrutiny of audit reports | M2             | D                 | C  | C  | A  | C+            |

(Source: PEFA Secretariat, 2018:14)

Reliable external audits are essential for enhancing financial accountability and transparency. Arda *et al.* (2017:6) emphasise that these audits improve the credibility of financial reports. In Table 3.3, the GoZ received a D for external audits, indicating that the Office of the Auditor-General was ineffective. Although external audits are conducted regularly, there have been instances when assessments could not be undertaken due to a lack of financial independence.

### 3.3.2 Public Expenditure and Financial Accountability Assessment of the Government of Rwanda

Unlike the Government of Zimbabwe (GoZ), the Government of Rwanda (GoR) has a stronger system of financial management and accountability (Otwoma *et al.*, 2021:77). Similar to the descriptive analysis of the PEFA tool assessment on the GoZ presented in Section 3.3.1, this section aims to examine key aspects relevant to the PEFA assessment of the Government of Rwanda (GoR). Tables 3.10 to 3.16 below summarise the public financial performance and accountability scores from the 2016 assessment of GoR. In this section, the GoR is shown to have a more effective system of financial management and accountability that aligns closely with good international practices. As with the assessment approach of the GoZ, the discussion below concentrates on the seven pillars of the PEFA tool assessment of the GoR concerning PFM and financial accountability.

#### 3.3.2.1 Pillar One: Budget reliability in the Government of Rwanda (GoR)

The PEFA Secretariat (2017:26) notes that the budget of GoR had met the basic level of performance. This pillar comprises three performance indicators, as shown in Table 3.10, with the scores related to the budget reliability of the GoR being below.

**Table 3.10: Budget reliability scores in the Government of Rwanda (GoR)**

| PFM Pillar and Performance Indicator |                                 | Scoring Method | Dimension Ratings |    |    |    | Overall Score |
|--------------------------------------|---------------------------------|----------------|-------------------|----|----|----|---------------|
|                                      |                                 |                | .1                | .2 | .3 | .4 |               |
| Pillar I. Budget reliability         |                                 |                |                   |    |    |    |               |
| PI-1                                 | Aggregate expenditure outturn   | -              | C                 |    |    |    | C             |
| PI-2                                 | Expenditure composition outturn | M1             | C                 | B  | C  |    | C+            |
| PI-3                                 | Revenue outturn                 | M2             | B                 | A  |    |    | B+            |

(Source: Adapted from Sinnett, Hegbor, Mugisha and Gasana, 2017:28)

The overall expenditure outturn score of the GoR, as shown in Table 3.10, is C, indicating average performance. This also suggests that the government's capital expenditure was aimed at staying within the budget. The overall score for budget composition outturn was a C+, reflecting relatively better performance in the process of budget planning and allocation. The GoR score related to revenue outturn was a B+, one of the budget reliability indicators that performed exceptionally well. The good revenue outturn indicates that the revenue collection and management systems were well administered (Sinnott et al., 2017:28). From these positive scores, it can be inferred that budget reliability was a key pillar of the PEFA assessment, with the GoR performing effectively to boost financial accountability.

### 3.3.2.2 Pillar Two: Transparency of public finances in the Government of Rwanda

Table 3.11 below shows that the overall transparency score of public finances was good according to international standards. It also presents the PEFA assessment scores achieved in each performance indicator.

**Table 3.11: Transparency of public finances in the Government of Rwanda (GoR)**

| PFM Pillar and Performance Indicator       |                                                            | Scoring Method | Dimension Ratings |    |    |    | Overall Score |
|--------------------------------------------|------------------------------------------------------------|----------------|-------------------|----|----|----|---------------|
|                                            |                                                            |                | .1                | .2 | .3 | .4 |               |
| Pillar II: Transparency of public finances |                                                            |                |                   |    |    |    |               |
| PI-4                                       | Budget classification                                      | -              | A                 |    |    |    | A             |
| PI-5                                       | Budget documentation                                       | -              | B                 |    |    |    | B             |
| PI-6                                       | Central government operations outside of financial reports | M2             | A                 | A  | B  |    | A             |
| PI-7                                       | Transfers to sub-national governments                      | M2             | A                 | A  |    |    | A             |
| PI-8                                       | Performance information for service delivery               | M2             | D                 | C  | D  | D  | D             |
| PI-9                                       | Public access to fiscal information                        | -              | B                 |    |    |    | B             |

(Adapted from Sinnott *et al.*, 2017:28)

In Table 3.11, three of the six indicators performed exceptionally well, receiving an overall score of A. Financial processes at the central government are not transparent; the PEFA score of more than D indicates poor performance, as shown in Table 3.1. This suggests that it was straightforward to assess the level of transparency in financial performance due to well-understood operations (Sinnott *et al.*, 2017:92). Transfers to sub-national governments were transparent, making it easy for the public to understand and know how much funding could

have been transferred from the central government, as depicted in Table 3.11. It can be argued that when the system of transfers from the central to sub-national levels is transparent, financial accountability is improved. Performance information on public service delivery and access to fiscal information also received a high score, indicating that with available information, it is easy to hold public officials accountable for public resources and funds.

### 3.3.2.3 Pillar Three: Management of assets and liabilities in the Government of Rwanda

Asset and liability management was a strong pillar of financial performance, aligning well with international standards (Sinnott *et al.*, 2017:87). All related performance indicators exceeded the fundamental baseline, as demonstrated in Table 3.12 below.

**Table 3.12: Management of assets and liabilities in the Government of Rwanda (GoR)**

| PFM Pillar and Performance Indicator             |                              | Scoring Method | Dimension Ratings |    |    |    | Overall Score |
|--------------------------------------------------|------------------------------|----------------|-------------------|----|----|----|---------------|
|                                                  |                              |                | .1                | .2 | .3 | .4 |               |
| Pillar III: Management of assets and liabilities |                              |                |                   |    |    |    |               |
| PI-10                                            | Fiscal risk reporting        | M2             | B                 | C  | C  |    | C+            |
| PI-11                                            | Public investment management | M2             | B                 | A  | A  | C  | B+            |
| PI-12                                            | Public asset management      | M2             | C                 | D  | C  |    | D+            |
| PI-13                                            | Debt management              | M2             | B                 | A  | A  |    | A             |

(Adapted from Sinnott *et al.*, 2017:28)

Table 3.12 indicates that, in accordance with international standards, both debt management and public investment management performed well in the GoR. The debt management score was A, while the public investment management score was B+, as shown in the table. Sinnott *et al.* (2017:45) note that the GoR's debt record was comprehensive, complete, and reconciled quarterly, and public investment management was also well administered following established guidelines (PEFA Secretariat, 2017:41). This implies that both areas operated effectively and adhered to international standards. A high score in public investment management suggests that investors are likely willing and eager to invest in the country, and existing investors may be more inclined to maintain their investments, thereby enhancing service delivery. The tools used for monitoring fiscal risks are effective due to improved financial accountability (Sinnott *et al.*, 2017:87).



### 3.3.2.4 Pillar Four: Policy-based fiscal strategy and budgeting in the Government of Rwanda

The policy-based fiscal strategy and budgeting showed a basic level of performance in macroeconomic and fiscal forecasting. Leal *et al.* (2007:5) argue that these forecasts inform fiscal policy discussions and decisions. Table 3.13 presents the performance indicators of the policy-based fiscal strategy and budgeting in the GoR, as outlined below.

**Table 3.13: Policy-based fiscal strategy and budgeting in the Government of Rwanda (GoR)**

| PFM Pillar and Performance Indicator                  |                                                  | Scoring Method | Dimension Ratings |    |    |    | Overall Score |
|-------------------------------------------------------|--------------------------------------------------|----------------|-------------------|----|----|----|---------------|
|                                                       |                                                  |                | .1                | .2 | .3 | .4 |               |
| Pillar IV: Policy-based fiscal strategy and budgeting |                                                  |                |                   |    |    |    |               |
| PI-14                                                 | Macroeconomic and fiscal forecasting             | M2             | B                 | A  | B  |    | B+            |
| PI-15                                                 | Fiscal strategy                                  | M2             | A                 | A  | B  |    | A             |
| PI-16                                                 | Medium-term perspective in expenditure budgeting | M2             | A                 | D  | A  | B  | B             |
| PI-17                                                 | Budget preparation process                       | M2             | A                 | B  | A  |    | A             |
| PI-18                                                 | Legislative scrutiny of budgets                  | M1             | A                 | B  | A  | B  | B+            |

(Adapted from Sinnett *et al.*, 2017:28)

In Table 3.13, the PEFA assessment indicates a B+ score for macroeconomic and fiscal forecasting, while the fiscal strategy is rated A. This shows that the GoR had been working to enhance policy discussions for improved fiscal strategy and budgeting. The table highlights strong performance in the budget preparation process, a medium-term outlook for expenditure budgeting, and legislative oversight of budgets. The performance indicator score for the medium-term perspective in expenditure budgeting was B, whereas the scores for budget preparation and legislative review were A and B+, respectively. Additionally, Table 3.13 suggests that the legislature has effectively fulfilled its oversight role, holding the executive accountable for the implementation of the budget.

### 3.3.2.5 Pillar Five: Predictability and control in budget execution in the Government of Rwanda

The performance indicators for predictability and control in budget execution also demonstrated strong performance in line with international standards. In Table 3.14, all

indicators related to predictability and control in the GoR's budget execution are classified as showing good performance based on these international standards.

**Table 3.14: Predictability and control in budget execution in the Government of Rwanda (GoR)**

| PFM Pillar and Performance Indicator                     |                                               | Scoring Method | Dimension Ratings |    |    |    | Overall Score |
|----------------------------------------------------------|-----------------------------------------------|----------------|-------------------|----|----|----|---------------|
|                                                          |                                               |                | .1                | .2 | .3 | .4 |               |
| Pillar V: Predictability and control in budget execution |                                               |                |                   |    |    |    |               |
| PI-19                                                    | Revenue administration                        | M2             | A                 | A  | D  | D  | C+            |
| PI-20                                                    | Accounting for revenue                        | M1             | A                 | B  | A  |    | B+            |
| PI-21                                                    | Predictability of in-year resource allocation | M2             | A                 | B  | B  | A  | B+            |
| PI-22                                                    | Expenditure arrears                           | M1             | A                 | C  |    |    | C+            |
| PI-23                                                    | Payroll controls                              | M1             | A                 | A  | A  | B  | B+            |
| PI-24                                                    | Procurement management                        | M2             | A                 | A  | C  | A  | B+            |
| PI-25                                                    | Internal controls on non-salary expenditure   | M2             | A                 | A  | B  |    | A             |
| PI-26                                                    | Internal audit                                | M1             | A                 | B  | C  | C  | C+            |

(Adapted from Sinnett *et al.*, 2017:28)

Table 3.14 shows that indicators for this pillar performed well within the GoR, including revenue accounting, predictability of in-year resource allocation, payroll controls, and procurement management, all earning a B+. Revenue administration, expenditure arrears, and internal audit scored a C+. The internal controls performance indicator for non-salary expenditure received an excellent A. These scores suggest that the GoR has effective procedures for recording and reporting revenue, consolidating collections, and reconciling tax accounts. Furthermore, Table 3.14 demonstrates that the government could efficiently implement processes related to revenue administration, such as tax, customs, and social security administration (Sinnett *et al.*, 2017:28). The government also showed good performance in the predictability of in-year resource allocation, indicating its ability to forecast cash commitments and share fund availability information with budgetary units for service delivery.

The GoR was effectively settling overdue accounts, liabilities, and obligations, which encouraged suppliers to do business with the government and improved service delivery. Procurement management also performed well due to the availability of procurement databases for evaluating methods and providing public access to procurement information. Public

officials in the GoR follow internal control systems during the implementation of the budget. During payment processing, officials adhered to or complied with established procedures and regulations, explaining any deviations from standard rules (Sinnott *et al.*, 2017:28). Consequently, it can be concluded that stronger financial accountability has a positive and significant relationship with compliance to legislation, procurement standards, and internal controls in the GoR.

### 3.3.2.6 Pillar Six: Accounting and reporting in the Government of Rwanda

The performance indicators of accounting and reporting in the GoR exceeded the baseline performance as shown in Table 3.15 below.

**Table 3.15: Accounting and reporting in the Government of Rwanda (GoR)**

| PFM Pillar and Performance Indicator |                          | Scoring Method | Dimension Ratings |    |    |    | Overall Score |
|--------------------------------------|--------------------------|----------------|-------------------|----|----|----|---------------|
|                                      |                          |                | .1                | .2 | .3 | .4 |               |
| Pillar VI: Accounting and reporting  |                          |                |                   |    |    |    |               |
| PI-27                                | Financial data integrity | M2             | B                 | NA | A  | B  | B+            |
| PI-28                                | In-year budget reports   | M1             | A                 | D  | C  |    | D+            |
| PI-29                                | Annual financial reports | M1             | C                 | A  | C  |    | C+            |

(Adapted from Sinnott *et al.*, 2017:28).

Indicators of accounting and reporting, as shown in Table 3.15, indicate that the GoR performed below average in this pillar. Financial data integrity, in-year budget reports, and annual financial reports all received scores of B+, D+, and C+, respectively. Despite this, there was strength in the system of accounting and reporting. Ministries in the GoR were reconciling their financial accounts on time, and advances and suspense accounts were updated promptly.

### 3.3.2.7 Pillar Seven: External scrutiny and audit in the Government of Rwanda

As depicted in Table 3.16, external scrutiny and auditing performed above average in the GoR.

**Table 3.16: External scrutiny and auditing in the Government of Rwanda (GoR)**

| PFM Pillar and Performance Indicator    |                | Scoring Method | Dimension Ratings |    |    |    | Overall Score |
|-----------------------------------------|----------------|----------------|-------------------|----|----|----|---------------|
|                                         |                |                | .1                | .2 | .3 | .4 |               |
| Pillar VII: External scrutiny and audit |                |                |                   |    |    |    |               |
| PI-30                                   | External audit | M1             | B                 | C  | C  | D  | D+            |

|       |                                       |    |   |   |   |   |    |
|-------|---------------------------------------|----|---|---|---|---|----|
| PI-31 | Legislative scrutiny of audit reports | M2 | C | A | B | A | B+ |
|-------|---------------------------------------|----|---|---|---|---|----|

(Adapted from Sinnett *et al.*, 2017:28)

In Table 3.16, a D+ score in external audit indicates that the Office of the Auditor-General in the GoR was operating just below the acceptable baseline of C. Conversely, a B+ score in legislative scrutiny of audit reports reflected an active oversight role by the legislative body concerning the executive's management of resources and public funds.

### **3.4 LESSONS LEARNED FROM THE PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY (PEFA) TOOL ASSESSMENT IN THE GOVERNMENTS OF ZIMBABWE AND RWANDA**

As described in Section 3.3, PEFA was aimed at assessing public expenditure and financial accountability and involves all pertinent variables that constitute the conceptual framework presented in Section 1.8. Lessons derived from the PEFA assessments of the GoZ and GoR are summarised in the following Sub-Sections 3.4.1 to 3.4.4.

#### **3.4.1 Lessons learned from the PEFA tool assessment on the link between financial accountability and financial performance outcomes in the Governments of Zimbabwe and Rwanda.**

According to the PEFA Secretariat (2018:129), the overall budget outcomes of the GoZ consistently underperformed during the 2016/2017 financial year, mainly due to weaknesses in public financial management and accountability. That year, the GoZ's actual expenditures greatly exceeded the budget, indicating poor financial accountability (PEFA Secretariat, 2018:129). The GoZ's annual budget review for 2016 and the outlook for 2017 aligned with the PEFA assessment, showing a revenue shortfall of \$347.8 million and an expenditure overrun of \$900 million (23% above the initial \$4 billion target). Imam (2019:3) notes that the overall fiscal deficit of the GoZ had been growing rapidly since 2015, reaching a peak of 12.7% in 2017. Despite clear signs of financial underperformance, there is no record of any officials being held accountable for these poor financial results.

Pattanayak (2016:2) highlights that inadequate control of government expenditure is a common problem faced by many countries. However, the GoR's financial management and accountability were stronger, which positively affected the country's financial performance,

resulting in minimal differences between the budget and actual expenditure (Sinnott *et al.*, 2017:8). Therefore, PEFA assessments of both the GoZ and the GoR support the idea that there is a strong and positive relationship between financial accountability and financial performance outcomes. It can be argued that sound financial accountability leads to better financial performance, whereas a lack of accountability results in poorer outcomes.

To strengthen the claim that there is a strong, positive link between financial accountability and financial performance, Table 3.5 demonstrates that the GoZ PEFA assessment received low scores in asset and liability management, accounting, reporting, and external scrutiny. In asset and liability management, low scores were noted in fiscal risk reporting, public investment, and asset management, as shown in Table 3.5. Conversely, the PEFA assessment for the GoR, as detailed in Table 3.12, shows that the country performed well against international standards in fiscal risk, public investment, and debt management. This suggests that effective management of the country's assets, accurate fiscal reporting, prudent public investment, and transparent accountability of state assets increased the likelihood of achieving strong financial performance.

Transparency of public finances, as a key aspect of financial accountability, was one of the indicators assessed by the PEFA tool for the GoZ, as shown in Table 3.4. A similar assessment for the GoR is presented in Table 3.11. Table 3.4 revealed that, in the GoZ, transparency regarding government operations outside financial reports, transfers to sub-national governments, and performance information for service delivery had been insufficient for public scrutiny, resulting in a lack of financial accountability. Conversely, Table 3.11 indicates that the PEFA assessment of the GoR's transparency of public finances had been performing well. According to Table 3.10, the GoR maintains an effective system of budget classification, budget documentation, government operations outside financial reports, and public access to fiscal information. This suggests that, according to international standards, the GoR demonstrated good transparency in managing public finances, whereas the system in the GoZ is not yet sufficiently transparent by those standards.

To strengthen the previous argument about the link between financial accountability and financial performance, assessments using the PEFA tool on key components of financial accountability, namely accounting and reporting, were analysed. The PEFA assessment, as shown in Table 3.3, revealed weak systems in data integrity, in-year budget reports, and overall financial reports. The GoR PEFA evaluations in Table 3.9 indicated that financial data integrity

and reporting generally meet international standards, with only the in-year budget reports scoring slightly below the basic threshold. Additionally, the audit system in the GoR outperformed that of the GoZ, as shown in Tables 3.10 and 3.3. Therefore, better financial performance outcomes can logically be linked to strong financial accountability, whereas a lack of accountability tends to result in poorer financial outcomes.

### **3.4.2 Lessons learned from the PEFA assessment on the relationship between financial accountability and financial controls in the Governments of Zimbabwe and Rwanda.**

In Section 1.7.4, it was noted that financial control encompasses policies, procedures, auditing, and reporting mechanisms for identifying and addressing misconduct, along with transparent responses when issues arise (Sibanda, 2017:317-318). Muzaale and Auriacombe (2019:152) further highlight that financial controls are crucial for maintaining proper accountability levels within the government. These accountability standards are reflected in the GoR's accounting system, which is supported by a robust financial control environment (Sinnott *et al.*, 2017:90). A strong control environment restricts access to cash, minimising the potential for public fund misuse (Sinnott *et al.*, 2017:90). Moreover, Muzaale and Auriacombe (2019:152) stress that financial controls help prevent misappropriation of public funds and ensure transparency in financial transactions. The GoR's financial controls are strengthened by accounting regulations and procedural manuals, which guide the segregation of duties among public officials regarding financial responsibilities (Sinnott *et al.*, 2017:90).

The PEFA assessment showed that the GoZ has an automated financial control system that limits access to and changes in financial records to authorised personnel (PEFA Secretariat, 2018:107). However, this system was not used effectively to promote proper financial management, as users lacked sufficient training on the consequences of ignoring the ICT policy, leading to non-compliance issues (PEFA Secretariat, 2018:107). This indicates that the low PEFA score for control of budget execution by the GoZ, as shown in Table 3.3, reflects weak financial controls. In contrast, the higher PEFA score in Table 3.8 for control of budget execution supports the view that the GoR maintained a strong financial accountability system, which positively influences sound financial management.

### **3.4.3 Lessons learned from the PEFA assessment on the relationship between financial accountability and good governance in the Governments of Zimbabwe and Rwanda**

The World Bank (2020:44) notes that Zimbabwe's governance system, policies, and institutions require strengthening to improve financial accountability and service delivery efficiency.

The World Bank (2020:20) argues that a people-centred, result-oriented, and accountable public sector of the GoZ could be achieved if public participation improves, resources are used efficiently, and accountability and transparency of public finances are promoted. Based on PEFA assessment results, it was found in Section 3.3.1.2 and Table 3.3 that the GoZ did not uphold the transparency of public finances. This means that financial processes at the central government were not transparent, and transfers to sub-national governments lacked transparency, making it difficult for the public to understand fund transfers from the central government, as shown in Table 3.3, Section 3.3.1.1. As for the GoR, Section 3.3.2.2 indicates that it had better governance than the GoZ. Unlike the GoZ, the GoR's financial processes were transparent, and inter-governmental fiscal transfers from the national to sub-national levels were clear.

### **3.4.4 Lessons learned from the PEFA assessment on the relationship between financial accountability and legislation, procurement, and contract management in the Governments of Zimbabwe and Rwanda**

Nagaraju (2020:4) states that public procurement is a vital part of good governance and sustainable economies. It significantly supports inclusive growth and is crucial for effective and efficient public sector and service delivery. In Table 3.7, the PEFA tool assessment shows that the GoZ had constitutional and legislative provisions, along with relevant policies, in place to promote transparency and financial accountability. Chigumira, Chipumho, and Chiwunze (2020:v) concur that the existence of constitutional, legislative, and policy frameworks that support financial accountability aligns with the PEFA assessment findings in Table 3.7. The primary challenge for the GoZ in promoting financial accountability was the implementation of these constitutional and legislative provisions (Chigumira *et al.*, 2020:v). Therefore, it could be argued that whenever relevant laws are established, effective mechanisms are necessary to ensure proper implementation and promote financial accountability.



Procurement management in the GoZ was inadequate, as shown in Table 3. Although processes and procedures based on legislative frameworks were in place, compliance with legislative provisions continued to be a challenge. Imam (2019: 5) asserts that the GoZ failed to meet constitutional and statutory requirements of PFM and reporting. In addition, according to the World Bank (2020:44), the GoZ needed to modernise its procurement functions to enhance project implementation and service delivery.

In contrast, Table 3.14 shows that procurement management was effectively handled in the GoR, indicating reasonable compliance with SCM and contract management. From this discussion, it could be understood that the key difference between the GoR and the GoZ is in how legislative provisions were implemented to strengthen financial accountability. Nagaraju (2020:4) notes that legislation governing the procurement system in the GoR includes e-procurement and is unified into a single public procurement law. For effective public service delivery, procurement legislation should foster transparency, competitiveness, and fairness. The law in the GoR aligns with these principles (Nagaraju, 2020:4). The GoR has modernised its procurement system to ensure better compliance, efficiency, transparency, fair competition, value for money, and oversight in public procurement (Nagaraju, 2020:4). However, the GoR has faced some issues with non-compliance in supply chain and contract management (World Bank, 2020:5). Previously, deficiencies in procurement processes prior to the adoption of e-procurement included unclear specifications, lengthy bidding procedures, uncompetitive practices, poor record keeping, delays in contract execution, and slow grievance resolution by contractors. Therefore, it could be argued that through the modernisation of the procurement function, the GoR has improved compliance with legislation and enhanced financial accountability.

### **3.5 APPLICATION OF THE PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY ASSESSMENT IN THE GOVERNMENT OF GREENLAND**

As mentioned in Section 3.2.1, the PEFA provides a diagnostic tool to evaluate and report on the strengths and weaknesses of public financial management and accountability, using quantitative indicators to measure performance. A descriptive analysis of public financial management and accountability in two African countries, the GoZ and the GoR, was presented in Sections 3.3.1 and 3.3.2, based on the PEFA assessment.

This section presents a different perspective on public financial management, accountability, good governance, and efficient service delivery, from a European country that is a member of the Organisation for Economic Co-operation and Development (OECD). The European country chosen for the PEFA tool assessment was the Government of Greenland (GoG). According to Eidemiller, Geht, Nikulina, and Kudriavtceva (2021:1), Greenland, an autonomous province of Denmark, is part of the European Union (EU) and a member of the OECD.

The PEFA tool assessment in the GoG highlights strengths in public financial management and accountability, demonstrating their influence on governance and service delivery efficiency. Conducted over three years, from 2016/17 to 2019/20, this assessment found that the GoG scored highly in key areas such as budget reliability, transparency, asset and liability management, fiscal policy, budget predictability, accounting, reporting, and external audits (Langford and Hesse, 2021:16-17). The high scores in budget reliability reflect that the implementation of the budget was carried out according to established plans. Langford and Hesse (2021:19) suggest that good expenditure outcomes in the GoG were supported by effective financial controls and compliance with suitable public financial management legislative frameworks. Having a robust framework for budgeting capital expenditure is essential to ensure it addresses a nation's development needs in a cost-effective and coherent manner (OECD, 2019:14). Therefore, it could be argued that where effective financial controls and adherence to legislation, policies, and processes are in place, budget execution aligns with set plans, resulting in minimal variances between the planned and actual expenditures.

The GoG also obtained good scores in the transparency of public finances in terms of PEFA tool assessments (Langford and Hesse, 2021:22). Langford and Hesse (2021:16-17) also state that the underlying reason for good scores regarding the transparency of public finances was due to well-managed budget documentation, central government operations outside financial reports, effective intergovernmental relations where financial transfers from the central to the subnational government of the GoG were well managed, and the public had access to fiscal information. Public access to fiscal information allows public officials to be held accountable for the use of public funds. Downes *et al.* (2017:13) note that transparency means the use of performance information helps public officials and citizens understand where funds were allocated and what items were purchased on behalf of the public. It also examines the public

services provided, their quality standards, and their levels of efficiency. Transparency enhances public trust and confidence in how public funds are utilised. This is reinforced by the public-service dominant theory, which states that building trust between the public and officials is essential because community members, as end-users of public services, must be involved in service delivery systems and have access to information to hold officials accountable.

The PEFA tool's assessment of asset and liability management evaluated how effectively the GoG oversaw its assets and liabilities. The results were favourable (Langford and Hesse, 2021:35), indicating that the GoG effectively managed public investments, generated returns on funded projects, recorded assets, identified fiscal risks, and carefully planned and managed debts and guarantees (Langford and Hesse, 2021:35). Proper management reduces the likelihood of public officials neglecting missing resources, thereby lowering the risks of corruption and theft. Additionally, the PEFA assessment of the GoG's policy-based fiscal strategy was also positive (Langford and Hesse, 2021:45). It examined whether the fiscal strategy and budget aligned with government legislation, policies, and strategies aimed at the public good. When the fiscal strategy and budget align with government directives, it becomes easier to hold public officials accountable if funds are diverted from plans. This approach promotes financial accountability by ensuring that budgeting aligns with strategic priorities and that expenditure trends are closely monitored, thereby keeping spending focused on intended activities (Langford and Hesse, 2021:45).

The most recent PEFA assessment of the GoG focused on external audits and scrutiny, yielding positive results. Langford and Hesse (2021:53) note that this assessment reviews public finances and checks if the executive has implemented recommendations from external auditors. Overall, the PEFA report indicated that the GoG's systems for public financial management and accountability were robust and effective. This strength led to improved financial performance, with budget execution meeting the established goals. Furthermore, the report indicated that strong financial management and accountability had a positive impact on controls and governance, resulting in improved financial results and more efficient service delivery.

### **3.6 ROLE OF OVERSIGHT STRUCTURES IN PROMOTING FINANCIAL ACCOUNTABILITY AND GOVERNANCE IN THE UNITED KINGDOM**

An additional international perspective on enhancing financial accountability and governance, examined in this study, is the oversight framework of the United Kingdom (UK). The UK notably supported the Development Assistance Committee of the PEFA (public Expenditure and Financial Accountability), a diagnostic instrument widely used by countries to evaluate financial accountability and public financial management (Kristensen *et al.*, 2019: xiii). Moreover, the UK is part of the Organisation for Economic Co-operation and Development (OECD), which advocates for good governance. Dzomira (2017:206) notes that OECD members have committed to boosting public sector performance and have pledged to make their governments accountable for the management of public resources, particularly taxes.

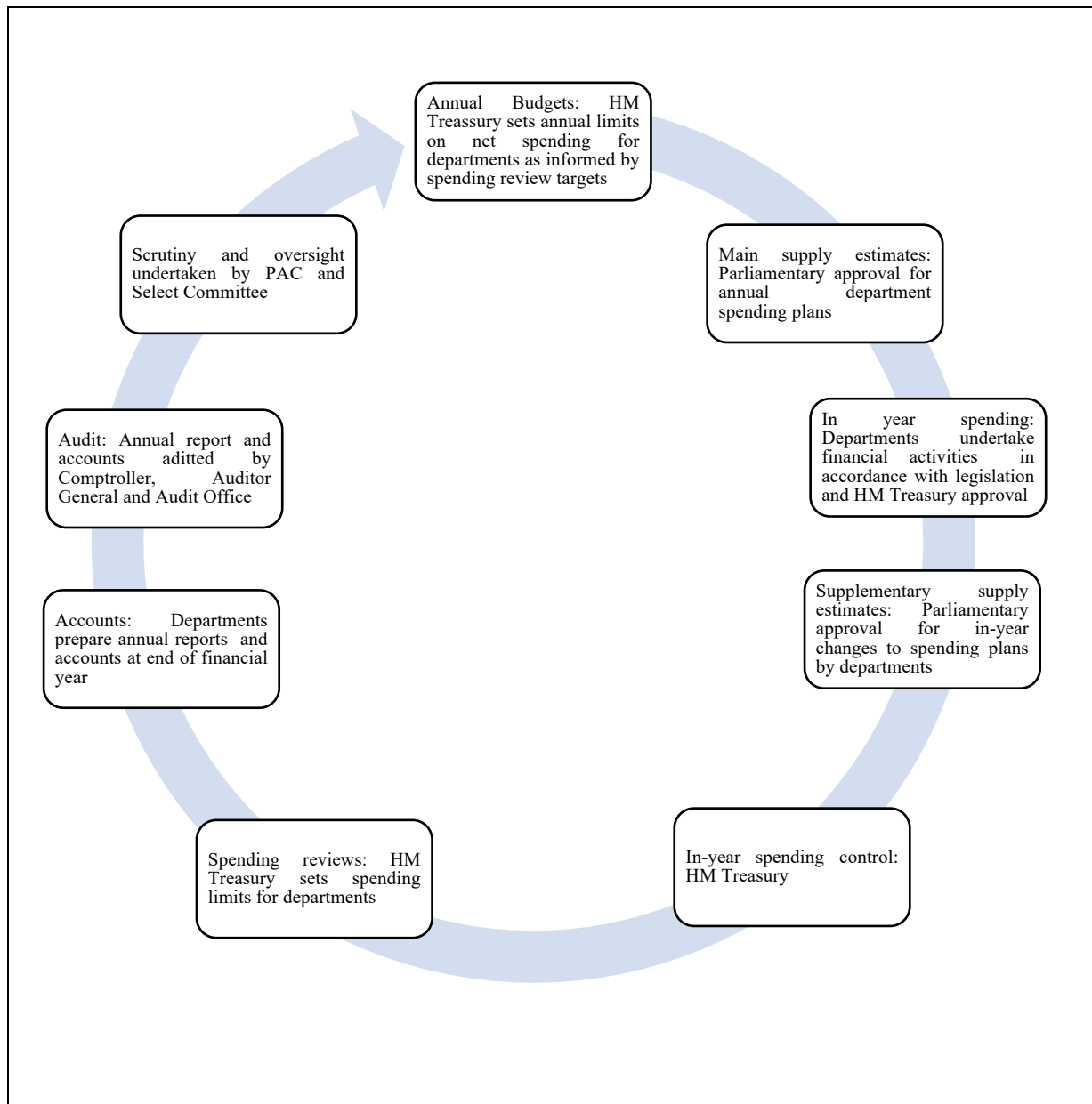
Although the UK does not utilise the PEFA tool for evaluating public expenditure and financial accountability, it was valuable to explore how effectively the UK advances financial accountability, good governance, and public service efficiency. To do this, the functions of the legislative assembly and its oversight mechanisms, including select committees and the Public Accounts Committees (PACs), were examined. This was followed by an analysis of the roles played by the Comptroller and the Auditor-General, as well as Her Majesty's Treasury, in promoting financial accountability and good governance. The analysis also focused on internal controls that connect financial accountability with oversight effectiveness, such as those implemented by specialised structures like PACs, which oversee the House of Commons (HoC) (Stapenhurst, Sahgal, Woodley and Pelizzo, 2005:3).

In promoting financial accountability, the auditor of the HoC scrutinises the government's accounts, financial statements, and operations, while the PACs evaluate the effectiveness of policy implementation, results, and value for money (Stapenhurst *et al.*, 2005:3). However, although PACs play a vital role in promoting financial accountability, they do not always provide sufficient oversight to strengthen accountability in the UK. This is because the effectiveness of PACs depends on the skills and dedication of their members. In another study, Mills and de Lay (2016:iii) argue that a cross-country statistical analysis found that effective PACs in the UK contribute positively to financial accountability and the promotion of good governance.

Another UK government agency that advocates for financial accountability is Her Majesty's Treasury. This department promotes financial accountability and governance through specialised units led by directors. The management board delegates' responsibilities to these directors, ensuring that each directorate handles government policy implementation and risk oversight (United Kingdom, 2022:83). The main directorates responsible for fostering financial accountability within Her Majesty's Treasury are as follows:

- **The Corporate Centre Group.** This group encompasses a wide range of key performance areas, ensuring that services are delivered effectively and efficiently (United Kingdom, 2022:83).
- **The Fiscal Group.** This group manages key financial assets and liabilities on the public sector balance sheet, ensuring the government's medium-term strategic and operational financing needs are met. It is also responsible for releasing accurate public sector finance statistics. Additionally, the fiscal group monitors asset and liability management and prevents unauthorised spending by ensuring the government follows the financial targets set out in the medium-term strategic framework. The unit promotes transparency in public financial data to enhance financial accountability (United Kingdom, 2022:83).
- **The Ministerial and Communications Group.** This group plays a vital role in providing direct support to ministers and ensures that Parliamentary activities are well coordinated. It liaises with the media to report on treasury programmes. It guarantees that financial information is accessible to the public for scrutiny, enabling Parliamentarians to hold the executive accountable for the use of public funds (United Kingdom, 2022:83).
- **The Public Spending Group.** This group reviews financial performance reports to assess whether public funds are used effectively in delivering services that align with government priorities. It also coordinates financial data across various government departments or ministries and is responsible for monitoring their efficiency and effectiveness in providing services to the public (United Kingdom, 2022:83).

The financial management cycle described in the following section illustrates how different components of financial management collaborate to enhance financial accountability, good governance, and service delivery in the UK. Each of the financial management cycles related to financial accountability is detailed in Figure 3.2 below.



(Source: Adapted from the United Kingdom, ICAEW Better Government Series, 2017:4)

**Figure 3.2: Financial Management Cycle in the UK**

Figure 3.2 illustrates the responsibilities of the UK Parliament, HM Treasury, departments, public accounts committees, select committees, the Comptroller, and the Auditor-General within the financial management cycle. Regarding the process of enhancing financial accountability, the figure shows that Her Majesty's Treasury sets annual net spending limits for departments based on spending review targets. This means that Her Majesty's Treasury allocates funds to various departments, and their financial expenditures must stay within these limits. After announcing departmental allocations, departments are required to prepare their budget policy statements for submission to Parliament (House of Commons) for approval. This

process enables the legislative branch to hold the executive accountable for financial spending in their respective departments.

The figure illustrates that to strengthen financial accountability, departments are legally mandated to adhere to relevant legislative provisions during spending. They are also required to follow financial controls when executing the budget. Spending reviews help departments avoid poor financial outcomes by keeping expenditures within limits set by HM Treasury. Moreover, at the end of each financial year, departments must prepare annual reports and accounts, which are audited by the Comptroller and Auditor-General to enhance financial accountability and governance. Ultimately, PACs and select committees review these audited statements to ensure responsible officials and the executive are accountable for public fund use. In conclusion, the UK's financial management cycle is crucial for promoting financial accountability and good governance.

### **3.7 SUMMARY**

This chapter aimed to extract lessons from how financial accountability influences good governance and service delivery efficiency globally. It was observed that governments employ various tools to evaluate public expenditure and financial accountability, with the PEFA tool standing out as a widely used diagnostic instrument. Numerous countries utilise the PEFA to assess their public financial management and accountability. Notably, institutions such as the WB, IMF, EC, and development partners like France, Norway, the UK, and Switzerland rely on the PEFA to evaluate the effectiveness of public financial management and accountability. The chapter also provided a detailed overview of the seven pillars that underpin PEFA assessments related to public financial management. As outlined by the PEFA Secretariat (2018:14), these pillars encompass budget reliability, transparency of public finances, asset and liability management, policy-based fiscal strategies and budgeting, predictability and control during budget execution, accounting and reporting, and external scrutiny and auditing.

Two African governments, namely the Government of Zimbabwe (GoZ) and the Government of Rwanda (GoR), along with a European country, the Government of Greenland (GoG), were selected to demonstrate how public financial management and accountability could be assessed using PEFA tool evaluations. The PEFA assessments of the GoZ and GoR were utilised to evaluate public financial management and accountability, allowing comparisons to be made



regarding how financial accountability influences good governance and service delivery efficiency. The PEFA tool assessments on public financial management and accountability were also applied to the GoG, which is a protectorate of the Danish government and an affiliate of the OECD.

The review of financial accountability in the UK highlighted the role of oversight bodies, including Parliament, committees, the Public Accounts Committee, the Comptroller and Auditor-General, and Her Majesty's Treasury, in promoting financial accountability, good governance, and efficient public service delivery. The financial management cycle was outlined to show how different elements of financial management work together to improve accountability and support good governance. The next chapter focuses on the South African perspective of fostering financial accountability, good governance, and service delivery efficiency, particularly in local government and provincial departments within the NCP.

## **CHAPTER FOUR**

### **SOUTH AFRICAN PERSPECTIVE ON PROMOTING FINANCIAL ACCOUNTABILITY, GOOD GOVERNANCE, AND SERVICE DELIVERY EFFICIENCY IN SELECTED PROVINCIAL DEPARTMENTS AND MUNICIPALITIES**

#### **4.1 INTRODUCTION**

In Chapter Four, the study aims to answer the research question: What lessons can be learned from the national perspective regarding financial accountability, good governance, and service delivery efficiency.

This chapter offers an overview of the national context of financial accountability, good governance, and service delivery efficiency. It starts by presenting the results of the PEFA assessment conducted in the Northern Cape Province (NCP) in 2015. The aim is to link the previous chapter, which provided an extensive descriptive analysis of PEFA assessments from an international perspective, with the outcomes of the PEFA assessment in the NCP. Consequently, this chapter primarily focuses on the South African setting, with a particular emphasis on the provincial departments and municipalities of the NCP. It also outlines structures designed to promote financial accountability, beginning with the oversight role of legislative authority at the national level, followed by a detailed discussion of the provincial legislature's oversight. Additionally, it addresses the roles of the national treasury and provincial treasuries in fostering financial accountability. In addition, an overview is provided of the national perspective on financial accountability within the selected NC provincial departments, highlighting the context of the NCDoE, NCDoH, and NCDoTSL.

The discussion of the MTSF for 2019-2024, approved in 2019 and implemented in 2020 was still ongoing and in the process of being implemented and consolidated, with only some data available during this study. As a result, the performance results of the provincial departments in this chapter cover the period from 2015 to 2019. The report also includes supplementary information from the provincial departments' annual reports and the Auditor-General's audit reports. It provides a detailed overview of the legislative authorities in local government, as well as the oversight and accountability roles they hold. An overview of the state of financial accountability among selected municipalities affiliated with PKSDM, FBDM, and JTGDM is

included, along with a discussion of strategic frameworks that improve financial accountability, good governance, and service delivery efficiency in local government. Finally, the role of IGR is outlined. The national perspective offers a baseline for the empirical study in Chapters Six and Seven, which examine the impact of financial accountability on good governance and the efficiency of public service delivery.

## **4.2 PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY ASSESSMENT IN THE NORTHERN CAPE**

This section aims to examine the internationally accepted PEFA diagnostic tool's assessment outcome of the NCP, providing an overall view of how financial accountability impacts good governance and service delivery efficiency. Since the only available PEFA assessment was carried out in the 2014/15 financial year, much of the discussion focuses on this assessment, which reviews receipts from the 2013/14 financial year, despite the data being relatively old. Although the PEFA assessment is somewhat outdated and was the only one conducted in the NCP, it has still established a baseline for comparing factors that affect financial accountability and good governance within the NCP in this study.

The pillars of the PEFA assessment, namely budget reliability, transparency of public finance, policy-based fiscal strategy, predictability and control in budget execution, accounting and reporting, and the role of oversight bodies, were analysed. The outcome of the NCP PEFA assessment for the 2013/14 financial year indicated that the scores for financial expenditure and financial accountability were good (PEFA assessment of NCP, 2015:4). A descriptive analysis of the NCP PEFA assessment was provided to evaluate whether the state of financial accountability had improved or regressed since this assessment. Similar to Section 3, a tabular presentation of the PEFA assessment scores was included for each of the seven pillars of the PEFA diagnostic tool.

### **4.2.1 Budget reliability**

As discussed in Section 3.2.1, the first key element of the PEFA assessment is budget reliability, which evaluates the realism of the budget and whether the government's plans and objectives are feasible. This component encompasses four performance indicators, outlined in Table 4.1, which also presents the PEFA scores for the NCP (2015:5).

**Table 4.1: Budget Reliability PEFA Assessment of NCP**

| PFM performance indicator |                                                                          | Scoring method | 1 | 2 | 3 | 4 | Overall rating |
|---------------------------|--------------------------------------------------------------------------|----------------|---|---|---|---|----------------|
| HLG-                      | Predictability in high-level government transfer                         | M1             | A | C | A | - | C+             |
| PI-1                      | Aggregate expenditure outturn compared to the original approved budget   | M1             | B | - | - | - | B              |
| PI-2                      | Composition expenditure outturn compared to the original approved budget | M1             | B | A | - | - | B+             |
| PI-3                      | Aggregate revenue outturn compared to the original approved budget       | M1             | C | - | - | - | C              |
| PI-4                      | Stock and monitoring of expenditure payment arrears                      | M1             | A | B | - | - | B+             |

(Source: PEFA assessment of the NCP, 2015:5)

Table 4.1 above shows that, based on the PEFA assessment, budget reliability was rated as good. The PEFA score for the NCP indicates that the use of public funds was aligned with the approved budget. It also reveals that the NCP achieved a B score with only minimal deviation from the original budget. Overall expenditure execution relative to the budget was also strong, earning a B+ rating, which suggests that fund transfers between main budget categories during implementation were well managed. However, in contrast, the PEFA score for aggregate revenue outturn compared to the original budget was a C, indicating basic performance. This reflects that the NCP's provincial government departments faced significant challenges in revenue collection.

#### 4.2.2 Transparency of public finances in the Province of Northern Cape

Section 3.2.1 states that the oversight of the budget and fiscal risks was comprehensive, and fiscal and budget data were accessible to the public (Kristensen, Bowen *et al.*, 2019:10). Sarr (2015:7) notes that transparency in public finances improves policy implementation and deters government officials from misusing public funds by promoting oversight and accountability. Table 4.2 presents the public financial management performance indicators related to the transparency of public finances for the NCP, as evaluated in the 2015 PEFA assessment.

**Table 4.2: Transparency of Public Finances in the NCP**

| PFM performance indicator |                              | Scoring method | 1 | 2 | 3 | 4 | Overall rating |
|---------------------------|------------------------------|----------------|---|---|---|---|----------------|
| PI-5                      | Classification of the budget | M1             | A | - | - | - | A              |

|       |                                                                      |    |   |    |   |   |   |
|-------|----------------------------------------------------------------------|----|---|----|---|---|---|
| PI-6  | Comprehensiveness of information included in budget documentation    | M1 | A | -  | - | - | A |
| PI-7  | Extent of unreported government operations                           | M1 | A | NA | - | - | A |
| PI-8  | Transparency of intergovernmental fiscal relations                   | M2 | A | B  | A | - | A |
| PI-9  | Oversight of aggregate fiscal risk from other public sector entities | M1 | A | A  | - | - | A |
| PI-10 | Public access to key fiscal information                              | M1 | A | -  | - | - | A |

(Source: PEFA assessment of the NCP, 2015:5)

Table 4.2 above shows that all performance indicators for public finance transparency received an excellent rating of A. This indicates that the budget was accurately classified across administrative, economic, and programme categories (PEFA assessment of the NCP, 2015:1). The table also demonstrates that financial data from provincial government departments and municipalities in the NCP were comprehensive and publicly accessible. This transparency in financial information, clearly written and easily accessible, enabled the public to scrutinise government finances and supported greater financial accountability. Additionally, the transfer of funds from the provincial treasury to local municipalities was transparent, improving accountability. Furthermore, the risk management system was effective, with measures in place to identify potential risks or threats to financial management.

#### 4.2.3 Policy-based fiscal strategy and budget implementation in the Northern Cape Province

In Section 3.2.1, it was emphasised that the government's strategic objectives must guide the budget. This suggests that the strategic objectives outlined in the Medium-Term Strategic Framework (MTSF) should be central to the budget's preparation. The performance indicators for policy-based fiscal strategy and budget implementation in the NCP had two measures, as shown in Table 4.3. It displays the scores from the PEFA assessment of policy-based fiscal strategy and budget implementation in the NCP.

**Table 4.3: Policy-based fiscal strategy and budget implementation in the NCP**

| PFM performance indicator |                                                            | Scoring method | 1 | 2 | 3 | 4 | Overall rating |
|---------------------------|------------------------------------------------------------|----------------|---|---|---|---|----------------|
| C(i) Policy-Budgeting     |                                                            |                |   |   |   |   |                |
| PI-11                     | Orderliness and participation in the annual budget process | M2             | A | A | D | - | B              |

|       |                                                                             |    |    |   |   |   |   |
|-------|-----------------------------------------------------------------------------|----|----|---|---|---|---|
| PI-12 | Multi-year perspective in fiscal planning, expenditure policy and budgeting | M2 | NA | A | A | A | A |
|-------|-----------------------------------------------------------------------------|----|----|---|---|---|---|

(Source: PEFA assessment of the NCP, 2015:5)

Table 4.3 above shows that the overall rating of public participation in the budget process was a B. This indicates that there was sufficient public involvement from the relevant stakeholders in the provincial government and local municipalities within the NCP. A multi-year perspective in fiscal planning, expenditure policy, and budgeting received an excellent A. In the South African context, including the NCP, a multi-year perspective in fiscal planning refers to the MTSF, that the governing party develops, which aligns with the five-year voting cycle (Zweni, 2017:55). Zweni (2017:55) notes that the MTSF outlines government priorities and plans for the upcoming five years. Therefore, it can be concluded that, regarding the public financial management performance scores shown in Table 4.3, the NCP, in the MTEF from 2011/12 to 2013/14, effectively promoted public participation and established a comprehensive strategic plan to improve financial accountability.

#### 4.2.4 Predictability and control in budget execution

Section 3.2.1 stresses that the budget should be implemented in a systematic and reliable manner. Strong systems are crucial for overseeing and regulating public resources (Kristensen *et al.*, 2019:10). Table 4.4 shows that the foundation of predictability and control in budget execution encompasses tax management, fiscal forecasting, financial commitments, procurement procedures, and internal controls.

**Table 4.4: Predictability and control in budget execution in the NCP**

| PFM performance indicator |                                                                                | Scoring method | 1   | 2 | 3   | 4 | Overall rating |
|---------------------------|--------------------------------------------------------------------------------|----------------|-----|---|-----|---|----------------|
| PI-13                     | Transparency of taxpayer obligations and liabilities                           | M2             | B   | A | NA- | - | B+             |
| PI-14                     | Effectiveness of measures for taxpayer registration and tax assessment         | M2             | C   | B | D   |   | C              |
| PI-15                     | Effectiveness in the collection of tax payments                                | M1             | NR- | B | NR  | - | NR             |
| PI-16                     | Predictability in the availability of funds for the commitment of expenditures | M1             | A   | A | A   | - | A              |
| PI-17                     | Recording and management of cash balances, debt and guarantees                 | M2             | NA  | B | C   | - | C+             |
| PI-18                     | Effectiveness of payroll controls                                              | M1             | A   | B | A   | A | B+             |

|       |                                                                |    |   |   |   |   |           |
|-------|----------------------------------------------------------------|----|---|---|---|---|-----------|
| PI-19 | Competition, value for money and controls in procurement       | M2 | B | D | C | D | <b>D+</b> |
| PI-20 | Effectiveness of internal controls for non-salary expenditures | M1 | B | B | C | - | <b>C+</b> |
| PI-21 | Effectiveness of internal audit                                | M1 | A | A | B | - | <b>B+</b> |

(Source: PEFA assessment of the NCP, 2015:5)

Based on the PEFA assessment of the NCP (2015:5), the province performed well in managing its taxes. The administration of taxes was transparent, and those eligible to pay taxes were registered correctly and assessed. Effective tax administration enhances revenue collection, enabling more funds to be allocated for expenditure. Table 4.4 indicates that more funds were available for expenditure commitment, and this indicator received a score of A. The lowest score was D+, which was assigned for the evaluation of whether procurement processes were competitive and cost-effective. This suggests that the Northern Cape was incurring substantial losses due to weaknesses in its procurement processes. However, there were strong systems of internal controls and internal audit units working effectively, as shown in Table 4.4.

#### 4.2.5 Accounting and reporting

As outlined in Section 3.2.1, accounting and reporting involve maintaining accurate records and generating information to support decision-making, control, management, and reporting activities (Kristensen *et al.*, 2019:10).

**Table 4.5: Accounting and Reporting in the NCP**

| PFM performance indicator | Scoring method                                                              |    |   |   |   | Overall rating |           |
|---------------------------|-----------------------------------------------------------------------------|----|---|---|---|----------------|-----------|
|                           |                                                                             |    | 1 | 2 | 3 |                |           |
| PI-22                     | Timeliness and regularity of accounts reconciliation                        | M2 | A | C | - | -              | <b>B</b>  |
| PI-23                     | Availability of information on resources received by service delivery units | M1 | B | - | - | -              | <b>B</b>  |
| PI-24                     | Quality and timeliness of in-year budget reports                            | M1 | C | B | B | -              | <b>B+</b> |
| PI-25                     | Quality and timeliness of annual financial statements                       | M1 | A | A | A | -              | <b>A</b>  |

(Source: PEFA assessment of the NCP, 2015:5)

Table 4.5 indicates that the provincial government departments and municipalities in the NCP settled their accounts promptly. Information regarding resources received by service delivery units, such as financial allocations from the National Treasury or transfers from provincial



treasuries to local governments, was readily accessible. Furthermore, in-year budget reports and financial statements were of high quality and were prepared on schedule.

#### 4.2.6 External scrutiny and audit

In Section 3.2.1, Kristensen *et al.* (2019:10) highlighted that external scrutiny and audit involve systems enabling oversight bodies to monitor public finances and ensure the executive's accountability for managing public funds. Table 4.6 provides the PEFA assessment of these external oversight and audit functions for oversight bodies in the NCP.

**Table 4.6: PEFA Assessment of External Scrutiny and Audit in the NCP**

| PFM performance indicator | Scoring method                                 |    |   |   |   | Overall rating |    |
|---------------------------|------------------------------------------------|----|---|---|---|----------------|----|
|                           |                                                | 1  | 2 | 3 | 4 |                |    |
| PI-26                     | Scope, nature and follow-up of external audit  | M1 | A | B | B | -              | B+ |
| PI-27                     | Legislative scrutiny of the annual budget law  | M1 | A | B | B | A              | B+ |
| PI-28                     | Legislative scrutiny of external audit reports | M1 | A | A | B | -              | B+ |

(Source: PEFA assessment of the NCP, 2015:5)

Table 4.6 indicates that oversight bodies, such as the Office of the Auditor-General, are effective in monitoring whether provincial government departments and municipalities comply with legislation when spending public funds. The PEFA score of Bs across all performance indicators in the external scrutiny and audit pillar shows that the Auditor-General has conducted both financial and performance audits effectively. This aligns with Section 2.3.2.2, which highlights that the Auditor-General plays a crucial role in promoting accountability across all three spheres of government (van Niekerk & Dalton-Brits, 2018:121).

#### 4.2.7 Concluding remarks regarding the PEFA Assessment in the Northern Cape

Section 4.2 of this Chapter noted that although the PEFA assessment was somewhat outdated and was the only one conducted in the NCP, it still provided a valuable baseline for comparing factors affecting financial accountability and good governance. The assessment showed that between the 2013/14 financial years, the NCP's financial accountability was evaluated as acceptable (PEFA assessment of the NCP 2015). Public expenditure and financial accountability indicators performed well, indicating that the budget was reliable, well prepared,

and closely aligned with actual spending and revenue collection. It is evident that alignment significantly contributed to financial accountability during that period.

The assessment also showed that transparency of public finances in the NCP was high, with public access to financial information allowing scrutiny of fund use. This openness made it possible to hold those responsible for financial mismanagement accountable. Additionally, the PEFA report noted that public participation in the budget process was promoted, aligning with principles of good governance. The budget also reflected the government's strategic aims and priorities. It demonstrated that tax administration was quite efficient, leading to improved revenue collection. However, it also exposed weaknesses in the procurement process, which was neither sufficiently competitive nor fair. These procurement issues caused significant financial losses. As noted in the 2015 PEFA assessment, transparency in fund transfers from the National Treasury to provincial treasuries and then to local governments is vital for effective policy implementation. To enhance budget monitoring, in-year reports and financial statements must be submitted punctually and be of high quality. The assessment stressed the importance of strong oversight bodies to foster financial accountability and good governance, as discussed by Madue (2012:431) and Thornhill (2015:81-82) in Section 2.3.2.

#### **4.3 STRUCTURES AND FUNCTIONS PROMOTING FINANCIAL ACCOUNTABILITY IN THE SOUTH AFRICAN PUBLIC SECTOR**

In terms of Section 40 of the *Constitution*, the South African government comprises three spheres that are distinctive, interrelated, and interdependent. These are the national government, provincial government, and local government (Herbig, 2019:2). To support the functions of these three spheres, various statutory bodies and public entities exist to enhance government capacity by promoting accountability, including financial accountability, improving governance of the state, and delivering services to citizens (Madue, 2012:431; Thornhill, 2015:81-82). As stated in Section 2.5.1, the primary oversight structures that promote accountability, particularly financial accountability, are the provincial legislature and the municipal council (Sebakamotse, 2020:10). Financial accountability is maintained through delegated oversight bodies such as councils, public accounts committees, audit committees, and other portfolio committees that enforce control measures, including reports submitted by executive branches and officials, to ensure that executives are responsible for the management of public funds. The various levels of government and institutions are outlined in Table 4.7 below.

**Table 4.7: Government Levels and Institutions in the NCP**

| Types of Institutions        | Institutional levels                                                                                                       |                                 |                            |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------|
|                              | Central/National Sphere of Government                                                                                      | Provincial Sphere of Government | Local Sphere of Government |
| <b>Legislative authority</b> | Parliament/National Legislature:<br>National Assembly and the National Council of Provinces (NCoPs)                        | Provincial Legislature          | Municipal Council          |
| <b>Executive authority</b>   | President<br>Cabinet<br>Government<br>Departments                                                                          | Executive Council               | Municipal Manager          |
| <b>Judicial authority</b>    | Constitutional Court, Supreme Court, and High Courts - Provincial Divisions - Local Divisions, such as Magistrates' Courts |                                 |                            |

(Source: van Niekerk, van der Waldt, and Jonker, 2001:70; Pauw, van der Linde, Fourie, and Visser, 2015:40-42).

#### 4.3.1 Oversight role of the Legislative Authority

The national legislature, known as Parliament, includes the National Assembly and the National Council of Provinces (NCOPs) (van Niekerk *et al.*, 2001:70; Thornhill *et al.*, 2014:76). As shown in Table 4.7, legislative authority at the national level is held by Parliament; at the provincial level, by provincial legislatures; and at the local level, by municipal councils.

Makhado (2014:41) and van der Waldt (2022:146) note that Sections 42(3), 55(2), 92, 114(2), 115(a)(b), and 133(2) of the *Constitution* grant Parliament and Provincial Legislatures the power to oversee their executive bodies and ensure accountability for the use of public resources. Nsingo (2019:51) states that the legislature is entrusted by voters to oversee government departments, thereby promoting financial accountability. In fulfilling these oversight roles, the legislature relies on internal standing committees, such as SCOPA, the Auditor-General's Office, and the Public Protector, as well as mandatory compliance by government departments in submitting financial statements. These statements must be audited and presented to the relevant legislature for review, enabling the executive to account for the use of state funds and resources. This section primarily discusses Parliament, Provincial Legislatures, and municipal councils as legislative authorities, focusing on their roles in

promoting accountability and good governance, as well as their impact on the efficiency of public service delivery.

#### **4.3.1.1 Parliament (National Legislature)**

The National Assembly is composed of at least 350 members, with a maximum of 400, while the NCOPs consist of 90 members. It is the most active part of Parliament, responsible for making laws and holding the executive to account (DPSA, 2003:16). Section 42(3) of the *Constitution* states that the National Assembly is elected to represent the people and to ensure government on their behalf. It does this by electing the President, providing a national platform for public discussion, passing legislation, and scrutinising and overseeing the actions of the executive. Furthermore, Section 55(2)(a)(b) requires the National Assembly to establish mechanisms that guarantee accountability of all state organs within the national government and to supervise the exercise of national executive power, including the implementation of laws and oversight of any state organ. Section 92(1-3) of the *Constitution* states that the Deputy President and Ministers are responsible for and answerable to the powers and duties delegated to them by the President. This means that when state resources or public funds are used, both the Deputy President and ministers must report to Parliament on how these resources are utilised. Within the principal-agent theory framework, the relationship between the executive and Parliament (Legislative Authority) reflects the idea that the executive acts as agents while Parliament acts as the principal by representing the citizens who elected them (Madue, 2012:431; Thornhill, 2015:81-82).

#### **4.3.1.2 Portfolio committees of the National Legislature**

Accountability is streamlined through various committees with assigned responsibilities, as explained below. Thornhill *et al.* (2014:289) argue that to enhance transparency and accountability, including financial accountability, the National Assembly and the NCOP have numerous committees, referred to as portfolio committees and select committees, respectively. Additionally, joint committees composed of members from both the National Assembly and the NCOP oversee different national government departments. Their primary roles include reviewing bills related to departmental portfolios and managing budget votes. Each government department in the national sphere is overseen by a dedicated portfolio committee responsible for monitoring the department and the Minister (van Niekerk, 2023). Rule 227(c) of the National Assembly grants portfolio committees the discretion to monitor, investigate,

inquire into, and recommend actions concerning any executive organ of state, constitutional institution, or related body. This includes examining the activities of government departments assigned by the National Assembly speaker. Such oversight enables the committees to hold the executive accountable for implementing the budget. For example, Munzhedzi (2016) notes that portfolio committees can review strategic plans and budgets, scrutinise annual reports, conduct site visits, and address public concerns.

Thornhill et al. (2014:289) and Matebese-Notshulwana (2019:109) argue that the primary objective of portfolio committees is to ensure efficient and high-quality service delivery to citizens. Failure to fulfil this role can result in responsible ministers and officials being held accountable. Sometimes, quality service delivery is hindered when portfolio committees do not effectively carry out their constitutional duties. For instance, the executive may not be held accountable for maladministration or misuse of resources if committee members resist summoning the executive council to answer for their actions. Another issue arises when committees fail to recognise the constitutional basis and importance of accountability (Madue, 2012:436; Thornhill, 2015:98-99). It could be argued that until members of these committees develop a mature understanding of oversight and the need to adhere to constitutional provisions for holding the executive accountable, they will remain ineffective.

#### **4.3.1.3 Standing Committee on Public Accounts**

Obiyo (2007:62) and Matebese-Notshulwana (2019:9) highlight that the Standing Committee on Public Accounts (SCOPA) is a crucial oversight body within the National Assembly. It fosters accountability and good governance by examining the financial statements of all government entities, constitutional bodies, and other public organisations when these are submitted to Parliament, including related audit reports. Additionally, SCOPA examines reports from the Auditor-General (AGSA) related to these entities, along with any other financial reports or statements it is directed to review under the rules of the National Assembly (Matebese-Notshulwana, 2019:9). It also ensures that executive organs and constitutional institutions follow the PFMA, National Treasury regulations, the Audit Committee's reports, the management report from the accounting officer, and the recommendations made by AGSA to resolve audit issues (Matebese-Notshulwana, 2019:9). An effective and well-functioning SCOPA can significantly improve financial accountability and good governance, ultimately leading to more efficient public service delivery.

According to Matebese-Notshulwana (2019:9), in the South African context, SCOPA is supposed to fulfil an essential oversight role in safeguarding financial accountability and promoting good governance in the public sector. Makhado (2016:52) asserts that SCOPA's functions entail scrutinising the AGSA's general report, considering financial probity raised in the audit report or disclosed in the management report, including comments highlighted in the financial statements, and monitoring compliance with financial legislation and treasury regulations by national and provincial governments. Furthermore, they maintain that the constitutional mandate of SCOPA is to interrogate and evaluate instances of over-expenditure and any other incidents of financial mismanagement. Additionally, SCOPA monitors the functioning of governance structures, including risk management systems, fraud prevention mechanisms, and the effectiveness of financial and personnel management systems. SCOPA also draws attention to SCM and procurement processes, the disposal of significant state assets, the corporate governance of government departments, and the consolidated financial statements of government (Sebakamotse, 2020; Legislative Sector, 2012:54).

It is incumbent upon SCOPA to concentrate on issues highlighted in the Auditor-General's report on audit outcomes, financial impropriety disclosed in the financial statements, and compliance with the *PFMA* and treasury regulations (Matebese-Notshulwana, 2019:9). Furthermore, SCOPA should also review the audit committee reports and the management report of the AO, including areas identified by the Auditor-General's (AGSA) report on audit outcomes, concerning irregular, fruitless, and wasteful expenditure, as well as the corporate governance of government departments.

#### **4.3.1.4 Current challenges faced by the Standing Committee on Public Accounts in holding executive branches to account**

SCOPA struggles with its primary role of holding executive and public officials accountable for the expenditure of public funds, as detailed in the following paragraphs. Despite the existence of SCOPA, public service delivery departments such as health and education have been unable to sustain their operations and deliver services (AGSA Media Release, 2021:2). According to Makhado (2016:6-7), PACs (SCOPA) face numerous challenges, including a lack of resolution implementation, ineffective monitoring and transparency, capacity limitations, and budget constraints. Makhado (2016:6) notes that resolutions aimed at correcting financial mismanagement are often not carried out by the relevant entities or departments. Mvulane (2021:6) suggests that this may stem from executives' reluctance to explain their financial

results, possibly influenced by the dominant party, whose members hold the majority in the legislature and often prioritise party loyalty over the national interest. Like many other countries, South Africa has a strong party-based system that frequently impedes oversight and accountability, as legislative members may hesitate to hold their party leaders accountable (Mvulane, 2021:6). Furthermore, the situation is worsened by limited capacity and budget constraints, leading to inadequate monitoring and transparency (Makhado, 2016:7).

The State Capture Commission Report (2022:283) indicates that parliamentary institutions, such as SCOPA, have failed to detect state capture and corruption in South Africa. Moreover, the report (2022:300) notes that parliamentary portfolio committees, including SCOPA, have been ineffective in examining the alleged improper influence of the Gupta family on state organs, despite media reports dating back to 2011. The Gupta family reportedly held significant power, influencing the appointment of CEOs and chairpersons in major state entities. They could also summon ministers to their Saxonwold residence in Johannesburg and allegedly pressure government officials at various departments' communication directorates to place advertisements in their newspaper, *New Age* (State Capture Commission Report, 2022:301).

Madonsela (2019:116-117) argues that state capture involves building networks of patronage, bureaucratic red tape, bribery, extortion, weak local capacity, misallocation of public resources, manipulation of procurement processes, irregular payments, fostering a culture of impunity, and lacking financial oversight. This suggests that SCOPA's effectiveness was undermined by external influences, linked to the alleged corrupt ties between some public officials and the Gupta family. Consequently, this points to the subversion of financial accountability, where certain officials prioritise loyalty to a family over their duty to the state.

#### **4.4 OVERSIGHT ROLE OF PROVINCIAL LEGISLATURE**

There are nine provincial legislatures in South Africa, each with between 30 and 80 members depending on the province (Boshoff, 2014:28; Moeti, 2019:84). At the time of this research, the Northern Cape Provincial Legislature had 30 members. According to van der Waldt (2021:149), Section 104 (1) of the *Constitution* grants the provincial legislature the legislative authority for the province. Specifically, Section 104(1)(a) authorises it to pass and amend the province's constitution, while Section 104(1)(b) enables it to pass legislation within its designated areas of jurisdiction as outlined in Schedules 4 and 5 of the *Constitution*. Section 104(5) allows the legislature to recommend issues outside its jurisdiction if necessary. Section



114(2) requires the provincial legislatures to establish mechanisms for holding all provincial organs of state accountable and overseeing the exercise of provincial executive authority, including the implementation of legislation and the functions of state organs. Additionally, section 115 grants the legislature the power to summon individuals for sworn testimony, request documents, or require reports. Regarding accountability, Sections 133(1) to (3) specify that the provincial executive council is responsible for the powers delegated by the premier and must report on their use of power and performance of functions when requested by the legislature.

#### **4.5 ROLE OF NATIONAL TREASURY IN IMPLEMENTING FINANCIAL ACCOUNTABILITY**

Section 2.9 of this study explains that strengthening financial accountability depends on establishing the National Treasury, as mandated by Section 216 of the *Constitution*. This section requires the national government to create a National Treasury responsible for setting norms and standards to ensure transparent and accountable financial management across all spheres of government. Theletsane (2014:113) explains that the National Treasury oversees the financial administration of state departments, acting on behalf of the legislature and executive. To enhance transparency and accountability, Sebakamotse (2020:202) points out that Section 216 mandates measures such as generally recognised accounting principles, standardised expenditure classifications, and uniform norms and standards. Additionally, Theletsane (2014:113) notes that Section 6 of the *PFMA* details the functions and powers of the National Treasury, including:

- Promoting the national government's fiscal policy framework and the coordination of the macroeconomic policy,
- Coordinating inter-governmental financial and fiscal relations,
- Managing the budget process,
- Exercising control over the implementation of the annual national budget, including any adjustments to budgets,
- Facilitating the implementation of the annual *DoRA*,
- Monitoring of the implementation of the provincial budgets,
- Promoting and enforcing transparency and sound management of departments, public entities, and constitutional institutions' revenue, expenditures, assets, and liabilities and
- Performance of other functions assigned to the National Treasury under the *PFMA*.

The National Treasury is therefore central in guiding all spheres of government on financial and fiscal issues. Provincial and local governments should align their standard operating procedures regarding finances with the national fiscal policy framework. Additionally, the National Treasury ensures that provincial governments implement their budgets in accordance with relevant legislative frameworks, such as the *DoRA* and *PFMA*. This indicates that, in terms of fiscal relations, the provincial government, via the Provincial Treasury, remains accountable to the National Treasury.

Theletsane (2014:113-115) explains that, according to Sections 216 of the *Constitution* and Section 2(a-g) of the *PFMA*, the National Treasury holds several key responsibilities:

- To establish uniform treasury norms and standards.
- To enforce the *PFMA* along with any prescribed norms, standards, and recognised accounting practices, including standard classification systems across national departments.
- To oversee and evaluate the implementation of the *PFMA* and associated norms in provincial departments, public entities, and constitutional bodies.
- To assist departments and constitutional institutions in enhancing their capacity to manage finances efficiently, effectively, and transparently.
- To investigate financial management and internal control systems within departments, public entities, or constitutional bodies.
- To intervene through measures in terms of Section 100 of the *Constitution* or by withholding funds as per Section 216(2) in cases of severe or ongoing violations of the *PFMA* by any department, public entity, or constitutional institution.

Thus, the successful execution of the aforementioned functions would have a positive impact on sound financial management. Mbatha and Mutereko (2021:130) assert that the ability to manage public financial resources is a hallmark of good governance.

#### **4.6 ROLE OF PROVINCIAL TREASURY IN PROMOTING FINANCIAL ACCOUNTABILITY AND GOOD GOVERNANCE**

The Provincial Treasury, established under Section 17 of the *PFMA*, is headed by the MEC for finance in the province and is responsible for managing financial matters within the provincial

department. Van Niekerk and Dalton-Brits (2016:121) note that national and provincial treasuries can collaborate to monitor municipal compliance with *MFMA* provisions. Section 18 (1)(a) to (d) of the *Constitution* emphasises promoting financial management and accountability, fostering good governance and more efficient service delivery. The functions and powers of the Provincial Treasury as specified in this section include:

- Prepare the provincial budget,
- Exercise control over the provincial budget,
- Promote and enforce transparency and effective management in respect of revenue, expenditure, assets, and liabilities of provincial departments and provincial entities, and
- Ensure that its fiscal policies do not materially and unreasonably prejudice national economic policies.

Ajam and Fourie (2014:52) and Solomons (2012:46) note that Section 18(2) of the *Constitution* obligates the Provincial Treasury to ensure its activities align with the *PFMA*, enforcing national and provincial norms, standards, generally accepted accounting practices, and classification systems within provincial departments. Additionally, it mandates compliance with the *DoRA*, monitoring and assessing the implementation of norms and standards in provincial public entities. The section also enables the Provincial Treasury to support departments and entities in developing their capacity for sound financial management and to assess their financial systems and controls. To encourage accountability, it permits withholding funds in case of serious or repeated financial violations by provincial entities. This promotes financial accountability by ensuring legislative compliance, strengthening governance, and enhancing service delivery.

The effectiveness of national and provincial treasuries in promoting financial accountability within provincial departments and local municipalities appears to be limited, as outlined in Sections 4.4.5 and 4.6 to 4.8. Section 4.4.5 highlighted that provincial departments suffered from financial mismanagement due to weak controls and non-compliance with legislation and SCM processes, despite the involvement of treasuries. Furthermore, Sections 4.6 to 4.8 revealed ongoing weaknesses in financial accountability and management, despite the responsibilities of both national and provincial treasuries to safeguard, monitor, and ensure sound financial practices in provincial and local municipalities.

## **4.7 OVERVIEW OF FINANCIAL PERFORMANCE OUTCOMES OF SELECTED PROVINCIAL DEPARTMENTS IN THE NCP, AIMED AT PROMOTING FINANCIAL ACCOUNTABILITY, GOOD GOVERNANCE AND EFFICIENT SERVICE DELIVERY.**

The selected service delivery departments for this study are the NCDoE, the NCDoH, and the NCDoTSL. The discussions below aim to project the financial performance outcomes of each department over the MTSF within a five-year span from 2015 to 2019.

A descriptive analysis of the data obtained from the annual performance reports of the selected provincial departments, related to financial accountability, good governance, and public service delivery efficiency, was conducted. This analysis included programme performance of the NCDoH, the NCDoE, and the NCDoTSL, as well as the selected local municipalities of the NCP. The financial performance of the selected provincial departments and local municipalities was evaluated in terms of expenditure in relation to the final appropriation. The financial performance outcomes from this assessment showed whether actual expenditure matched, exceeded, or fell short of the planned budget. To further evaluate the impact of financial accountability, the internal and external control systems, financial legislation, and SCM processes and governance of each selected provincial department (the NCDoE, the NCDoH, and the NCDoTSL) and the selected local municipalities were reviewed.

### **4.7.1 Financial performance outcomes in the Northern Cape Department of Health**

The NCDoH's financial performance has been concerning due to a series of under-expenditures on the planned budgets over the MTSF from 2015 to 2019 (NCDoH Annual Report 2015/16, 2016; NCDoH Annual Report 2016/17, 2017; NCDoH Annual Report 2018/19, 2019). The NCDoH executive council stated that this department had to operate under strict financial constraints due to austerity measures (NCDoH Annual Reports 2015/16, 2016:7). However, in the following financial year 2016/17, the executive council reported some improvement in both financial and non-financial performance against set objectives to enhance service delivery (NCDoH Annual Report 2016/17, 2017:9). In the same report, actual financial outcomes revealed significant under-expenditure, resulting in R125 million remaining unspent (NCDoH Annual Report 2017/18, 2018:13-14). To illustrate the extent of under-expenditure and poor financial performance during the MTSF 2015-2019, Tables 4.8, 4.9, and 4.10 display programme performance in the NCDoH.

While the data presented in Table 4.8 below may seem outdated, it is, however, intended to also draw comparisons between financial performance outcomes in the recent past (2014 to 2018) and later years (2018 to 2020), as well as to identify the factors contributing to the current financial performance outcomes, regardless of whether they are poor or good.

**Table 4.8: Programme Performance of the NCDoH from 2014/16 to 2016/17 Financial Years**

| Programme Name               | 2014/2015           |                    |                                | 2015/2016           |                    |                                |
|------------------------------|---------------------|--------------------|--------------------------------|---------------------|--------------------|--------------------------------|
|                              | Final Appropriation | Actual Expenditure | Over (+)/Under expenditure (-) | Final Appropriation | Actual Expenditure | Over (+)/Under expenditure (-) |
|                              | R' 000              | R' 000             | R' 000                         | R' 000              | R' 000             | R' 000                         |
| Administration               | 173 694             | 192 331            | 18 637                         | 192 979             | 211 203            | 18 224                         |
| District Health Services     | 1 618 498           | 1 633 011          | 14 513                         | 1 710 644           | 1 696 409          | -14 235                        |
| Emergency Medical Services   | 259 262             | 242 847            | -16 415                        | 293 598             | 271 386            | -22 212                        |
| Provincial Hospital Services | 265 715             | 292 594            | 26 879                         | 308 751             | 340 432            | 31 681                         |
| Central Hospital Services    | 788 826             | 767 519            | -21 307                        | 864 894             | 879 335            | 14 441                         |
| Health Sciences              | 108 698             | 104 251            | -4 447                         | 114 553             | 91 114             | -23 439                        |
| Health Care Support Services | 85 258              | 85 263             | 5                              | 94 934              | 119 767            | 24 833                         |
| Health Facilities Management | 458 037             | 396 164            | -61 873                        | 648 380             | 558 619            | -89 761                        |
| <b>Total</b>                 | <b>3 757 988</b>    | <b>3 713 980</b>   | <b>-44 008</b>                 | <b>4 228 733</b>    | <b>4 168 265</b>   | <b>-60 468</b>                 |

(Source: Adapted from the NCDoH Annual Report 2015/16, 2016: 13)

Table 4.8 indicates that over two financial years, the budget increased by 11.1%, with the financial appropriation for NCDoH in 2014/15 amounting to R3 757 988 billion and in 2015/16 rising to R4 228 733 billion. During both financial years, 2014/15 and 2015/16, there was an under-expenditure of R104 476 million. The main contributor was health facilities management, which could not spend R151 634 over the two years shown above. This underperformance by Health Facilities Management was offset by overspending in programmes such as Administration, Provincial Hospital Services, and Health Care Support Services.

**Table 4.9: Programme Performance of the NCDoH from 2016/17 to 2019/20 Financial Years**

| Programme Name               | 2016/2017           |                    |                                | 2017/2018           |                    |                                |
|------------------------------|---------------------|--------------------|--------------------------------|---------------------|--------------------|--------------------------------|
|                              | Final Appropriation | Actual Expenditure | Over (+)/Under expenditure (-) | Final Appropriation | Actual Expenditure | Over (+)/Under expenditure (-) |
|                              | R' 000              | R' 000             | R' 000                         | R' 000              | R' 000             | R' 000                         |
| Administration               | 196 999             | 226 526            | 29 527                         | 209 905             | 230 613            | 20 708                         |
| District Health Services     | 1 913 993           | 1 913 947          | -46                            | 2 001 541           | 1 989 395          | -12 146                        |
| Emergency Medical Services   | 307 718             | 284 989            | -22 729                        | 327 707             | 302 726            | -24 981                        |
| Provincial Hospital Services | 367 557             | 390 427            | 22 870                         | 338 120             | 338 577            | 457                            |
| Central Hospital Services    | 970 641             | 945 268            | -25 373                        | 970 244             | 954 327            | -15 917                        |
| Health Sciences              | 123 986             | 123 986            | 0                              | 119 668             | 98 661             | -21 007                        |
| Health Care Support Services | 102 529             | 108 656            | 6 127                          | 100 142             | 91 782             | -8 360                         |
| Health Facilities Management | 510 762             | 375 338            | -135 424                       | 562 965             | 561 271            | -1 694                         |
| <b>Total</b>                 | <b>4 494 185</b>    | <b>4 369 137</b>   | <b>-125 048</b>                | <b>4 630 292</b>    | <b>4 567 352</b>   | <b>-62 940</b>                 |
| Programme Name               | 2018/2019           |                    |                                | 2019/2020           |                    |                                |
|                              | Final Appropriation | Actual Expenditure | Over (+)/Under expenditure (-) | Final Appropriation | Actual Expenditure | Over (+)/Under expenditure (-) |
|                              | R' 000              | R' 000             | R' 000                         | R' 000              | R' 000             | R' 000                         |
| Administration               | 223 101             | 224 047            | 946                            | 221 283             | 220 060            | 1 223                          |
| District Health Services     | 2 182 187           | 2 182 245          | -58                            | 2 493 239           | 2 437 876          | 55 363                         |
| Emergency Medical Services   | 332 999             | 333 021            | -22                            | 365 482             | 337 015            | 28 467                         |
| Provincial Hospital Services | 382 699             | 382 699            | -                              | 415 343             | 416 470            | -1 127                         |
| Central Hospital Services    | 1 069 620           | 1 059 796          | 9 824                          | 1 088 431           | 058 154            | 30 277                         |
| Health Sciences              | 120 111             | 121 364            | -1 253                         | 132 701             | 154 530            | -21 829                        |
| Health Care Support Services | 112 274             | 113 266            | -992                           | 115 645             | 161 857            | -46 212                        |
| Health Facilities Management | 431 320             | 421 041            | 10279                          | 398 067             | 397 490            | 577                            |
| <b>Total</b>                 | <b>4 854 311</b>    | <b>4 837 479</b>   | <b>16 832</b>                  | <b>5 230 191</b>    | <b>5 183 452</b>   | <b>46 739</b>                  |

(Source: Adapted from the NCDoH 2017/18 2018:13-14; the NCDoH 2019/20, 2020:18)

As with the previous financial years 2014/15 and 2015/16, the trend of underspending persisted into 2016/17 and 2017/18, as shown in Table 4.9. Health Facilities Management was again the main contributor, reporting R135 424 in under-expenditure. Emergency Medical Services and Central Hospital Services also contributed, with a combined under-expenditure of R89 million. The 2016/17 year marked the peak of underspending during the 2015-2019 MTSF, with the NCDoH recording under-expenditure of R125 048 million. In addition to poor financial performance, the Auditor General's 2018/2019 Consolidated Report (AGSA, 2020:63) noted

that the NCDoH was in a vulnerable state, incurring a financial deficit of R448 million, which is 21.9% of the cash shortfall that was funded by the following year's operational budget.

Table 4.9 indicates that the financial performance outcomes for the 2018/19 and 2019/20 years showed some improvement compared to the previous two years. In 2018/19, programmes overspent by R16 832 million, while in 2019/20, the overspending increased to R46 million. Unlike in 2014/15 and 2015/16, the NCDoH had implemented better internal control systems to enhance governance and financial accountability, notably by strengthening the risk management unit and committee (NCDoH Annual Report 2019/20, 2020:149).

One can, therefore, conclude that the NCDoH was unable to manage its finances effectively between the 2014/15 and 2017/18 financial years due to ineffective financial control systems and weak governance structures. Conversely, there was a noticeable improvement in financial performance between the 2018/19 and 2019/20 financial years, driven by enhanced financial controls and governance reforms such as a stronger focus on risk management and the internal audit committee (NCDoH Annual Report 2019/20, 2020:149). Similarly, the Consolidated General Report of national and provincial audit outcomes for 2023/24 indicated an overall improvement in the NCP, with six provincial departments achieving unqualified audits with no findings (clean audits), while three departments received unqualified audits with findings. The increase in clean audits is attributed to the efforts of the audit committee, strengthened internal controls, and improved monitoring. Nonetheless, NCDoH, NCDoE, and the Northern Cape Department of Public Works (NCDoPW), the three largest service delivery departments, should adopt the best practices already implemented within the province and address the ongoing issues they face (AGSA, 2025:163). Additionally, it can be argued that financial controls have somewhat moderated financial performance outcomes, as discussed in the following paragraphs.

#### **4.7.1.1 Internal financial control system of the Northern Cape Department of Health**

Weaknesses in the internal control systems were a key factor in the poor financial performance of the NCDoH, as shown in Tables 4.8 and 4.9, Section 4.4.2 (NCDoH Annual Report 2016/17, 2017:122; NCDoH Annual Report 2017/18, 2018:166). The 2019/20 financial programme performance revealed that the NCDoH underspent by R46 739 million and incurred R714 939 million in irregular expenditure (NCDoH Annual Report 2019/20, 2020:18). It is evident that substandard financial results are linked to weak internal control systems, which affect



operational effectiveness and efficiency, the reliability of financial reporting, and compliance with relevant laws and regulations (Enwereji & Uwizeyimana, 2021:11).

As shown in the NCDoH Annual Reports 2016/17 (2017:122) and 2017/18 (2018:166), issues like poor governance, weak management structures, a negative workplace culture, and leadership challenges led to ineffective internal financial controls. Therefore, identifying the causes of poor financial management does not necessarily mean accepting or acknowledging financial accountability. The Auditor-General's Consolidated Report on the 2018/19 Audit Outcomes (AGSA, 2019:11) supports this view, noting that the NCDoH incurred R22 million in unauthorised expenditure and a financial deficit of R553 million, which represented 2.7% of the cash shortfall the following year. The report emphasised that both the NCDoH and the NCDoE required urgent intervention to prevent service delivery failures. A link can be seen between poor financial results and weak internal controls. However, the 2023/24 Auditor-General Consolidated Report (AGSA, 2025:163-64) indicated that, despite improvements in the number of clean audits within the NCP, the three largest service delivery departments, including the NCDoH, had to adopt the successful practices already established in the NCP, such as strong internal controls and monitoring, while addressing ongoing challenges.

#### **4.7.1.2 Good governance in the Northern Cape Department of Health**

Section 2.5.2 of this study emphasises that good governance begins with effective political leadership. It stresses strategic outputs should be aligned with legislation and policies to enhance public management and prevent corruption (Prinsloo, 2013:3; Gebrihet and Pillay, 2020:149). The poor financial performance of programmes in the NCDoH, as shown in Tables 4.8 and 4.9, was partly due to weak governance. This included poor risk management, the absence of a departmental fraud implementation plan, a lack of a departmental code of conduct, and understaffing in the safety, health, environment, risk, and quality (SHERQ) sub-directorate (NCDoH Annual Report 2017/18, 2018:153-156).

Enwereji and Uwizeyimana (2021:11) highlight that the inability to facilitate risk management within an organisation, from which the NCDoH cannot be excluded, results in poor financial accountability. Therefore, effective risk management is vital for good governance to improve financial accountability as a normative requirement in the public sector.

#### 4.7.2 Financial performance outcomes in the Northern Cape Department of Education

Compared to the NCDoH, the NCDoE demonstrated stronger financial performance in budget execution, as shown in Table 4.10. The assessment utilised financial data from 2014/15 to 2017/18, aligned with the South African government's MTSF from 2015 to 2019. Nevertheless, some parts of the 2019/20 to 2023/24 annual reports within the MTSF were also taken into consideration.

**Table 4.10 Programme performance of the NCDoE in the Financial Years 2014/15 to 2017/18**

| Programme Name                   | 2014/2015           |                    |                                | 2015/2016           |                    |                                |
|----------------------------------|---------------------|--------------------|--------------------------------|---------------------|--------------------|--------------------------------|
|                                  | Final Appropriation | Actual Expenditure | Over (+)/Under expenditure (-) | Final Appropriation | Actual Expenditure | Over (+)/Under expenditure (-) |
|                                  | R' 000              | R' 000             | R' 000                         | R' 000              | R' 000             | R' 000                         |
| Administration                   | 545 222             | 544 182            | -1 040                         | 550 970             | 550 970            | 0                              |
| Public Ordinary School Education | 3 481 642           | 3 476 852          | -4 790                         | 3 759 627           | 3 756 123          | -3 504                         |
| Independent School Education     | 8 065               | 8 065              | 0                              | 7 887               | 7 887              | 0                              |
| Public Special School Education  | 97 650              | 97 650             | 0                              | 112 632             | 112 632            | 0                              |
| Early Childhood Development      | 86 124              | 86 124             | 0                              | 83 967              | 83 355             | -612                           |
| Infrastructure Development       | 361 625             | 361 599            | -26                            | 455 932             | 443 442            | -12 490                        |
| Examination and Education        | 134 752             | 134 745            | -7                             | 155 850             | 146 708            | -9 142                         |
| <b>Total</b>                     | <b>4 715 080</b>    | <b>4 709 217</b>   | <b>-5 863</b>                  | <b>5 126 865</b>    | <b>5 101 117</b>   | <b>-25 748</b>                 |
| Programme Name                   | 2016/2017           |                    |                                | 2017/2018           |                    |                                |
|                                  | Final Appropriation | Actual Expenditure | Over (+)/Under expenditure (-) | Final Appropriation | Actual Expenditure | Over (+)/Under expenditure (-) |
|                                  | R' 000              | R' 000             | R' 000                         | R' 000              | R' 000             | R' 000                         |
| Administration                   | 609 491             | 625 325            | 15 834                         | 627 956             | 618 060            | -9 896                         |
| Public Ordinary School Education | 3 991 883           | 4 026 071          | 34 188                         | 4 266 601           | 4 384 763          | 118 162                        |
| Independent School Education     | 8 722               | 8 722              | 0                              | 9 164               | 9 164              | 0                              |
| Public Special School Education  | 116 230             | 132 331            | 16 101                         | 140 931             | 141 803            | 872                            |
| Early Childhood Development      | 86 668              | 83 673             | -2 995                         | 94 273              | 94 273             | 0                              |
| Infrastructure Development       | 497 309             | 500 049            | 2 740                          | 612 267             | 609 595            | -2 672                         |

|                           |                  |                  |               |                  |                  |                |
|---------------------------|------------------|------------------|---------------|------------------|------------------|----------------|
| Examination and Education | 137 307          | 135 647          | -1 660        | 144 927          | 148 647          | 3 720          |
| <b>Total</b>              | <b>5 447 610</b> | <b>5 511 818</b> | <b>64 208</b> | <b>5 896 119</b> | <b>6 006 305</b> | <b>110 186</b> |

(Source: Adapted from the NCDoE Annual Report 2015/16, 2016 and NCDoE Annual Report, 2017/18, 2018).

Table 4.10 indicates that during the 2014/15 and 2015/16 financial years; departments underspent their programme budgets by a total of R31, 611 million. In the following two years, NCDoE programmes experienced a combined over-expenditure of R64.208 million in 2016/17 and R186 million in 2017/18. Among all programmes, only Independent School Education, Public Special School Education, and Early Childhood Development managed to spend within their allocated budgets. Despite other programmes contributing to a combined over-expenditure of R394 million in 2016/17 and 2017/18, they performed better than NCDoH, which had an under-expenditure of R187 988 million during the same period. The NCDoE's improved financial management can largely be attributed to effective governance systems and SCM processes (NCDoE Annual Report 2016/17, 2017:87-95). This suggests that NCDoE officials adhered to financial legislation, policies, and procedures when implementing budgets to deliver services. In 2019/20, the first year of South Africa's MTSF 2019-2024, the NCDoE's financial performance remained acceptable. According to the NCDoE Annual Report 2019/20 (2020:11), the department overspent by just 0.1% (R4.405 million) of its R6.905 billion final budget. Although this reflected better performance than the NCDoH, some signs of financial mismanagement persisted, as the department incurred R522, 380 million in irregular expenditure (NCDoE Annual Performance Report 2019/20, 2020:12).

#### 4.7.2.1 Good governance in the Northern Cape Department of Education

The NCDoE Annual Reports from 2014 to 2019, covering the medium strategic framework, stated that the NCDoE system had effective risk management, a fraud prevention strategy, policies, minimised conflicts of interest, and issued codes of conduct to employees upon appointment (NCDoE Annual Report, 2015/16, 2016:94-102; NCDoE Annual Report 2016/17, 2017:86-96). Besides these governance pillars, the 2017/18 (2018:86-97) and 2018/19 (2019:88-98) reports highlighted the existence of a functioning health and safety committee, an effective portfolio committee, implementation of SCOPA resolutions, as well as internal control and internal audit units, and various committees. This suggests that strong governance and oversight bodies generally lead to better financial performance outcomes.

#### 4.7.3. Programme performance of the Northern Cape Department of Transport, Safety and Liaison in 2015/16 to 2018/19

This section further analyses the data from the annual performance reports of the NCDoTSL over the MTSF period from 2014 to 2019. The aim is to evaluate how financial accountability influences the efficiency of good governance and public service delivery by the NCDoTSL. The programme performance of the NCDoTSL is shown in Table 4.11 below.

**Table 4.11: Programme Performance of the NCDoTSL in the Financial Years 2015/16 to 2018/19**

| Programme Name        | 2014/2015           |                    |                                | 2015/2016           |                    |                                |
|-----------------------|---------------------|--------------------|--------------------------------|---------------------|--------------------|--------------------------------|
|                       | Final Appropriation | Actual Expenditure | Over (+)/Under-expenditure (-) | Final Appropriation | Actual Expenditure | Over (+)/Under-expenditure (-) |
|                       | R' 000              | R' 000             | R' 000                         | R' 000              | R' 000             | R' 000                         |
| Administration        | 61 526              | 60 839             | -687                           | 67 280              | 69 377             | 2 097                          |
| Civilian Oversight    | 21 334              | 22 099             | 765                            | 21 730              | 22 051             | 321                            |
| Transport Operations  | 182 954             | 184 026            | 1 072                          | 180 270             | 175 160            | -5 110                         |
| Transport Regulations | 128 592             | 117 011            | -11 581                        | 86 209              | 86 710             | 501                            |
| Total                 | 394 406             | 383 975            | -10 431                        | 355 489             | 353 298            | -2 191                         |
| Programme Name        | 2016/2017           |                    |                                | 2017/2018           |                    |                                |
|                       | Final Appropriation | Actual Expenditure | Over (+)/Under-expenditure (-) | Final Appropriation | Actual Expenditure | Over (+)/Under-expenditure (-) |
|                       | R' 000              | R' 000             | R' 000                         | R' 000              | R' 000             | R' 000                         |
| Administration        | 81 883              | 76 963             | -4 920                         | 85 086              | 80 516             | -4 570                         |
| Civilian Oversight    | 24 241              | 24 188             | -53                            | 24 310              | 24 165             | -145                           |
| Transport Operations  | 186 463             | 184 686            | -1 777                         | 214 492             | 212 070            | -2 422                         |
| Transport Regulations | 82 339              | 82 317             | -22                            | 93 658              | 93 533             | -125                           |
| Total                 | 374 926             | 368 154            | -6 772                         | 417 546             | 410 284            | -7 262                         |

(Source: Adapted from the NCDoTSL Annual Report 2015/16, 2016 and NCDoTSL Annual Report 2017/18, 2018)

In Table 4.11 above, it is shown that the performance of NCDoTSL programmes was almost in line with the planned budget for 2014/15 to 2017/18. The same trend of financial performance was observed in the 2018/19 and 2019/20 financial years, with minimal deviations between expenditure and the budget (NCDoTSL Annual Report 2019/20, 2020:53-54). In the 2018/19 financial year, the programme expenditure of the NCDoTSL was R341 111 as opposed to R319 179, and in 2019/20, R336 208 as opposed to R340 791 million. This indicates that variances from the final appropriation were minimal, with an over-expenditure of R 21,932 million in 2018/19 and an under-expenditure of R 4,583 million in 2019/20 (NCDoTSL Annual Report 2019/20, 2020:53-54). This was partly attributed to good governance in the NCDoTSL, as explained below.

#### **4.7.3.1 Internal financial controls of the Northern Cape Department of Transport, Safety and Liaison**

During the 2015/16 financial year, the NCDoTSL lacked an internal control unit to oversee financial control management (NCDoTSL Annual Report 2015/16, 2016:93). The report also indicated that the department's financial control system was inadequate to prevent risks such as irregular, unauthorised, fruitless, and wasteful expenditure. These weaknesses persisted from 2016/17 to 2018/19, highlighting the need to enhance the effectiveness of financial controls (NCDoTSL Annual Report 2018/19, 2019:63).

#### **4.7.3.2 Good governance in the Northern Cape Department of Transport, Safety and Liaison**

The NCDoTSL Annual Report 2019/20 (2020:53-54) states that the department was dedicated to maintaining the highest governance standards essential for managing public finances and resources. Effective governance enables the department to add value through innovation, development, and exploration, while keeping accountability and control systems to minimise risks involved (NCDoTSL Annual Report 2019/20, 2020:53-54). The NCDoTSL had strong governance structures, including risk management, fraud and corruption prevention plans, an internal control and audit unit, and oversight committees such as the portfolio committee, SCOPA, and treasury (NCDoTSL Annual Report 2016/17, 2017:60-100; NCDoTSL Annual Report 2019/20, 2020:61-94).

#### 4.8 FINANCIAL MISMANAGEMENT IN SELECTED NC PROVINCIAL DEPARTMENTS

This Section was intended to examine whether financial mismanagement was influenced by moderating factors like weak financial controls and non-compliance with legislation and SCM processes, which are linked to a lack of financial accountability. The concepts related to weak financial controls include unauthorised, irregular, wasteful, and fruitless expenditure are captured in Section 81-85 of *PFMA* and elucidated further below.

- **Unauthorised Expenditure:** refers to the excessive spending of a vote or the main division within a vote. It also includes expenditures that do not align with the purpose of the vote or, in the case of a main division, with its intended purpose (Dlamini & Weir-Smith, 2022).
- **Irregular Expenditure:** expenditure incurred in contravention of, or not in accordance with, any applicable legislation requirement (Nzama, 2019:1521).
- **Fruitless and Wasteful Expenditure:** is expenditure that was made in vain and would have been avoided had reasonable care been exercised (Thys & Wait, 2020:71).

To assess the concepts listed above, the chosen service delivery departments were evaluated for financial mismanagement, focusing on unauthorised, irregular, fruitless, and wasteful expenditures. The study primarily covered the period from 2015/16 to 2018/19. The Auditor-General's Consolidated Report on the 2016-17 National and Provincial Audit Outcomes (AGSA, 2017: 192) highlighted a lack of financial accountability, which hindered improved audit results and effective service delivery to the citizens of the NCP.

The latest Auditor-General Consolidated General Report on National and Provincial Audit Outcomes of 2023/24 (AGSA, 2025:163) showed an improvement in the NCP compared to 2018/19. Back then, only two departments had a clean audit with no findings, six departments received unqualified opinions with findings, and three had qualified opinions. In 2023/24, six departments achieved clean audits, three had unqualified opinions with findings, and three received qualified opinions. However, the AGSA (2025:163) noted that the three largest service delivery departments of the NCP (the NCDoH, NCDoE, and NCDoRPW) needed to improve performance, accountability, transparency, and institutional integrity. It was also reported that, similar to 2018/19, five provincial departments had material findings in 2023/24,

mainly due to weaknesses in performance planning, reporting, and the overall control environment (AGSA, 2025:165). This suggests that compliance with the *PFMA* and the establishment of strong internal control systems remain a concern in some provincial departments within the NCP.

#### **4.8.1 Unauthorised Expenditure in the Northern Cape Department of Health**

The NCDoH Annual Reports 2015/16 (2016:17) and 2016/17 (2017:18) indicated that unauthorised expenditure was R92 790 million and R51 576 million, respectively. This suggests that during the two financial years, 2015/16 and 2016/17, the NCDoH experienced a total loss of R144, 366 million. In 2017/18, the NCDoH incurred unauthorised expenditure of R100 296 million (NCDoH Annual Report 2017/18, 2018:18). During the following two financial years, 2018/19 and 2019/20, no unauthorised expenditure was reported (NCDoH Annual Report 2018/19, 2019:17; NCDoH Annual Report 2019/20, 2020:18). A key difference between the 2015/16 to 2017/18 and (2018/19 and 2019/20 financial years is that the earlier three incurred substantial losses from unauthorised spending, whereas the latter two years did not. This contrast suggests that improved systems of financial control, governance, and oversight, bolstered by the establishment of the budget committee led by the CFO, contributed to better financial management in the later years (NCDoH Annual Report 2018/19, 2019:17; NCDoH Annual Report 2019/20, 2020:160

The NCDoE Annual Report 2016/17 (2017:14) states that the department experienced unauthorised expenditure of R68 863 million caused by inadequate planning for the new teacher intake. During the 2017/18 and 2018/19 financial years, the department again faced unauthorised spending totalling R122 754 million and R18 818 million, respectively (NCDoE Annual Reports 2017/18, 2018:12; NCDoE 2018/19, 2019:14). However, the most recent Auditor-General Consolidated Report on National and Provincial Audit Outcomes for 2023/2024 (AGSA, 2025:163) indicates that no unauthorised expenditure occurred in the 2023/24 financial year within the NCP, compared to R50 95 million in 2018/2019. This suggests that improvements in budget management and controls by the Provincial Treasury may have contributed to a reduction in unauthorised expenditure in the NCP.



#### **4.8.2 Irregular Expenditure in the Selected Provincial Government Departments of the Northern Cape**

In the 2015/16 financial year, the NCDoH incurred irregular expenditure of R 805.906 million, resulting in a cumulative amount of R5.172 billion of irregular expenditure from previous financial years (NCDoH Annual Report 2015/16, 2016:18). According to the NCDoH Annual Report 2015/16 (2016:18), the cause of irregular expenditure was non-compliance with SCM processes when infrastructure contracts were awarded. In the 2016/17 financial year, the NCDoH further incurred R183 million in irregular expenditure due to the flouting of SCM processes by the NCDoH and the Northern Cape Department of Roads and Public Works (NCDoRPW) (NCDoH Annual Report 2016/17, 2017:18). There was a sustained financial loss through irregular expenditure, with the NCDoH incurring R412 379 million in 2017/18 and R235 416 million in 2018/19 (NCDoH Annual Reports 2017/18, 2018:19; 2018/19, 2019:18). Once again, NCDoH Annual Report 2018/19 (2019:18) attributes the irregular expenditure to not adhering to SCM processes and weak financial controls.

The NCDoE, the largest service delivery department within the NCP, also faced a series of irregular expenditures. Due to non-compliance with SCM and procurement processes, the NCDoE recorded irregular spending of R220 802 million in the 2015/16 financial year (NCDoE Annual Report 2015/16, 2016:14). In the following year, 2016/17, it again incurred irregular expenditure of R 323.416 million because of violations of procurement and SCM procedures (NCDoE Annual Report 2016/17, 2017:14-15). Persistent financial practices, not aligned with legislation, policies, or treasury regulations, continued in 2017/18 and 2018/19, with a combined irregular expenditure of R836,271 million by the NCDoE (NCDoE Annual Reports 2018/19, 2019:14; 2019/20, 2020:12).

The NCDoTSL Annual Report 2016/17 (2017:126) also showed that the NCDoTSL disregarded compliance with SCM processes and subsequently incurred irregular expenditures of R703 237 million in the 2016/17 financial year. In the previous financial year, 2015/16, the amount was R545, 861 million. The NCDoTSL Annual Reports of 2017/18 (2018:126-127) and 2018/19 (2019:118) pinpointed a tendency towards non-compliance with legislation when spending public funds.

The Auditor-General's Consolidated General Report on the National and Provincial Audit Outcomes for 2016/17 (AGSA, 2018:192) noted that, despite clear cases of financial mismanagement, irregular expenditure was not investigated in the NCDoH, NCDoE, or NCDoTSL. During the 2016/17 financial year, six provincial departments of the NC either wrote off or condoned irregular expenditure totalling R92 million, with no evidence that any funds were recovered from responsible individuals (AGSA, 2018:192). This suggests a continued lack of financial accountability in these departments, despite the AGSA's evidence of mismanagement. The latest Consolidated General Report on National and Provincial Audit Outcomes for 2023/24 (AGSA, 2025:165) indicates that most of the R3.67 billion in irregular expenditure by the NCDoH resulted from payments to employees with unverified qualifications and approvals made without proper delegation. AGSA (2025:165) recommended that the Provincial Portfolio Committee on Health improve oversight and follow up on resolutions to reduce irregular expenditure.

#### **4.8.3 Fruitless and Wasteful Expenditure in selected Provincial Government Departments of the Northern Cape**

The NCDoH incurred fruitless and wasteful expenditure of R4 392 million in the 2015/16 financial year (NCDoH Annual Report 2015/16, 2016:18). This pattern of losing money unnecessarily continued up to 2018/19, with a loss of R5 270 million in 2017/18 and a further loss of R6 285 million in 2018/19 (NCDoH Annual Report 2017/18, 2018:18; NCDoH Annual Report 2018/19, 2019:17). According to the NCDoH Annual Report 2015/16 (2016:18), the cause of fruitless and wasteful expenditure was primarily interest charged on overdue accounts amounting to R3 635 million, which contributed to cash flow constraints. Failure to pay suppliers on time resulted in the NCDoH incurring an additional loss of R10, 537 million in the 2016/17 financial year (NCDoH Annual Report 2016/17, 2017:18). Moreover, the NCDoH lacked an efficient system or tool to detect fruitless and wasteful expenditure. The NCDoH Annual Report 2015/16 (2016:18) also attributed the unnecessary spending to the absence of a compliance and reporting unit responsible for investigating irregular expenditure and enforcing compliance, especially with SCM processes. One could argue that the lack of such a unit meant that officials responsible for financial losses due to negligence could not be held accountable.

The NCDoE's failure to pay suppliers on time and to follow through on commitments, such as cancelling flight bookings and accommodation, led to fruitless and wasteful spending of R549,000 in the 2015/16 financial year (NCDoE Annual Report 2015/16, 2016:14). This

pattern of fruitless expenditure continued throughout the rest of the MTSF 2014 to 2019 period, during which the NCDoE wasted R585, 000 between 2016/17 and 2018/19 (NCDoH Annual Reports 2016/17, 2017/18, 2018/19).

In addition to the above, the Auditor-General's Consolidated General Report on National and Provincial Audit Outcomes of 2023/24 (AGSA, 2025:164) reported R87.27 million of fruitless and wasteful expenditure incurred by the three largest service delivery departments (NCDoH, NCDoE, and the NC Department of Public Works) due to poor creditor payment practices. The creditor payment period in these departments increased from 67 days in 2018/19 to 111 days in the 2023/24 financial year. The AGSA (2025:164) also raised a concern that claims against the NCDoH amounted to R572.82 million, mainly due to medical negligence. Therefore, the AGSA (2025:164) recommended that the leadership of the NCDoH, along with the operations of the clean audit committee, should undertake a risk assessment and develop preventative controls to avoid unnecessary losses.

#### **4.9 CURRENT CHALLENGES IN PROMOTING FINANCIAL ACCOUNTABILITY, GOOD GOVERNANCE AND SERVICE DELIVERY EFFICIENCY IN THE SELECTED PROVINCIAL DEPARTMENTS**

Section 4.7 highlighted a persistent culture of financial mismanagement within the NCDoH, NCDoE, and NCDoTSL during the 2014-19 MTSF period. These departments regularly engaged in unauthorised, irregular, fruitless, and wasteful expenditures due to weak financial control systems and non-compliance with legislation, mainly concerning SCM and procurement, stemming from a lack of accountability and good governance. This lack of financial accountability is a major challenge that negatively influences governance and service delivery in the NCP.

The Auditor-General's Consolidated General Report 2016/17 (AGSA, 2018:191) identifies the instability of key positions, especially that of the accounting officer, as a fundamental cause of poor financial accountability. For instance, the NCDoH's accounting officer position was vacant for five months in 2016/17 (AGSA, 2018:191). Mochoari (2023:1) reports in the *Daily Maverick* that the NCDoH had been without an HOD for over a year. It was reported that many senior roles had remained unfilled, creating instability that hampered service delivery. According to Section 38(1)(h)(iii) of the *PFMA*, the AO must initiate disciplinary action against officials responsible for unauthorised, irregular, fruitless, and wasteful expenditure.

AGSA (2018:191) further states that implementing and monitoring controls, including financial controls and accountability for the use of public resources, is the responsibility of first-level assurance providers such as accounting officers, senior management, and executive authorities. This often speaks to a lack of consequence management by political leaders in departments that fail to improve financial compliance hampers overall financial accountability.

Section 2.5.2.2 highlights that weak internal audit controls hinder the promotion of financial accountability. It also notes, based on the AGSA (2020:12), widespread deficiencies in basic internal controls, such as poor quality of financial statements and performance reports submitted for audits. Additional issues include inadequate implementation of CFOs' action plans to improve financial statement quality, inefficient record management, and the fact that only 42% of auditees can produce sound controls. The section also states that in-year and year-end financial reporting, target performance, and compliance monitoring are ineffective, with only 24% having effective processes. Moreover, 25% of national and provincial departments comply with legislative requirements, and a mere 8% have appropriate information and technology controls in place. These deficiencies suggest that the lack of a robust control environment and internal controls fosters an environment where weak financial accountability can potentially thrive.

According to Mathiba (2020:649), procurement should be guided by five core principles: value for money, open and effective competition, ethics and fair dealings, accountability and reporting, and equity. In this context, as expressed in Section 4.3.1.4, misallocation of public resources, manipulation of procurement processes, irregular payments, fostering a culture of impunity, and lacking financial oversight indicates that these core principles were ignored, reflecting a lack of financial accountability. This highlights how processes are often violated due to such non-accountability issues. Mathiba (2020:649) also notes that the NCDoh's AO approved a generic deviation on 24 March 2020 without specifying the time, and this deviation was justified as an emergency, affecting four suppliers and amounting to R60.73 million. This again illustrates the circumvention of SCM processes to divert funds from the state.

Building on this, the Auditor-General's Consolidated General Report on the 2016/17 National and Provincial Audit Outcomes (AGSA, 2017:156) reports that provincial public accounts committees (PPAC) failed to address relevant issues in the public domain. Instead, they focused on matters that did not influence accountability and governance. The oversight functions of these committees lacked coherence, and many did not hold the executive authorities

accountable for financial transgressions. Additionally, some PPACs struggled to plan their oversight activities effectively and failed to utilise the media to promote transparency and public awareness of their oversight roles (AGSA, 2017:156).

The latest Auditor-General's Consolidated General Report on the 2023/24 national and provincial audit outcomes (AGSA, 2025:163) highlighted that the three central service delivery departments of the NCP (the NCDoH, NCDoE, and the NC Department of Public Works) must prioritise improving performance, accountability, transparency, and institutional integrity. AGSA (2025:165) also noted some progress in fostering a culture of accountability and consequences within the NCP, driven by commitments from provincial oversight departments and the legislature, which require departments to submit quarterly feedback on action plans to the premier. However, many of these commitments have not achieved their intended impact, which negatively affects service delivery in the NCP (AGSA, 2025:165). Additionally, AGSA (2025:165) advised that all NCP departments should prepare credible financial and performance reports, ensuring that service delivery receives adequate focus. Provincial oversight structures should also intensify their oversight of underperforming service delivery departments to foster improvement across the NCP.

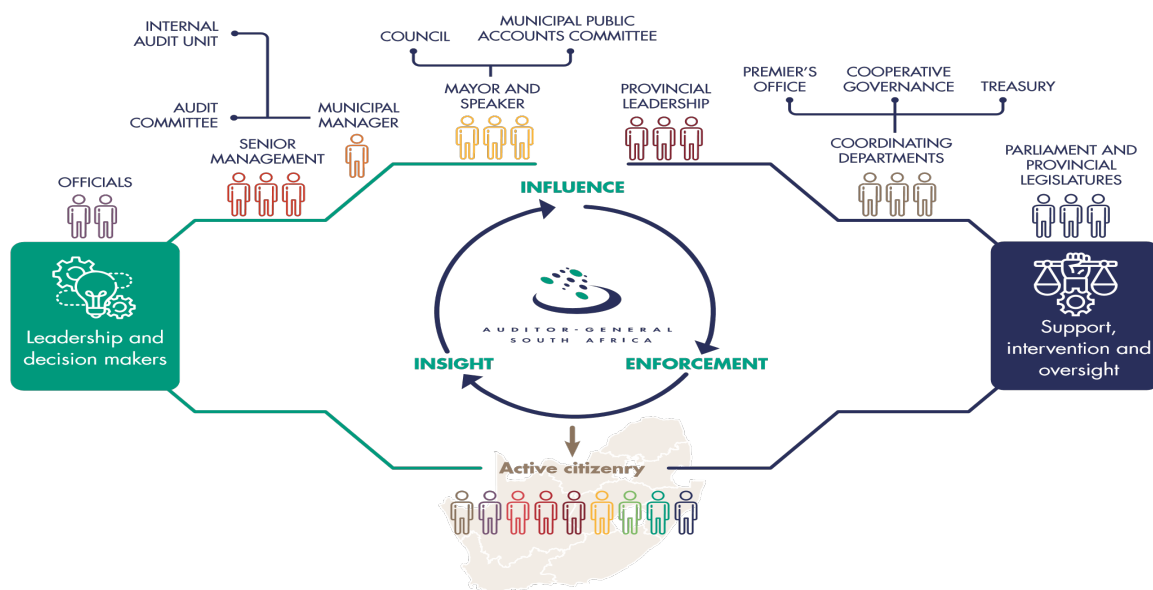
#### **4.10 LEGISLATIVE AUTHORITY IN LOCAL GOVERNMENT**

Van Niekerk and Dalton-Brits (2016:120) and Moeti (2019:85) highlight that local government is formed to create democratic, accountable municipalities tasked with providing essential services to communities. These include clean water, electricity, waste removal, land for housing, local economic development, and road infrastructure (Moeti, 2019:84-85). Beyond delivering these services effectively, municipalities must foster sustainable socio-economic growth, maintain a healthy and safe environment, and ensure community participation in municipal programmes (van Niekerk & Dalton-Brits, 2016:120). Sebakamotse (2020:135) explains that legislative authority resides with municipal councils per section 151(2) of the *Constitution*. This section grants municipalities the right to govern their local affairs independently, within the bounds of national and provincial legislation, without interference from higher levels of government. According to Section 152(1)(a) to (e) of the *Constitution*, the local government's purpose is to provide democratic, accountable management, deliver sustainable services, promote socio-economic progress, ensure environmental safety, and involve communities in governance. However, these goals are hindered by a lack of financial accountability where local government face numerous challenges that involve financial

mismanagement, failure to raise their own revenue, disregard of financial controls, poor governance, and the incapacity to deliver services. (Tshishonga, 2021:32)

#### 4.10.1 Oversight and accountability structures in Local Government

The South African local government system plays a vital role in advancing the country's development agenda, especially in implementing policies that serve the national interest. Van der Walddt (2015:50) notes that in local government, legislative authority is vested in the municipal council or in any committee or other collective structures that are elected, designated, or appointed under local government provisions. Oversight structures within municipalities that are crucial for financial accountability include council portfolio committees, internal audit and audit committees, municipal performance audit committees, municipal public accounts committees, project steering committees, and project management units (van der Walddt, 2015:57). The oversight and accountability structures essential for implementing financial accountability are illustrated in Figure 4.1 below.



(Source: AGSA, 2021:06)

**Figure 4.1 Oversight and Accountability Structures**

The roles and functions of oversight and accountability structures, including financial accountability mechanisms, are explained below. Figure 4.1 illustrates the oversight and accountability structures necessary for local governments to operate effectively. These structures consist of two main components: leadership and decision-makers, as well as support, intervention, and oversight (AGSA, 2021:06), outlined below.

- **Leadership and decision-makers.** The leadership and decision-makers of a municipality consist of municipal officials, senior management, the municipal manager, the mayor, and the speaker. Internal audit units and audit committees are essential accountability structures that scrutinise and monitor the effectiveness of internal controls, internal audit, and risk management of local government (Tušek and Pokrovac, 2012:7). The mayor and speaker account to the council and public accounts committees.
- **Support, Intervention, and Oversight.** Parliament and Provincial Legislatures serve as coordinating departments such as the National or Provincial Treasury, corporative governance, and the premier's office. The provincial leadership also plays a supportive role.

Figure 4.1 further emphasises that the core to the effective functioning of local government oversight and accountability structures is active citizenry and the AGSA. This indicates that without responsible, proactive citizens who assume the role of principals in accordance with agency theory, all other structures acting as agents to improve financial accountability would also be ineffective. The sections below provide the details of the oversight and accountability structures mentioned above.

#### 4.10.1.1 Senior Management

Section 2.6.2, highlights the strategic core functions of senior management, particularly the roles of the Chief Financial Officer (CFO) and the Accounting Officer (AO), also referred to as the Head of Department (HoD) in the provincial context. In local government, the municipal manager serves as the accounting officer. The section emphasises that the CFO's key responsibility is establishing the financial control system, while the AO must ensure effective, efficient, and transparent systems for financial management, risk management, and internal controls. The following discussion provides a detailed overview of the roles of the CFO and municipal manager, focusing on their oversight and financial accountability within local government. Since the mayor also has a significant oversight function in administration, their role in promoting financial accountability was also examined.



#### 4.10.1.2 Functions of the Chief Financial Officer

The CFO Handbook for Municipalities (2011:14) states that the CFO is responsible for the administrative oversight of the municipality's budget and treasury office. Sebakamotse (2020:63) and Thys and Wait (2020:64) mention that the CFO advises the municipal manager on bank account management, helps in budget preparation and implementation, and provides guidance to senior managers and officials on exercising their powers and duties under the *MFMA*, or through their delegation by the municipal manager. Additionally, the CFO Handbook (2011:14) highlights the essential competencies CFOS need to maintain effective financial management and accountability through:

- Strategic leadership
- Strategic financial management,
- Operational financial management,
- Governance, ethics, and values in financial management,
- Financial and performance reporting,
- Risk and change management,
- Project management,
- Legislation and policy implementation,
- Stakeholder relations,
- Supply chain management, audit, and assurance,
- Leadership ability and managerial experience, and
- Audit and risk management experience.

The CFO competencies listed above highlight the crucial role the CFO plays in advancing public financial management and ensuring financial accountability. This management function is essential for promoting financial responsibility and implementing financial controls (AGSA, 2016/17, 2017:86). Senior management is responsible for maintaining accurate financial records, ensuring that credible and reliable information is accessible to support financial and performance reports (AGSA, 2017:86). With trustworthy data available, senior management can be held accountable for the utilisation of financial and state resources. Additionally, senior management must implement financial controls, prepare timely and accurate financial and performance reports, and ensure that budget execution complies with applicable legislation (AGSA, 2017:86).

#### 4.10.1.3 Functions of the Municipal Manager

The municipal manager is the AO of the municipality who ensures that a conducive environment for promoting financial accountability is established (Sebakamotse, 2020:175). The municipal manager is responsible for overseeing the municipality's revenue, expenses, assets, and liabilities, while also ensuring compliance with financial laws. To fulfil these duties comprehensively and competently, they should exhibit effective and ethical leadership, supervise financial and performance reports, and guarantee adherence to applicable legislation. Furthermore, the municipal manager should ensure that there is an adequate number of skilled and competent staff, monitor their performance closely, and apply appropriate consequence management to responsible officials where there is a lack of financial accountability (van Niekerk and Dalton-Brits, 2016:122). In addition, van der Walt in van der Waldt *et al.* (2018:85) that pursuant to Section 82 of the *MSA*, 2000, the municipal manager, as the AO of the municipality, is accountable to its council for its overall administration, while the mayor or the executive mayor is responsible for implementing the agreed outputs.

The municipal manager's financial responsibilities are outlined in Section 62 of the *MFMA*. This section states that the AO oversees the municipality's financial management, ensuring resources are used effectively, efficiently, and economically. It also requires the municipal manager to ensure that:

- Full and accurate records of financial transactions are kept according to prescribed standards and norms,
- A transparent, effective, and efficient system is maintained to manage financial risks and internal controls,
- Unauthorised, irregular, or fruitless and wasteful expenditures, along with other losses, are prevented,
- Appropriate disciplinary actions or criminal proceedings are taken against employees suspected of financial misconduct or related offences and
- The municipality adheres to policies on tariffs, rates, credit control, and debt collection in line with national legislation

Furthermore, the AGSA Consolidated General Report on Local Government Audit Outcomes for 2022/23 (AGSA, 2024:12) emphasises that municipal managers must establish and maintain effective internal control systems. These systems ensure accountability for financial

management and performance, ultimately benefiting residents. The report also highlights that municipal managers are responsible for planning and budgeting to enable effective service delivery and must guarantee proper internal controls and credible reporting to provide accurate financial statements.

#### **4.10.1.4 Functions of the Mayor**

The mayor is accountable to the municipal council, while the council is accountable to the citizens as expressed in Section 2.2.1 of this study. Van Niekerk and Dalton-Brits (2016:122) assert that the mayor plays a significant role in providing political guidance on the municipality's fiscal and financial affairs. Ngqobe *et al.* (2021:116) state that the council of the municipality assumes both the executive power, headed by the mayor, and the legislative power vested in the council. Section 52(a)-(d) of the *MFMA* stipulates that the mayor of a municipality must offer general political guidance over its fiscal and financial matters, oversee the exercise of responsibilities assigned to the accounting officer and the CFO under the *MFMA* without interference, ensure that it performs its constitutional and statutory functions within the limits of its budget, and submit a report to the council within 30 days of each quarter's end on the implementation of the budget and the municipality's financial status. Nkuna and Sebola, as cited in Moeti (2019:170), assert that mayors must provide general political guidance regarding fiscal and financial matters within the municipality. Mayors are responsible for monitoring and overseeing the exercise of responsibilities assigned to the municipal manager under the *MFMA*; however, they may not interfere in the municipal manager's functions.

According to Khalo (2013:585), within seven months of the end of the financial year, the mayor must ensure that an annual audit report is prepared and presented to the municipal council for discussion and decision. In this context, Ackermann, Marx, and Fourie (2016:43) state that the audit report of a municipality plays a vital role in promoting financial accountability and good governance. Furthermore, AGSA (2024:12) and Ackermann *et al.* (2016:43) argue that mayors have an oversight and monitoring role for the municipality and its entities. As a result, mayors bear specific oversight responsibilities under legislation and must ensure that key governance issues are addressed by effectively managing the performance of municipal managers.

In municipalities with an executive mayoral system, the executive mayor, as the leading political official, serves as the primary liaison between the municipality's employees and the municipal council. The executive mayor is responsible for a performance management system

within the municipality. It must be reviewed to improve the economy, efficiency, and effectiveness of the municipality, including the efficiency of its credit control, debt, and revenue collection systems, as well as the effectiveness of implementing municipal by-laws (van der Walt in van der Waldt *et al.*, 2018:81-82).

#### **4.10.1.5 Role of Oversight Committees**

Section 2.5.1 explains that oversight committees within Provincial Legislatures whilst municipal councils include public accounts committees, municipal accounts committees, audit committees, and various other portfolio committees. These committees are responsible for scrutinising control measures, including financial reports submitted by administrative and executive officials, to hold public officials accountable for the management of public funds.

Kraai, Holtzhausen, and Malan (2017:64) note that municipal oversight committees are established under Sections 79 and 80 of the *MSA, 2000*. Van Niekerk and Dalton-Brits (2018:8) add that Section 79(1)(a) to (c) of the *MSA* allows a municipal council to:

- Establish one or more committees necessary for the effective performance of its functions or exercise of its powers,
- Appoint members from among its own members, and
- Dissolve these committees at any time.

Section 80(1) states that if a municipal council has an executive committee or mayor, it may appoint councillor committees to support the executive. Kraai *et al.* (2017:64) indicate that these oversight committees strengthen effective oversight and accountability in municipalities, ensuring the executive manages public resources responsibly. There is a clear distinction between the oversight committee under Section 79 and the portfolio committee under Section 80, primarily in terms of structure and purpose. Kraai *et al.* (2017: 65) explain that the municipal council, which can delegate powers and duties, as well as select its chairperson, controls the functions of the Section 79 oversight committee. This committee oversees the municipal council and can invite non-council members when additional clarity or information is needed to improve financial accountability. In contrast, the executive mayor delegates the powers and duties of the Section 80 portfolio committee, with its chairperson appointed by the mayor. This committee comprises only councillors assisting the mayor (Sebakamotse and van Niekerk, 2020: 7).

Van der Waldt (2015: 58) states that portfolio committees oversee service delivery projects and perform functions such as:

- Evaluation and prioritisation of projects within the portfolio's functional areas,
- Review and consideration of business plans for projects in the portfolio,
- Oversight of project implementation within their jurisdiction,
- Monitoring financial performance against approved budgets (van der Waldt, 2015: 58),
- Drafting and preparing, in consultation with the HoD, the budget for the portfolio's functional areas,
- Reviewing project reports and making recommendations,
- Ensuring projects adhere to legislation, norms, and standards relevant to the portfolio and
- Consulting with the municipal manager and relevant HODs on policies, programmes, and projects of the municipal council (van der Waldt, 2015: 58).

Based on the above, one could argue that oversight committees play a vital role in holding public officials accountable for implementing the budget. To enhance financial accountability, the budget must be aligned with the government strategic objectives, legislation, norms, and standards. Thus, portfolio committees are recognised as key oversight bodies that promote financial accountability and good governance within the municipality.

#### **4.10.1.6 Municipal Audit Unit and Audit Committees**

Audit committees are formed in accordance with Section 40 of the Public Audit Act 2004. Under Sections 165-166 of the *MFMA*, municipalities are obliged to establish internal audit units and audit committees. Tušek and Pokrovac (2012:7) highlight that an internal audit unit acts as a source of information for the audit committee, whose primary functions include monitoring the effectiveness of internal controls, internal audit, and risk management. Dzomira (2020:88) asserts that the presence of effective internal audit and audit committees contributes to the efficient and effective use of resources within the public sector. Section 66 of the *MFMA* details the functions of the municipal audit committee, which are to advise the municipal council, political office bearers, and the accounting officer on issues related to internal financial control, internal audits, risk management, accounting policies, financial reporting, performance management, and governance to ensure compliance with legislative frameworks such as the *MFMA* and *DoRA*, passed annually by Parliament (van Niekerk and Dalton-Brits, 2016:123).

Additionally, AGSA (2024:12) states that audit committees and internal audit units play a vital role in providing an independent assessment of the effectiveness of municipal controls and processes.

Referring to the King Three Report, van Niekerk and Dalton-Brits (2016:120) note that the audit committee should foster the integrity of integrated reporting and internal financial controls, as well as identify and manage financial risks. Conversely, the effectiveness of the audit committee may be hindered by members' lack of independence, competence, tenure, and remuneration (Dzomira, 2020:89). Although the audit committee is expected to maintain independence and advice on internal controls, including financial controls, risk management, and performance management, they often overly depend on internal audit units and senior managers for assurance (Dzomira, 2020:91). The effectiveness of internal audit units is further limited by insufficient resources required for the efficient execution of their roles in areas such as risk management, financial controls, and performance management (Dzomira, 2020:93). Van Niekerk and Brits-Dalton (2016:126) discuss the challenges faced by municipalities, including the lack of access to complete information due to relevant data being concealed by public officials and unsupportive management who fail to provide adequate feedback to audit committees. It can thus be argued that if internal audit committees are unable to exercise independence, lack the necessary skills and competencies in auditing, and do not have sufficient resources and support from management, they may be unable to satisfactorily fulfil their mandate of ensuring financial accountability, thereby hindering good governance and the effective delivery of public services.

#### **4.10.1.7 Municipal Public Accounts Committee**

In local government, the Municipal Public Accounts Committee (MPAC), internal audit, audit and risk committees, and the CFO carry out monitoring and oversight of municipal finances (Sibanda, 2017:316). Section 79 of the Local Government Municipal Structures Act establishes MPACs (Sibanda, 2017:316). Additionally, relevant legislative frameworks include Section 129, Circular 32 of the MFMA, the MSA of 2000, and Sections 33 and 79 of the Municipal Structures Act, 1998.

The primary role of MPAC is to oversee the municipal council's executive functions (MPAC Practical Guide, 2012:8; Mofolo and Adonis, 2021:3). Mofolo and Adonis (2021:3) further note that MPAC's financial accountability entails ensuring compliance with the *MFMA*. In this

capacity, MPAC reviews unexpected and unplanned expenditures, unauthorised, irregular, wasteful, and fruitless expenses, the quarterly reports from the mayor on budget implementation, and the municipality's overall performance and service delivery, including the budget implementation plan (SDBIP), monthly budget statements, and mid-year performance and financial assessments. MPAC's focus should include disclosures related to municipal councillors, directors, and officials; the submission and auditing of financial statements; the presentation of annual reports; oversight of the annual report; issues raised by the AGSA; and actions taken on audits and disciplinary matters under the *MFMA*. These functions align with Section 59 of the *MSA, 2000*, which delegates MPAC's powers and responsibilities (Mofolo and Adonis, 2021:3; Sibanda, 2017:316).

#### **4.11 CHALLENGES AFFECTING FINANCIAL ACCOUNTABILITY, GOOD GOVERNANCE AND SERVICE DELIVERY EFFICIENCY IN SOUTH AFRICAN LOCAL MUNICIPALITIES**

Most local municipalities in South Africa continue to face numerous challenges that negatively affect financial accountability, good governance, and service delivery efficiency. In his State of the Nation address on 09 February 2023, the President of the Republic of South Africa, Mr Cyril Ramaphosa, highlighted that 163 of 257 municipalities had not received clean audits. Kaywood (2021:56) notes that local government in RSA is burdened with a wide range of service delivery and backlog issues in housing, water, and sanitation. Other challenges faced by local government include violent service delivery protests, poor communication and relationships with communities, inadequate financial management, such as poor audit outcomes, corruption, fraud, and intra- and inter-political rivalry and infighting. These issues negatively influence on the developmental agenda for good governance and the efficiency of service delivery in local government.

Khunoethe (2019:17-191) and Kaywood (2021:56) attribute the causes of municipal challenges to political tensions and disputes, political interference, weak governance, and fraud and corruption. Khambule (2021:509) states that local municipalities have been experiencing failing governance, a lack of competencies and skills in financial management, and a constrained capacity to deliver services. Municipal officials struggle to plan, coordinate, and implement policies, as well as to assess the local context, due to a lack of competencies and skills, poor political leadership, and a lack of professionalisation in local government (Khambule, 2021:509). Additionally, Tshishonga (2021:32) points out that local government



is confronted with numerous challenges, including corruption, financial mismanagement, and financially poor municipalities that are unable to raise and manage their own revenue, a lack of financial accountability, poor governance, and the incapacity to deliver services.

According to Khunoethe (2019:17), various political parties that make up municipal councils often struggle to reach an agreement on key policy issues because they prioritise their own interests, policies, and mandates. Consequently, the municipal council may fail to pass the budget 90 days before the new financial year begins, as required by Section 16(2) of *MFMA*, which is crucial for financial accountability. Failing to pass the budget prevents the proper allocation of resources to expenditures (Peters and Pierre, 2006:142). Additionally, political interference in administrative matters adversely affects service delivery (Khunoethe, 2019:62). Politicians hold significant power within municipalities, often disrupting standard administrative processes (Vilakazi and Adetiba, 2020:56). Examples of political interference include meddling in staff appointments and tender bid processes, which contribute to failures in financial accountability (Khunoethe, 2019:62).

Corruption, cadre deployment, and poor performance threaten good governance in local municipalities (Vilakazi and Adetiba, 2020:51). Chesa and Mello (2018:109) identify that inadequate budget allocation, resource shortages, corruption, fraud, and maladministration hinder service delivery. In some municipalities, administrative staff comply with politicians' wrongful orders and collude in corrupt and unethical practices due to fear of victimisation, which could limit their career advancement (Vilakazi and Adetiba, 2020:57). Corruption erodes citizens' confidence in political institutions and government systems, leading to disregard for the rule of law, resource loss, and hampered investment, growth, and development (Shah, 2007:304).

Shah (2007:304) notes that poor governance and corruption deprive poor and disadvantaged communities of resources and public services. Farvacque-Vitkovic and Kopanyi (2014:27) add that local municipality challenges include data limitations, insufficient capacity, elite capture, corruption, and a lack of commitment. Weak governance, characterised by financial mismanagement, the hiring of incompetent officials, low public participation, and poor service delivery, also affects financial accountability in local municipalities (Khunoethe, 2019:97; Addink, 2019:236). Overall, internal issues such as political interference, tensions, weak governance, and corruption negatively affect financial accountability, good governance, and

public service delivery. Table 4.12 below shows the audit results for local government from 2018/19 to 2020/21.

**Table 4.12: Audit Outcomes of local government of the 2018/19 to 2020/21 financial years in the RSA**

| Financial Year | Unqualified with no findings | Unqualified with findings | Qualified with findings | Adverse with findings | disclaimed with findings | outstanding audits |
|----------------|------------------------------|---------------------------|-------------------------|-----------------------|--------------------------|--------------------|
| 2018/19        | 8% (20)                      | 37% (94)                  | 36% (93)                | 2% (6)                | 15% (39)                 | 2% (5)             |
| 2019/20        | 12% (32)                     | 37% (96)                  | 34% (87)                | 3% (7)                | 13% (33)                 | 1% (2)             |
| 2020/21        | 16% (41)                     | 38% (100)                 | 30% (78)                | 2% (4)                | 10% (25)                 | 4% (9)             |

(Source: AGSA (2020:9) and AGSA (2021:9) - adapted from the *MFMA* Consolidated General Reports on Local Government)

Table 4.12 shows signs of improvement in the audit results of certain municipalities over the indicated three years. The number of municipalities achieving clean audits increased by 8% from the financial year 2018/19 to 2020/21. However, this should not be seen as a significant improvement, since the 41 municipalities with clean audits in 2020/21 represented only 16% of the total 257 municipalities. This indicates that 216 municipalities still needed attention to meet legislative requirements, policies, procedures, and financial controls. The number of municipalities with unqualified audit outcomes with findings remained nearly the same, averaging 97 over the three financial years from 2018/19 to 2020/21). This means that only 38% of the 257 municipalities received an unqualified audit opinion with findings.

The number of municipalities with adverse findings showed similar patterns in the financial years 2018/19 and 2019/20, with six and seven municipalities, respectively, receiving adverse outcomes with findings. A slight improvement was observed in 2020/21, when only four municipalities received adverse audit outcomes. This indicates a widespread disregard for prescripts in these municipalities. Not much improvement was noted among municipalities that received disclaimed audit outcomes. Table 4.12 shows that between 2018/19 and 2019/20, there was only a reduction of four municipalities with disclaimed audit outcomes. However, there was an improvement in 2020/21 compared to the previous two years, with only 25 municipalities in the RSA being disclaimed by the AGSA.

#### 4.12 GENERAL OVERVIEW OF FINANCIAL PERFORMANCE OUTCOMES OF SELECTED MUNICIPALITIES IN THE NCP

To shed more light on the challenges influencing financial accountability in local government in the NCP, the succeeding sections review aspects of financial mismanagement between the 2015/16 and 2018/19 financial years. Although the set timeline fell within the MTSF between the 2014/15 and 2018/19 financial years, the researcher also highlighted the reported audit opinion of financial mismanagement within the MTSF period from 2019/20 to 2024/25. The review adopted a similar approach, as expressed in Section 4.4.5, which dealt with aspects of financial mismanagement in terms of irregular, unauthorised, fruitless, and wasteful expenditure incurred by the local government in the NCP.

According to AGSA (2017:70), only 3% of the NCP municipalities achieved clean audits, 48% produced quality financial statements, 24% reported quality financial performance, 4% had no compliance findings, and R 261 million was spent irregularly. A similar pattern was observed in the 2016/17 and 2017/18 financial years, where only 3% of municipalities achieved clean audits again. During 2017/18, 42% had financially unqualified statements, 42% had no performance report findings, 4% had no compliance issues, and irregular expenditure amounted to R586 million (AGSA, 2018:138). This indicates that issues from the previous year remained unresolved. The trends in audit outcomes for 2016/17 and 2017/18 were quite similar. AGSA (2017:4) attributes this lack of improvement to mayors, municipal managers, and senior management neglecting their responsibility to hold subordinates accountable for public funds. Irregular expenditure increased by 125% from 2016/17 to 2017/18. These findings reflect how public officials in the NCP local government often ignore *MFMA* provisions and intentionally bypass treasury and SCM processes when managing public funds.

Additionally, AGSA (2024:132) reports that over half of the municipalities in the NCP face financial distress, with seventeen municipalities (61%) uncertain about their financial sustainability. Most rely on equitable share funds since 67% of their debt is unrecoverable (AGSA, 2024:132). Another issue is that 25 municipalities spent R127 05 million on consultants, yet only six could submit credible financial statements. It is recommended that municipalities engaging consultants ensure knowledge transfer to municipal staff. Additionally, the Provincial Treasury should ensure that the financial management units in municipalities are sufficiently capacitated to improve the quality of financial statements (AGSA, 2024:132).

Madumo and Koma (2019:585) identify weak institutional capacity as a key factor contributing to poor audit outcomes, citing issues such as:

- A Shortage of or limited professionally skilled staff,
- Blatant violations of regulations governing municipalities,
- The poor management of municipal assets and revenue collection and
- A disregard for internal controls and consequence management.

Links and Draai (2023:1083) argue that limited institutional capacity hampers service delivery. They further state that unskilled and incompetent administrative staff lacking technical and analytical skills exemplify this incapacity (links and Draai, 2023:1087). Based on this, it can be inferred that deficiencies in institutional capacity significantly contribute to poor financial management and weak accountability in local governments, as evidenced by subpar audit results.

#### **4.13 STATUS OF FINANCIAL ACCOUNTABILITY, GOOD GOVERNANCE, AND SERVICE DELIVERY EFFICIENCY IN SELECTED MUNICIPALITIES IN THE NORTHERN CAPE PROVINCE**

The realisation of financial accountability, good governance, and service delivery efficiency depends on policies and legislation, MPAC, risk management, internal control measures, benchmarking, financial management, and employee training (Enwereji and Uwizeyimana, 2021:6). As early as 2017, the Auditor-General Consolidated Report on Local Government Audit Outcomes of 2015/2016 (AGSA, 2017:3) emphasised the importance of financial accountability in local government, because effective financial accountability promotes the achievement of objectives and the implementation of policies and legislation. AGSA (2017:13-19) further reported that failures in financial accountability resulted from three indicators: regression in audit outcomes, an increase in irregular expenditure, and minimal improvement in the accountability cycle, which encompasses planning, implementation, and monitoring and evaluation. A progressively challenging auditing environment exacerbated these issues. These indicators have negatively affected the financial performance outcomes in the NCP local government. Furthermore, the Auditor-General Consolidated General Report on Local Government Audit Outcomes of 2018/19 (AGSA, 2019:14) noted that municipalities in the NCP appeared resistant to changes aimed at addressing the persistently weak control

environments, ineffective oversight, and poor leadership. Given these issues, Laubscher (2012:1) argues that municipalities are under pressure due to financial failures and mismanagement of public funds, which result from a lack of internal control and financial accountability, ultimately negatively influencing service delivery.

In addition to the above, the Auditor General Consolidated General Report on Local Government Audit Outcomes of 2019/20 reported that a lack of stability in leadership and political and administrative levels, poor oversight by municipal councils, and a lack of consequence management hampered development and service delivery of municipalities in the NCP (AGSA, 2021:39). It was further reported by AGSA (2021:73) that a weak control environment in most municipalities in the NCP leads to poor audit outcomes, poor governance and poor service delivery. Considering the above, Avery and Obah (2018:38) assert that weak financial controls result in the compilation of poor financial statements, the loss of government assets, and fraud and mismanagement that can hamper service delivery.

The AGSA Consolidated General Report on Local Government Audit Outcomes for 2022/23 (AGSA, 2024:132) indicated that most municipalities in the NCP were creating unfunded budgets by using available cash primarily for salaries, leaving limited funds for service delivery, infrastructure maintenance, and timely payments to suppliers such as water boards and Eskom. AGSA (2024:132) recommends that provincial and municipal leaders in the NCP should enhance institutional capacity and strengthen municipalities' financial management to sustain financial stability and improve service delivery. Additional concerns highlighted by AGSA (2024:133) include non-compliance with SCM legislation, which led to irregular expenditure of R3.43 billion in 2022/23, partly due to slow consequence management and inaction against responsible officials. It is advised that MPACs investigate all non-compliance cases to ensure adherence to legislation and enforce consequence management when required.

Furthermore, AGSA (2024: 133) notes that compared to the R205 66 recorded in 2021/22, municipalities in the NCP incurred R417 58 million in fruitless and wasteful expenditure in 2022/23, increasing financial strain on service delivery. AGSA (2024: 132) also finds a general lack of financial skills and competencies within municipal financial units in the NCP. As Links and Draai (2023: 1087) argue, the shortage of skilled and competent administrative staff results in institutional incapacity.

AGSA (2024: 134) recommends that supporting institutions should improve their assistance to municipalities and investigate unauthorised, irregular, fruitless, and wasteful expenditure. Municipal councils must ensure that budgets and service plans address community needs and utilise in-year monitoring to prompt corrective actions by mayors and managers for poor performance. The provincial treasury should play a central role in strengthening control environments within NCP municipalities. The NCP Premier is expected to influence accountability mechanisms to enhance fund management, improve service delivery, and establish processes to hold municipal staff accountable (AGSA, 2024: 134). The following sections reviewed the impact of financial accountability on governance through an analysis of financial performance outcomes in FBDM and PKSDM. Challenges to fostering financial accountability and good governance, linked to FBDM and PKSDM, were discussed, together with the implications of failures in financial accountability at the local municipal level in the NCP.

#### **4.13.1 Financial Performance Outcomes in the Frances Baard District Municipality**

Effective financial management principles are essential for municipalities to ensure financial stability and provide services sustainably, efficiently, and economically across all communities in the district (FBDM Annual Report 2015/16, 2016:101). FBDM's financial performance in 2015/16 was satisfactory, with a well-managed cash flow that enabled it to meet its financial obligations (FBDM Annual Report 2015/16, 2016:101). The municipality did not overspend its operating budget, and the underspending on the final capital budget was 20% of the total expenditure. In 2016/17, FBDM's strong financial performance was driven by effective policies and internal controls (FBDM Annual Report 2016/17, 2017:92; FBDM Annual Report 2017/18, 2018:93). Similarly, two of its four local municipalities, Sol Plaatje and Magareng, reported sound financial results within their budgets (Sol Plaatje Annual Report 2016/17, 2017:155; Magareng Annual Report 2016/17, 2017:102).

On the other hand, Phokwane Local Municipality's financial performance during 2016/17 and 2017/18 was poor (AGSA, 2018:5). According to Aucamp (2020:5) and AGSA (2018:5), in 2017/18, Phokwane received a disclaimer audit opinion caused by non-compliance with legislation, poor-quality financial statements, and a lack of proper management systems for assets, revenue, procurement, strategic planning, performance, and human resources. Despite its poor financial state, no consequence management was applied, leading to irregular expenditure and a loss of R48,109,496 in 2017/18, compared to R88,831,096 in the previous

year (AGSA, 2018:6). Additionally, Dikgatlong Local Municipality, also under FBDM, received a disclaimer audit opinion from AGSA (Dikgatlong Local Municipality Mid-Year Budget and Performance Assessment Report 2019/2020, 2019:5).

Laubscher (2012:1) stresses that municipalities in RSA, including those in the NCP, face pressures from financial mismanagement and accountability issues, which severely impact effective and efficient service delivery.

#### **4.13.1.1 Current challenges to promoting financial accountability, good governance, and service delivery efficiency in the Frances Baard District Municipality**

In section 4.6.1, it was highlighted that the two local municipalities of FBDM, Phokwane and Dikgatlong, had poor financial performance due to a lack of financial accountability. This is supported by the AGSA (2017:1), which states that a lack of accountability remains the primary cause of poor financial performance outcomes in local government. Similar to the findings of Sebakamotse (2020:196), AGSA (2017:1) identifies three main causes for the lack of financial accountability: an increase in irregular expenditure, minimal progress in the accountability cycle, and a challenging environment for auditing caused by inadequate financial documentation. Challenges faced by the affiliated local municipalities of FBDM include ineffective MPAC, weak political leadership and municipal councils, and a high vacancy rate in management positions such as municipal manager, CFO, IT manager, records manager, admin manager, and asset management. Additionally, effective implementation of internal controls was not fully realised in some municipalities, such as Phokwane Local Municipality, due to weaknesses in monitoring and oversight-by-oversight bodies (FBDM Annual Report 2016/17, 2017:30). Considering these issues, Sebakamotse (2020:196) points out those municipal challenges to promote financial accountability, good governance, and service delivery often stem from failures in investigating financial mismanagement, weak oversight and accountability, and a skills deficit among municipal councils and mayors.

#### **4.13.2 Financial Performance Outcomes in the Pixley-Ka-Seme District Municipality**

Unlike in FBDM, the annual performance reports of Pixley-Ka-Seme District Municipality (PKSDM) for 2015/16 to 2019/20 did not provide a comprehensive reflection of its operating and capital budgets. This was supported by the AGSA (2017:2), which noted that some municipalities' performance reports contained material flaws and lacked credibility for use by



the municipal council and the public. Additionally, two part local municipalities of PKSDM, Renosterberg and Ubuntu, were among those unable to complete their financial statements on time, failing to comply with legislation. This contributed to 96% of municipalities having material findings in the NCP (AGSA, 2017:70). As a result, analysing PKSDM's financial performance outcomes was difficult, except to note that the municipality contributed R 261 million in irregular expenditure and R 1,034 million in unauthorised expenditure in the NCP (AGSA, 2017:70-71). Furthermore, the AGSA (2018:142) report for the 2017/18 financial year indicated that PKSDM received an unqualified report with findings, with two of its eight local municipalities namely Renosterberg and Siyathemba being the poorest performers. Municipalities like Emthanjeni, Siyancuma, and Umsobomvu showed similar financial patterns compared to previous years, with no improvement (AGSA, 2018:142). Overall, the financial performance of PKSDM and its affiliated municipalities remains concerning due to poor results, non-compliance with legislation, and weak accountability, which could negatively influence service delivery. This aligns with Sebakamotse (2020:196), who noted that poor financial performance, legislative non-compliance, and weak internal controls hamper accountability and diminish service efficiency.

#### **4.13.2.1 Current Challenges to promoting financial accountability, good governance, and service delivery efficiency in the Pixley-Ka-Seme District Municipality**

In discussing the challenges related to promoting financial accountability, good governance, and service delivery efficiency in PKSDM, the researcher primarily relied on MPAC's oversight reports. The Emthanjeni Local Municipality (ELM) Oversight Report 2016/17 (2017:2) notes that ELM failed to comply with relevant legislative requirements for submitting and publishing the budget, as stipulated by Section 27 of the *MFMA*. According to Section 27 of the *MFMA*, the mayor must, upon noticing non-compliance by the municipality regarding any provision of the *MFMA* or related legislation in relation to the tabling or approval of the budget or the consultative process, inform the municipal council, the MEC for Finance, and National Treasury of such non-compliance. Conversely, the ELM Oversight Report of 2016/17 (2017:3) and the ELM Oversight Report of 2017/18 (2018:3) indicated that MPAC in ELM condoned unauthorised, irregular, fruitless, and wasteful expenditure, as disclosed in the financial years 2017/18. Van Niekerk and Dalton-Brits (2016:124) express concerns about the lack of consequence management for poor financial performance resulting from unauthorised, irregular, fruitless, and wasteful expenditure in municipalities, advising that portfolio bodies should effectively exercise their oversight functions in these municipalities. Therefore, it can

be argued that MPAC's decision to condone financial mismanagement created an accepted norm of misconduct that contributed to the lack of financial accountability in ELM within PKSDM.

The tendency of sector departments for not attending community meetings undermines public participation (Pixley Ka Seme Annual Performance Report 2018/19, 2020:15). According to Mubangizi (2010:162), public participation is essential in the policy-making process, implementation, and evaluation of any service delivery strategy. It means, therefore, without taking public participation seriously at the local government level, it would be difficult to hold public functionaries accountable for the use of public resources and funds. The involvement of local communities in service delivery processes to hold officials accountable is one of the principles of both the principal-agent theory, which holds that functionaries are accountable to the public, and the theory of democratic accountability, which emphasises the role of citizens in holding officials to account. In contrast, the public-service dominant theory of public service delivery and management emphasised the involvement of community members as the end-users in the public service delivery processes.

Pixley Ka Seme's Annual Performance Report 2018/19 (2020:43) also indicates that the Corporate Services Senior Manager did not provide feedback to communities on key performance indicators. This suggests that if senior managers overlook the importance of communities in reviewing the performance report, they may be undermining public participation. High turnover among technical staff affects maintenance and infrastructure development (Pixley Ka Seme Annual Performance Report 2018/19, 2020:49). Given this, Mubangizi (2010:162) and Sebakamotse (2020:196) argue that the challenges influencing the realisation of financial accountability include ineffective oversight committees, poor governance, and non-compliance with legislation, limited community participation in policymaking, implementation, and evaluation of service delivery strategies. These challenges are further worsened by senior managers' neglect of their responsibility to provide feedback to communities on municipal performance reports. Furthermore, the high turnover of technical staff resulted in ongoing poor infrastructure maintenance, depriving the community of quality service delivery.

#### **4.14 STRATEGIES TO IMPROVE FINANCIAL ACCOUNTABILITY, GOOD GOVERNANCE AND SERVICE DELIVERY IN LOCAL GOVERNMENT**

This section presents tested financial frameworks designed to improve financial accountability within the NCP's provincial and local governments. It is essential to acknowledge that many initiatives introduced by the South African government over the past 30 years, since 1994, remain relevant. The framework discussed in Section 8.6, seeks to add scholarly insights to either refine or strengthen these established frameworks. One of these initiatives is Project Consolidate, carried out from 2004 to 2006, which Sebakamotse and van Niekerk (2020:12) describe as focusing on the better integration and consolidation of programmes, as well as enhancing local government service delivery through increased intervention by national and provincial authorities. The Local Government Turnaround Strategy (LGTAS), launched in 2009, aimed to improve governance, service delivery, financial management, policy implementation, and management. Another significant effort was the 2014 introduction of Local Government Back-to-Basics (B2B), which concentrated on governance, public participation, financial management, infrastructure, and institutional capacity (Sebakamotse and van Niekerk, 2020:12).

According to Khambule (2021:507), the District Development Model (DDM) was introduced in 2019 as another intervention to enhance collaborative planning, budgeting, and service delivery across all three spheres of government. Despite these initiatives, the AGSA reported ongoing issues with financial accountability and consequence management in RSA, which continue to affect service delivery and municipal financial management (Soopal, 2022:1). After highlighting some of the interventions implemented to strengthen financial accountability, it is helpful to discuss them briefly. This discussion on efforts aimed at improving financial accountability, financial management, good governance, and service delivery efficiency served as an introduction to a proposed framework to enhance financial accountability, good governance, and service delivery in the selected provincial government and local municipalities within the NCP. According to Tshishonga (2021:42), despite various remedial measures aimed at stabilising local municipalities to perform better and improve service delivery, challenges persisted, as summarised in Table 4.13 below. Table 4.13 presents an assessment of the various remedial actions, challenges, interventions, and progress made in enhancing governance, accountability, and service delivery in South African local municipalities. Each remedial action is discussed separately below.

**Table 4.13: Brief Assessment of Project Consolidate, Local Government's Turnaround Strategy and Back-to-Basics**

| Project                                      | Challenges                                                                                                                                                                                        | Intervention                                                                                                                                                                                                                                                                                   | Progress                                                                                                                                                                              |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Consolidate (2004-2006)              | <ul style="list-style-type: none"> <li>▪ Under-performance</li> <li>▪ Backlogs in service delivery</li> <li>▪ Lack of human capacity</li> <li>▪ Weak administration</li> </ul>                    | <ul style="list-style-type: none"> <li>▪ Promote a culture of performance and accountability</li> <li>▪ Promote Public-private partnerships</li> <li>▪ Introduce performance management</li> <li>▪ Introduce public participation</li> <li>▪ Support with financial auditing skills</li> </ul> | <ul style="list-style-type: none"> <li>▪ Achievement in some municipalities</li> <li>▪ Most municipalities continued to underperform due to institutional weaknesses.</li> </ul>      |
| Local Government Turn-around Strategy (2009) | <ul style="list-style-type: none"> <li>▪ Service delivery backlogs</li> <li>▪ Lack of accountability</li> <li>▪ Lack of capacity and skills</li> <li>▪ Weak inter-governmental support</li> </ul> | Assist with human and financial capacity and management                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>▪ Improved organisational and political performance</li> <li>▪ Improved people's lives</li> <li>▪ Restored confidence in government</li> </ul> |
| Back-to-Basics Programme (2014)              | Inefficient basic service delivery                                                                                                                                                                | <ul style="list-style-type: none"> <li>▪ Motivate municipalities</li> <li>▪ Improve lives</li> </ul>                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>▪ Training and development of councillors</li> </ul>                                                                                           |

(Source: Adapted from Tshishonga, 2021:42)

#### 4.14.1 Project Consolidate

As mentioned earlier in Section 4.11, Project Consolidate was carried out from 2004 to 2006 (Sebakamotse and van Niekerk, 2020:12). Tshishonga (2019:163) states that the main goal of Project Consolidate was to enlist experts to support underperforming municipalities. Since many municipalities were unable to provide basic services to their communities, the South African government identified Project Consolidate as a means to enhance performance, accountability, and financial management (Tshishonga, 2019:163).

Table 4.13 illustrates that municipalities faced challenges such as underperformance, service delivery backlogs, limited capacity and skills, and weak support from other levels of government. According to Sebakamotse and van Niekerk (2020:12), enhancing performance, accountability, and service delivery in local government requires integrating and consolidating the roles of national and provincial governments. Tshishonga (2019:163) further notes that,

despite encouragement for municipalities to comply with the legislative requirements of the *MFMA* and to strengthen internal audits and financial controls, only a few local municipalities have shown significant improvements. Therefore, it could be argued that although Project Consolidate was a key intervention aimed at increasing performance, it struggled to fully achieve its aims of enhancing administrative efficiency, financial accountability, and service delivery.

#### **4.14.2 Local Government Turnaround Strategy**

It was highlighted earlier, in the previous Section 4.11, that LGTAS was introduced in 2009 to improve governance, service delivery, financial management, policy management, and implementation (Sebakamotse and van Niekerk, 2020:12). According to Meyer and Venter (2014:85), LGTAS aimed to instil confidence in the public that municipalities serve as platforms for sustainable development, creating a functional, responsive, accountable, effective, and efficient local government. It is important that municipalities remain functional, as they constitute the sphere of government closest to the communities (Tshishonga, 2021:29). Tshishonga (2021:32) notes that the advent of LGTAS faced numerous challenges in local government characterised by weak administrative capacity, nepotism, cadre deployment of unskilled personnel, corruption, financial mismanagement, financially weak municipalities unable to generate their own revenue, lack of financial accountability, poor governance, and incapacity to deliver services. In light of these issues, the LGTAS intervention sought to enhance planning, oversee service delivery, address constitutional and legislative gaps in municipal governance, professionalise and stabilise local government, and improve coordination, monitoring, and intervention (Tshishonga, 2021:36-37).

#### **4.14.3 Local Government Back-to-Basics**

The Local Government Back-to-Basics (B2B) initiative was launched in 2014 as part of South Africa's government strategy to rejuvenate local governance (Local Government Sector Education and Training Authority (LGSETA), 2019:iii). LGSETA (2019:iv) notes that only a small percentage of municipalities are functioning properly, while most are dysfunctional. This suggests that many local municipalities struggle with financial accountability, ineffective governance, and a lack of ability to deliver quality services to their communities. Tshishonga (2021:37) argues that BtB aimed to enhance the delivery of fundamental municipal services, including clean water, sanitation, electricity, housing, waste management, and roads. LGSETA

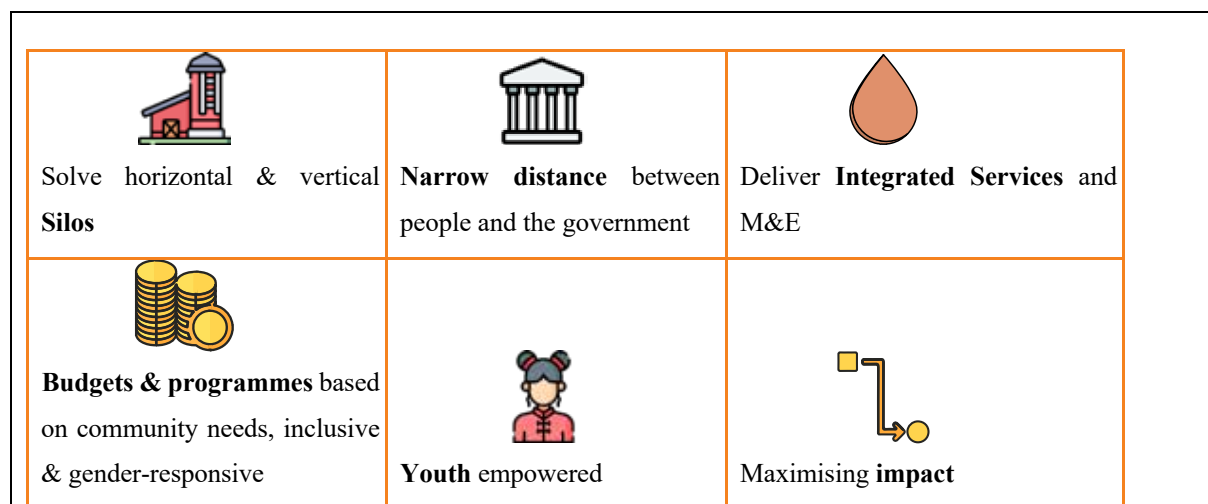
(2019:iv) also highlights several challenges faced by local government upon the BtBs' introduction, including:

- Collapse of core municipal infrastructure services,
- Ineffective responses to service delivery problems,
- Limited public participation and ineffective ward councillors and committees,
- Poor revenue collection,
- Misallocation of human resources and skill shortages,
- Patronage, nepotism, and corruption and
- Weak governance.

In light of these challenges, the South African government identified B2B as one of the key strategies to improve governance and service delivery.

#### 4.14.4 The District Development Model

The District Development Model (DDM) in South Africa was also one of the key interventions introduced in 2019 to enhance the building of state capacity, stabilise local government, promote integrated planning and spatial transformation, promote inclusive economic development, and ensure public participation in economic activities (DCoGTA District Development Model, 2023:1). The focus of the DDM is illustrated in Figure 4.2 below.



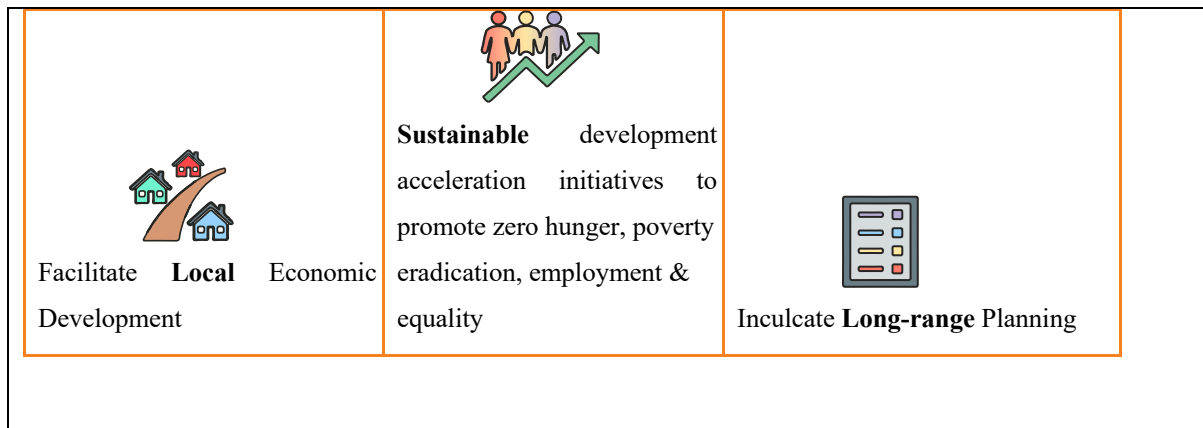


**Figure 4.2: Focal Area of District Development Model**

(DCoGTA District Development Model, 2023:1)

According to Figure 4.2, the DDM aimed to adopt a holistic approach in addressing local government challenges. This involves promoting cooperative governance both vertically (across the three spheres of government, namely national, provincial, and local government) and horizontally (fostering collaborative functions within local government). Solving vertical and horizontal silos requires that the three spheres of government, sector departments, and state entities cooperate and promote collaborative planning, budgeting, and implementation processes that seek to unite development efforts at the district level. The DDM also aimed to bridge the gap between the people and the government by ensuring that the government is accessible and reaches out to communities. Auriacombe and Sithomola (2020:53) note that, according to the *Municipal Systems Act, 2000*, community participation is crucial for effective and accountable service delivery. Stuurman (2019:325) contends that the involvement and participation of communities in government affairs enhance financial accountability, good governance, and transparency, which leads to more efficient service delivery. Public participation in local government offers an opportunity for local citizens to critically assess local governance, promoting accountability and transparency (Stuurman, 2019:326; Ngoepe-Ntsoane, 2021:403).

Providing integrated services means offering coordinated human settlement, municipal, and community services in collaboration with local communities (DCoGTA District Development Model, 2023:6). While human settlement delivery is a shared responsibility between national and provincial levels (Phago, 2014:48), collaboration among national, provincial, and local governments is crucial, as they are responsible for basic services such as sanitation, waste removal, water and electricity provision, roads, and storm water management (Kruger, 2021:13).



According to the World Health Organisation (2021:13), budget programmes should be rooted in transparency, accountability, and value-for-money. Consequently, the DDM focuses on budgets and programmes that promote financial accountability and transparency, as shown in Figure 4.2. This figure highlights that the DDM also aims to empower young people and positively impact communities by reducing poverty, inequality, and unemployment. Furthermore, the DDM seeks to facilitate local economic development and envisions district-level planning producing a single comprehensive plan that captures key government transformation priorities, aligning with long-term strategic goals for district municipalities and metropolitan areas (DCoGTA, 2021:5). The main transformation areas for DDM include governance and financial management, integrated service delivery, infrastructure development, spatial restructuring, economic development, and demographic profiling. Considering DDM's goal to build capacity, stabilise local government, integrate planning across the three spheres of government, and align plans with local service provisions, the researcher identified a need for a streamlined framework to improve financial accountability and good governance.

#### 4.15 INTERGOVERNMENTAL RELATIONS

To achieve good governance and efficient public service delivery, all three spheres of government must collaborate as mandated in Chapter 3 of the *Constitution*. To fulfil these constitutional cooperative governance requirements, the *Intergovernmental Relations Framework, 2005* (Act 13 of 2005) (IGRA, 2005) was established in 2005. Khambule (2021:515) states that Section 4 of *IGRA* emphasises coordination and the implementation of policy and legislation, including ensuring coherent government, effective service provision, monitoring policy and legislative implementation, and achieving national priorities.

To further strengthen intergovernmental relations, the President of the RSA announced the District Development Model (DDM) during the 2019 budget speech. This framework aims to enhance service delivery at the district level by improving institutional coherence, coordination, and impact across all three spheres of government (Kambule, 2021:515). According to Kahn, Madue, and Kalema (2016:93) and Nyathela and Makhado (2014:44), Section 41(1) of the Constitution mandates that all spheres of government and organs of state within these spheres must:

- Deliver effective, transparent, accountable, and coherent governance for the entire RSA,
- Uphold loyalty to the Constitution and the people,
- Respect the constitutional status, institutions, powers, and functions of government in other spheres and
- Refrain from exercising any powers or functions not authorised by the Constitution.

Therefore, functionaries across all three spheres of government must exercise their powers and perform their duties in a way that does not infringe on the geographical, functional, or institutional integrity of the government in another sphere. They should cooperate in a spirit of mutual trust and good faith by fostering friendly relations, supporting one another, sharing information, and consulting on matters of common interest. Their actions and legislation should be coordinated, and they should adhere to agreed procedures while avoiding legal actions against one another (Kahn *et al.*, 2016:93; Nyathela and Makhado, 2014:44).

The principles outlined above regarding cooperative governance and intergovernmental relations strengthen the promotion of financial accountability within good governance across the three spheres of government (Nyathela and Makhado, 2014:44). These principles are particularly important given that Section 4(3) of the *DoRA* of 2020/21 mandates an equitable division of revenue among the national, provincial, and local spheres of government by the National Treasury. The National Treasury, in turn, establishes the norms and standards for all organs of state concerning procedures for planning, budgeting, implementation, and monitoring the utilisation of public funds. Therefore, the following sections focus on the roles of national and provincial treasuries concerning financial accountability.

#### **4.16 SUMMARY**

This chapter explored the impact of financial accountability on good governance and service delivery efficiency from a South African perspective. The review began with the introduction of the PEFA assessment conducted in the Northern Cape Province (NCP) as early as 2015, which evaluated the MTSF between the 2011/12 and 2013/14 financial years. This assessment aimed to connect the previous chapter, which provided an extensive descriptive analysis of PEFA assessments from an international perspective, with the results of the PEFA assessment in the NCP. The PEFA assessment of the NCP indicated that the influence of financial accountability on good governance yielded better outcomes during the earlier MTEF period,

from 2011/12 to 2013/14, compared to subsequent years, specifically the MTSF from 2014/15 to 2018/19 and beyond.

The researcher focused on South Africa, emphasising provincial departments and municipalities within the NCP. The literature review examined the oversight role of legislative authorities across South Africa's three spheres of government: the National Assembly, provincial legislatures, and municipal councils, assessing how oversight bodies ensured financial accountability. Data from 2015/16 to 2019/20, including financial results from the NCDoH, NCDoE, and NCDoTSL during the MTSF, showed how financial accountability affected performance. Information from annual reports, MTEF documents, and Auditor General reports demonstrated how these departments managed budgets and linked financial accountability to performance. To improve financial management and accountability, expenditures must adhere strictly to the budget, ensuring the responsible use of public funds. Compliance with legislative requirements such as the *PFMA* and *MFMA*, along with adherence to proper processes, is essential for reducing the risks of ongoing financial mismanagement in provincial departments, as discussed in Section 4.4.5.

An assessment of provincial departments' internal financial controls showed that those with better financial outcomes had effective controls, good governance, and strong accountability. Conversely, departments with poor results suffered from ineffective controls, weak governance, and a lack of accountability. Issues such as unauthorised, irregular, fruitless, and wasteful expenditures in NCP departments were examined, illustrating how misconduct hindered service efficiency. Nevertheless, misconduct findings in NCDoH, NCDoE, and NCDoTSL resulted in no sanctions or repercussions. Management should adopt a developmental approach with regular monitoring and accountability. Violations require penalties, while positive performance should be rewarded. Effective consequence management balances sanctions for misconduct with recognition for good performance.

The review also analysed the legislative authority within local government, focusing on accountability and oversight bodies, such as MPACs, that ensure public officials are responsible for managing state resources. The assessment concentrated on the municipalities of the FBDM and PKSDM, revealing that Phokwane Local Municipality in the FBDM, along with Ubuntu and Renosterberg in the PKSDM, exhibited failures in financial accountability. These municipalities faced issues such as a lack of financial accountability, poor financial performance, weak governance, breakdowns in financial controls, non-compliance with

legislation, and inefficiencies in service delivery. The review emphasised the significance of corporate governance and intergovernmental relations in promoting financial accountability, effective governance, and improved service delivery. It was also noted that when local municipalities neglect principles of financial accountability, the provincial government must invoke Section 139 of the *Constitution* and take corrective measures.

Furthermore, the review examined the vital role of the provincial treasury under Section 18(1)(a-d) of the *Constitution* in promoting financial accountability across selected provincial departments and local municipalities within the NCP. The researcher evaluated various initiatives aimed at strengthening financial accountability that the South African government has implemented over the past 30 years of democracy, since 1994, including Project Consolidate, LGTAS, B2B, and the DDM. Drawing lessons from these initiatives and the insights gained, the researcher underlined the importance of developing a comprehensive financial accountability framework to enhance governance and improve service delivery.

## CHAPTER FIVE

### FORMULATION OF HYPOTHESES, RESEARCH METHODOLOGY AND FINDINGS OF THE RELIABILITY TEST

#### 5.1 INTRODUCTION

This chapter outlines the hypotheses developed for the study, followed by a discussion of the research philosophy, including epistemology, ontology, and the paradigm employed. It defines the term methodology and reviews the research approaches and design. Additionally, it provides details on the study's population, sampling methods, and sample size. The chapter also discusses data collection from selected provincial departments and municipalities within the NCP, as well as the data analysis process. Emphasis is placed on ensuring validity and reliability, culminating in the presentation of the Cronbach's Alpha internal consistency reliability test results from the study.

#### 5.2 FORMULATION OF HYPOTHESES

Maree, Creswell, Ebersöhn, Eloff, Ferreira, Ivankova, Jansen, Niewenhuis, Pietersen, and Plano Clark (2022:247-248) note that the null hypothesis ( $H_0$ ) always states there is no difference or correlation between variables. The alternative hypothesis, also known as the experimental hypothesis, indicates either a 'greater than' or positive correlation, or a 'less than' or negative correlation, as seen in this study. Du Plooy-Cilliers *et al.* (2014:208) confirm that the alternative hypothesis is represented by the symbol  $H_a$ . When multiple alternative hypotheses exist, they are denoted as  $H_{a1}$  or  $H_{a2}$ , as used here. Based on the subsidiary research questions outlined in Section 1.3.11, the following alternative hypotheses were formulated for this research.

$H_{1a1}$ . There is a positive and statistically significant relationship between financial accountability and the financial performance outcomes of the selected provincial departments and municipalities in the NCP.

$H_{1a2}$  There is a negative and statistically significant relationship between financial accountability and the financial performance outcomes of the selected provincial departments and municipalities in the NCP.

$H_{2a1}$ . There is a positive and statistically significant relationship between financial accountability and the promotion of good governance of the selected provincial departments and municipalities in the NCP.

H2<sub>a2</sub> There is a negative and statistically significant relationship between financial accountability and the promotion of good governance of the selected provincial departments and municipalities in the NCP.

H3<sub>a1</sub>. There is a positive and statistically significant relationship between financial accountability and the implementation of key financial legislation and treasury and SCM regulations of the selected provincial department and municipalities in the NCP.

H3<sub>a2</sub> There is a negative and statistically significant relationship between financial accountability and the implementation of key financial legislation and treasury and SCM regulations of the selected provincial department and municipalities in the NCP.

H4<sub>a1</sub>. There is a positive and statistically significant relationship between financial accountability and the functionality of financial controls in the selected provincial departments and municipalities of the NCP.

H4<sub>a2</sub> There is a negative and statistically significant relationship between financial accountability and the functionality of financial controls of the selected provincial departments and municipalities in the NCP.

H5<sub>a1</sub> There is a positive and statistically significant relationship between financial accountability and the delivery of public service efficiency of the selected provincial departments and municipalities in the NCP.

H5<sub>a2</sub> There is a negative and statistically significant relationship between financial accountability and the delivery of public service efficiency of the selected provincial departments and municipalities in the NCP.

### **5.3 RESEARCH METHODOLOGY**

Research methodology refers to the approaches, designs, methods, and procedures employed in research (Ugwu, Ekere, and Ono, 2021:117). Pandey and Pandey (2021:106-109) explain that research methodology refers to the procedures followed in a study, which consist of the target population, sampling, research design, data collection method, and data analysis. According to Abutabenjeh and Jaradat (2018:250), research methodology could be viewed as steps that guide the researcher on how and when to collect data, develop and select measures for each variable, identify a sample or test population, decide on a strategy for contacting subjects, plan how to conduct data analysis and present the findings.

### **5.4 RESEARCH PHILOSOPHY/PARADIGM**

A research paradigm is a set of fundamental assumptions and beliefs about how the world is understood, which then functions as a thinking framework guiding the behaviour of the researcher (Jonker and Pennik, 2010) in (Wahyuni, 2012:69). According to Babbie (2017:31),

paradigms offer logical frameworks within which theories are developed. It serves as a model or framework for observation and understanding, shaping both what we observe and our interpretation of it. Ugwu, Ekere, and Ono (2021:117) state that a paradigm establishes a platform for the research's intention, motivation, and aims. Although multiple paradigms guide research, Leavy (2017:12) asserts that there are three primary types: positivism, anti-positivism or interpretivism, and pragmatism paradigms (Du Plooy-Cilliers, Davis, and Bezuidenhout, 2014:23-27; Ugwu, Ekere, and Ono, 2021:117).

Abdul Rehman and Alharthi (2016:53) and Welman, Kruger, and Mitchel (2005:6) note that the positivist paradigm assumes that reality exists independently of human influence and that knowledge can be considered valid only if it is produced through scientific methods. The anti-positivism paradigm or interpretivist approach (qualitative research) emphasises experiencing reality and seeks to understand human behaviour from the perspectives of the individuals involved (Welman *et al.*, 2005:7). This study was conducted within the positivism paradigm (quantitative research), which concentrates on the use of scientific methods and maintains that research should be limited to findings that can be observed and measured objectively (Welman *et al.*, 2005:7). To gain a clearer understanding of the conceptual basis of paradigms, it is also important to consider their essential components, which include epistemology, ontology, methodology, and axiology (Eric, 2017:26). The researcher needs to identify research within these components, as they embody core assumptions, beliefs, norms, and values that give meaning to the paradigm (Eric, 2017:27). The following sections aim to clarify the importance of these essential components of a research paradigm.

#### **5.4.1 Epistemology**

Epistemology is concerned with the knowledge, understanding that the researcher acquires to broaden, extend, and deepen an understanding of the research at hand (Eric, 2017:27). Epistemological assumptions describe the acceptable knowledge in a specific discipline or field of study and include positivism, realism and interpretivism. Epistemological assumptions are made by the researcher about the nature and form of knowledge, and how to create and communicate it (Maree, Creswell, Ebersöhn, Eloff, Ferreira, Ivankova, Jansen, Niewenhuis, Pietersen, Plano Clark, 2017:67). Epistemologically, this study aligns with the positivist stance that view that methods of natural science can be applied to the study of a social phenomenon to determine the truth and reality which will be free and independent of the researcher's perspective.



### 5.4.2 Ontology

According to Du Plooy-Cilliers *et al.* (2014:27-28), ontology refers to the study of being, existence, or reality. Ontology includes the assumptions made about specific phenomena. Smith (2012:1) defines ontology as the study of structures of objects, properties, events, processes, and how the components of structures relate to one another. In this study, the ontological assumptions relate to the nature of objective facts regarding the state of financial accountability, good governance, and service delivery in the provincial departments and municipalities of the NCP.

### 5.4.3 Axiology

Eric (2017:28) states that axiology involves defining, evaluating, and understanding issues of right and wrong as they relate to research. There are three approaches to axiology, and these could be:

- **Teleological.** This theory posits that doing what is right is inherently good or desirable. Therefore, the researcher should adhere to principles of goodness throughout the research process (Eric, 2017:28). This implies that the research should yield a beneficial and positive outcome. In the context of this study, the positive outcome would arise from the valuable contribution of scholarly knowledge to a proposed framework aimed at enhancing financial accountability in both provincial and local governments.
- **Deontological.** This refers to an understanding that every action undertaken is consequential and should be intended to benefit the respondents and make a positive contribution to the scholarly body of knowledge (Eric, 2017:28). While the findings of the questionnaire would contribute to scientific knowledge, the nature of the questions should remind respondents of their moral obligations to be financially accountable as outlined in constitutional and legislative provisions. In this way, a system of financial accountability could be strengthened in government.
- **Moral Criterion.** This emphasises the importance of respecting moral values and principles so that the research does not distort the truth by deliberately misinterpreting the data collected. It means the research outcomes should be based on fairness and should not infringe on the rights of the respondents (Eric, 2017:28).

## 5.5 RESEARCH APPROACH AND DESIGN

A research approach refers to the methods the researcher adopts to collect and analyse data or information (Sileyew, 2019:28). The inductive and deductive approaches are prominent approaches used by researchers to conduct research (Okoli, 2023:303). As stated in section 5.4, this study employed a quantitative approach based on deductive propositions.

The research design is a set of decisions that constitute the master plan specifying the methods and procedures for collecting and analysing the needed information (Radhakrishnan, 2013:25). Sileyew (2019:28) states that the research design is anticipated to provide the right framework for the study. According to Singh (2019:491), the research design is the plan that outlines the details of the investigation. It serves as the blueprint for the procedures used to test hypotheses and analyse the collected data. In addressing the objectives of this study, the researcher employed a cross-sectional survey design to quantitatively gather data and generate propositions on financial accountability, good governance, and service delivery efficiency in provincial departments and municipalities in the NCP. The cross-sectional survey design enables the researcher to collect data from respondents at a single point in time. According to Du Plooy-Cilliers *et al.* (2014:149), a cross-sectional survey design is used to create an overall picture of a specific phenomenon at one moment, meaning the researcher collects data from respondents only once.

## 5.6 POPULATION AND SAMPLING

The term population, according to Jennex (2005:905), conveys diverse meanings. In one sense, it is a concept represented by a definition or description. In another, it refers to the extension of an idea, specifically the set of objects about which data is collected or observed. As mentioned in section 1.9.2 of this study, the target population from which data was collected to investigate the impact of financial accountability on good governance and service delivery in the NC provincial departments and municipalities included respondents from the provincial government departments and local municipalities. The target population of municipalities comprised the Frances Baard District Municipality (FBDM), Pixley Ka-Seme District Municipality (PKSDM), and John Taolo Gaetsewe District Municipality (JTGDM).

Sampling is the statistical process of selecting a subset of a population of interest to make observations and statistical inferences about that population (Acharya, Prakash, Saxena, and Nigam, 2013:330). A sample is any number of persons chosen to represent a population according to specific rules or plans (Singh, 2019:366). This process condenses the entire population into a manageable, representative group for observation and analysis. It is crucial to select a truly representative sample to ensure that the inferences made from it can be generalised back to the population of interest (Marczyk, DeMatteo, and Festinger, 2005:18). Out of the 13 provincial departments, three were selected for sampling, alongside three district municipalities with their affiliated local municipalities. The simple random sampling method was used to select three of the five provincial departments, and three district municipalities were randomly sampled for the research. According to Jawale (2012:186), random sampling is considered the least biased method for generating estimates of population parameters. Tables 5.1 and 5.2 below display the selected local municipalities and provincial government departments, respectively.

**Table 5.1: Local Municipal Officials' Sample Frame (N) and Sample (n) in Local Municipalities**

| Category of employment         | Joe Morolong-JTGDM |                 | Thembelihle-PKSDM |                 | Renosterberg-PKSDM |                 | Sol Plaatje-FBDM |                 |
|--------------------------------|--------------------|-----------------|-------------------|-----------------|--------------------|-----------------|------------------|-----------------|
|                                | Population (N)     | Sample size (n) | Population (N)    | Sample size (n) | Population (N)     | Sample size (n) | Population (N)   | Sample size (n) |
| Managerial Positions - S56     | 5                  | 3               | 5                 | 3               | 5                  | 3               | 5                | 3               |
| Finance and Corporate Services | 75                 | 38              | 35                | 35              | 28                 | 28              | 105              | 50              |
| <b>Total</b>                   | <b>80</b>          | <b>41</b>       | <b>40</b>         | <b>38</b>       | <b>33</b>          | <b>31</b>       | <b>110</b>       | <b>53</b>       |

Probability sampling was employed through a random stratified sampling method to select the departmental and municipal officials (unit of observation) for this study. Regarding municipalities, the sample was stratified into employment positions, including managerial roles, finance, and corporate services, as shown in Table 5.2. The selected local municipalities sample comprised Sol Plaatje Local Municipality in FBDM, Renosterberg Local Municipality and Thembelihle Local Municipality in PKSDM, and Joe Morolong Local Municipality in JTGDM. The sample from the selected provincial departments included the NCDoH, NCDoE, and NCDoTSL. In these provincial departments, respondents were stratified into salary levels, as shown in Table 5.2.

**Table 5.2: Departmental Officials Sample Frame (N) and Sample (n) in the Provincial Government**

| Salary Levels | Transport, Safety and Liaison |            | Health         |            | Education      |            |
|---------------|-------------------------------|------------|----------------|------------|----------------|------------|
|               | Population (N)                | Sample (n) | Population (N) | Sample (n) | Population (N) | Sample (n) |
| 5             | 18                            | 9          | 36             | 22         | 38             | 19         |
| 6 to 8        | 20                            | 10         | 46             | 28         | 76             | 38         |
| 9 to 12       | 20                            | 10         | 46             | 28         | 58             | 29         |
| 13 to 16      | 12                            | 6          | 26             | 16         | 31             | 15         |
| <b>Total</b>  | <b>70</b>                     | <b>35</b>  | <b>154</b>     | <b>92</b>  | <b>203</b>     | <b>101</b> |

The focus on the provincial departments' head offices was due to their strategic importance, given their location, functions, and coordinating roles in governance.

## **5.7 DATA COLLECTION IN THE SELECTED PROVINCIAL DEPARTMENTS AND MUNICIPALITIES**

Data collection involves systematically gathering and analysing information on specified variables within an established framework, enabling the researcher to answer relevant questions and evaluate outcomes (Agyapong, 2017:59). The data was collected using structured questionnaires; respondents were asked to indicate their level of agreement on a five-point Likert scale (ranging from 5 for strongly agree to 1 for strongly disagree) (See Annexure C). To distribute the questionnaires, appointments were arranged with municipal managers and Heads of Departments of municipalities and provincial departments, respectively. These appointments were made to request permission to distribute the questionnaires to staff members in government departments and municipalities within the NCP (See Annexure A). Once permission was granted (See Annexure B), meetings with unit managers were scheduled to facilitate access to respondents and to explain the importance of completing the questionnaires. Data collection was conducted through both group and individual interactions with respondents, allowing the researcher to maintain full control over the process. Since the researcher was present during data collection, any questions regarding the questionnaires were addressed immediately.

### 5.7.1 Data Collection in the Northern Cape Department of Health

The researcher drafted a formal letter to request permission from the HoD to conduct the research study at the NCDoH - which was granted. The researcher used the departmental quarterly performance review to distribute the questionnaires to senior managers to complete. Managers were contacted individually and were subsequently informed of the importance of completing the questionnaires and the reasons why it was necessary. Some agreed to complete the questionnaires, while others were reluctant. Employees were contacted at their respective offices to assist with completing the questionnaires.

Data collection was limited to the provincial office, with a specific focus on administrative support programmes because of their strategic role in public and financial management. According to the NCDoH Annual Performance Report (2021:34), the aim of administrative support programmes is to carry out strategic management and offer technical support to core programmes, such as healthcare services, and the overall administration of the NCDoH. In this study's context, the research sample included employees divided into four salary bands: administrative clerks (Salary Level 5), administration officers, senior administration officers (Salary Level 6 to 8), and middle management officials (Salary Level 9 to 12). These were mainly selected from sub-programmes within administration, including Policy and Planning, Human Resource Management, and Finance and Financial Management.

The respondents from senior management were drawn from all eight departmental directorates. One of the key performance areas of senior managers or programme managers is to coordinate the management of their budgets. It was on this basis that the contribution of senior management to this research became key. This means that the research population from which the respondents were mainly sampled consisted of public officials based in the NCDoH administration at the provincial office. The sample frame and the sample, as reported by the PeRSAI Report on fixed establishment (NCDoH PeRSAI Report, 2024), were structured as follows:

**Table 5.3: Sample Frame (N) and Sample (n) of Administration Staff of the NCDoH**

| Salary Levels       | Population (N) | Sample size (n) |
|---------------------|----------------|-----------------|
| Salary level 5      | 36             | 22              |
| Salary level 6-8    | 46             | 28              |
| Salary level: 9-12  | 46             | 28              |
| Salary level: 13-14 | 26             | 16              |

|       |     |    |
|-------|-----|----|
| Total | 154 | 92 |
|-------|-----|----|

A total of 72 questionnaires were completed, representing 78.3% of the targeted sample size (n), as shown in Table 5.3 above.

### 5.7.2 Data Collection in the Northern Cape Department of Transport, Safety and Liaison

The initial data collection method resembled that of the NCDoH, as described above in Section 5.4.1 of this chapter. After receiving permission from the HoD of the NCDoTSL, the researcher contacted the Human Resource Development Officer responsible for research and development within the department. The researcher explained his request and asked for assistance from the Human Resource Development Officer in distributing the questionnaires. Respondents were allocated a week to complete them. The questionnaires were distributed to administrative staff based at the head office, primarily in the Finance, SCM, Human Resource Administration, and Human Resource Development departments.

**Table 5.4: Sample Frame (N) and Sample (n) of Administration Staff of the NCDoTSL**

| Salary Levels       | Transport, Safety and Liaison |            |
|---------------------|-------------------------------|------------|
|                     | Population (N)                | Sample (n) |
| Salary level: 5     | 18                            | 9          |
| Salary level: 6-8   | 20                            | 10         |
| Salary level: 9-12  | 20                            | 10         |
| Salary level: 13-14 | 12                            | 6          |
| <b>Total</b>        | <b>70</b>                     | <b>35</b>  |

Out of the targeted 35 samples, the research respondents, representing 51.4% of the participants, completed 18 questionnaires.

### 5.7.3 Data Collection in the Northern Cape Department of Education

Like with the NCDoH and NCDoTSL, a permission request was submitted to the HoD at the NCDoE, and approval was obtained for data collection. Unit managers were then contacted to distribute questionnaires to employees. Following the method used in Section 5.4.1 for the NCDoH, the sample consisted of employees stratified into four salary bands: administrative clerks (Level 5), officers (Levels 6-8), middle management (Levels 9-12), and senior management (Levels 13-16). Respondents were from administrative programmes at the head

office, including Finance, Management Accounting, Funding, SCM, Corporate Services, QA, HR Administration and Development, Legal, and Policy. As in Section 5.3, a sample of 101 respondents was selected from 203 staff (cf. Table 5.5).

**Table 5.5: Sample Frame (N) and Sample (n) of Administration Staff of the NCDoe**

| Salary Levels          | Education      |            |
|------------------------|----------------|------------|
|                        | Population (N) | Sample (n) |
| Salary level: 5        | 38             | 19         |
| Salary level: 6 to 8   | 76             | 38         |
| Salary level: 9 to 12  | 58             | 29         |
| Salary level: 13 to 16 | 31             | 15         |
| <b>Total</b>           | <b>203</b>     | <b>101</b> |

Out of the 101 distributed questionnaires, 62 were completed, representing 61.4% of the targeted sample (n). Since the entry qualification for salary level five was matric or grade 12, the researcher limited data collection to supply chain management and finance administrative staff because of their familiarity with finance terminology and concepts. Concerning employees at salary level six and above, data collection encompassed all programmes, as the entry qualification is a three-year tertiary or post-matric qualification, which indicates a comparatively better understanding of the financial concepts used in this research.

#### **5.7.4 Data Collection in Local Municipalities in the Northern Cape Province**

Data collection took place in the Sol Plaatje, Joe Morolong, Renosterberg, and Thembelihle municipalities. Permissions were obtained from Sol Plaatje's municipal manager and the CFO of Joe Morolong. The researcher coordinated with HR to distribute questionnaires to 31 financial officials and five senior managers across all programmes. The trip to Joe Morolong covered 260 km, and questionnaires were shared among the targeted staff for completion.

A 110-kilometre trip was also undertaken to the Siyancuma Local Municipality in PKSDM to arrange a meeting with the municipal manager. After numerous unsuccessful calls and difficulty reaching the municipal manager's office, the researcher decided to visit Siyancuma Local Municipality in person. In the absence of the municipal manager, the request was made to the corporate services manager; however, this did not yield any positive results.



Permission to collect data was also obtained from the municipal managers of Renosterberg and Thembelihle Local Municipalities. The researcher undertook trips of 100 km and 220 km from Kimberley to Renosterberg and Thembelihle Local Municipalities, respectively. Data was primarily collected from the Finance and Corporate Services Directorates due to their presumed familiarity and basic understanding of concepts related to financial accountability, governance, and service delivery, which are key variables that underpin this research study.

## 5.8 DATA ANALYSIS

Henning, Van Rensburg, and Smit (2004:6-7) argue that data analysis helps the researcher answer research questions and achieve the research purpose. Data was entered into statistical software named MoonStats and DATAtab. To measure data, the researcher used an interval measurement approach, focusing on the mean, frequencies, standard deviation, and median. Most measures of human characteristics have interval properties. In interval measurement, the characteristic of consistent differences between successive higher numbers is utilised (Welman *et al.*, 2005:139).

Welman *et al.* (2005:231) further explain the following statistics used for interval type:

- The mean is the average score for a group and is equal to the total of individual scores divided by the number of scores.
- Frequencies determine if the distribution is even across the intervals or whether they cluster around one or two intervals.
- Standard deviation determines if the scores on a parametric test are evenly distributed and cluster closely around the mean.

As indicated above, the researcher used MoonStats, a statistical software programme, to explore and describe data. Moonstats is a stand-alone statistical software programme that operates within Microsoft Office and allows for the entry of numeric values into a data sheet with up to 100 variables and 1000 cases (units of analysis) (Welman *et al.*, 2005: 319). A univariate instrument was used in the descriptive analysis, while a bivariate instrument was employed for inferential statistical analysis. The univariate instruments included charts or graphical displays to illustrate frequencies in terms of numerical values and percentages, as well as tabular presentations to show the central tendency of responses for descriptive purposes. These frequencies and central tendencies were summarised into figures that were analysed descriptively in relation to the research objectives. A bivariate instrument was utilised in the

inferential statistical analysis, presenting cross-tabulations between the independent variable and dependent variables as reflected in the research questionnaire. Specifically, financial accountability as an independent variable was cross-tabulated with dependent variables- namely, good governance, financial performance outcomes, functionality of financial controls, and implementation of financial treasury and SCM regulations and public service delivery efficiency- to test the hypotheses of the study. In Chapter Six, the researcher made use of descriptive statistics by means of table, and figures to illustrate the findings. Due to the comprehensiveness of the study, the researcher only made use of tables to illustrate the findings of both the descriptive and inferential statistical analysis.

Inferential statistical analysis was conducted using Pearson and Spearman correlation coefficients through DATAtab and SPSS 2.0 software to examine the relationships between variables and test the hypotheses. DATAtab and, to a lesser extent, MoonStats statistical software were also used to support SPSS. According to MoonStats (2005) and DATAtab (2023), Pearson correlation measures the strength of the relationship between two interval or ratio variables. For this study, the inferential statistical analysis, focusing on variable associations using Pearson and Spearman correlations. Interpretation of the data was primarily based on the Spearman correlation coefficient to assess the strength of relationships and test hypotheses. An experienced statistician assisted the researcher in developing the structured questionnaire and provided guidance on data collation, interpretation, and analysis of results. The statistician also helped with the inferential statistical analysis to test the hypotheses.

## **5.9 VALIDITY AND RELIABILITY ASSURANCE**

Heale and Twycross (2015:66) define validity as the extent to which a concept is accurately measured in a quantitative study. Validity concerns whether the measuring instrument captures the behaviour or quality it is intended to assess and reflects how well the instrument performs its function (Anastasi and Urbina, 1997) in (Sürücü and Maslakçı, 2020:2695). Reliability indicates the stability of measured values obtained through repeated measurements under the same conditions using the same instrument (Sürücü and Maslakçı, 2020:2695). The method or technique used in this study is based on quantitative research aimed at evaluating the impact of financial accountability on good governance and service delivery efficiency in provincial departments and municipalities within the NCP.

To establish the validity and reliability of the measuring instrument, a pilot study was conducted with 10 officials and the Chief Financial Officer (CFO) in the NCDoh. The CFO, as the most senior finance manager in the NCDoh, reviewed the questionnaire and was satisfied with its structure. According to Creswell (2019:255), pilot testing is essential for establishing the content validity of scores on an instrument, for initial evaluation of the internal consistency of the items, and for improving the questions, format, and instructions. This process ensured that the scales measure what they are intended to measure. Face validity was confirmed by including clear and understandable questions in the structured questionnaire for respondents. The researcher ensured that sufficient and representative items were included to reflect the concepts under investigation adequately. Furthermore, to ensure reliability, the researcher administered the measurement only once to a large, representative sample. Cronbach's coefficient alpha, a measure of internal consistency of survey, was used to assess the degree of correlation between each item and all other items in the instrument (Amirrudin, Nasution, and Supahar, 2021:224). According to Tavakol and Dennick (2011:53), internal consistency is expressed as a number between 0 and 1. As noted by Tox (2020) and Amirrudin *et al.* (2021:224), researchers are advised to use the following formula to test the reliability of data in multiple-choice Likert scale surveys.

#### Cronbach's coefficient alpha formula for the measurement of reliability of data

$$\alpha = \frac{k}{k-1} \left( 1 - \frac{\sum s_i}{s_X^2} \right)$$

Where:

**K** – is the number of test items,

$\sum S_i$  – is the sum of the item's variance and

$s_X^2$  – is the variance of total scores,

(Source: Tox, 2020)

Tox (2020:1) explains alpha or consistency for Likert scale questions as shown in Table 5.6 below:

**Table 5.6: Cronbach's Alpha Internal Consistency Interpretation**

| Cronbach's Alpha | Internal Consistency |
|------------------|----------------------|
| 0.90 and above   | Excellent            |
| 0.80 to 0.89     | Good                 |

|              |              |
|--------------|--------------|
| 0.70 to 0.79 | Acceptable   |
| 0.60 to 0.69 | Questionable |
| 0.50 to 0.59 | Poor         |
| Below 0.50   | Unacceptable |

According to Bryman, Bell, Hirschsohn, Dos Santos, Du Toit, Masenge, Van Aardt and Wagner (2014:38) and Tox (202:1), a result of 0.70 to 0.79 and above generally indicates an acceptable level of internal consistency. However, some scholars consider an alpha score of 0.70 acceptable.

### 5.10 FINDINGS OF CRONBACH ALPHA FOR INTERNAL CONSISTENCY RELIABILITY

Cronbach's Alpha was used to assess internal consistency, and the results are listed below. The above Cronbach formula aligns with the DATAtab statistical calculator, which the researcher employed to verify the reliability of the collected data and ensure the questionnaire's consistency. DATAtab is a web-based statistical software developed in 2019 by a team of scientists led by Mathias Jesussek (Engineering Scientist) and Hanna Volk-Jesussek (Social Scientist) (DATAtab, 2023). Using the DATAtab Statistical Calculator, the Cronbach Alpha was found to be good, as indicated below.

- Cronbach's Alpha: 0.85
- Number of Items: 61

This was consistent with the use of the Cronbach Alpha Formula indicated below:

- $K$  = the number of test items
- $\sum S_i$  = the sum of the item's variance and
- $S_X^2$  = the variance of total scores

Using the formula:

$$\alpha = \frac{k}{k-1} \left( 1 - \frac{\sum s_i}{s_X^2} \right)$$

- $\alpha = 0,85$

All items or statements in Section B of the structured questionnaire were analysed using the DATAtab Statistical Calculator to assess the internal consistency of the questionnaire.

**Table 5.7: Cronbach's Coefficient Alpha with Tested Variables**

| Cronbach's Alpha |                                  |                                  |
|------------------|----------------------------------|----------------------------------|
| Number of Items  |                                  |                                  |
| 0.85             |                                  |                                  |
| 61               |                                  |                                  |
| Question         | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| 10.1             | 0.31                             | 0.85                             |
| 10.2             | 0.55                             | 0.85                             |
| 10.3             | 0.5                              | 0.85                             |
| 10.4             | -0.35                            | 0.86                             |
| 10.5             | 0.55                             | 0.85                             |
| 11.1             | 0.73                             | 0.84                             |
| 11.2             | 0.53                             | 0.85                             |
| 11.3             | 0.71                             | 0.84                             |
| 11.4             | 0.58                             | 0.85                             |
| 11.5             | 0.64                             | 0.84                             |
| 12.1             | 0.58                             | 0.85                             |
| 12.2             | 0.6                              | 0.85                             |
| 12.3             | 0.55                             | 0.85                             |
| 12.4             | 0.65                             | 0.84                             |
| 12.5             | -0.07                            | 0.86                             |
| 13.1             | 0.5                              | 0.85                             |
| 13.2             | -0.24                            | 0.86                             |
| 13.3             | 0.36                             | 0.85                             |
| 13.4             | 0.57                             | 0.85                             |
| 13.5             | -0.42                            | 0.86                             |
| 14.1             | 0.45                             | 0.85                             |
| 14.2             | 0.47                             | 0.85                             |
| 14.3             | 0.52                             | 0.85                             |
| 14.4             | 0.68                             | 0.84                             |
| 14.5             | 0.68                             | 0.84                             |
| 14.6             | 0.67                             | 0.84                             |
| 14.7             | 0.73                             | 0.84                             |
| 14.8             | 0.67                             | 0.84                             |

|       |       |      |
|-------|-------|------|
| 14.9  | 0.46  | 0.85 |
| 14.10 | 0.63  | 0.85 |
| 15.1  | 0.32  | 0.85 |
| 15.2  | 0.16  | 0.85 |
| 15.3  | 0.56  | 0.85 |
| 15.4  | -0.45 | 0.86 |
| 15.5  | 0.47  | 0.85 |
| 16.1  | 0.44  | 0.85 |
| 16.2  | 0.09  | 0.85 |
| 16.3  | -0.36 | 0.86 |
| 16.4  | 0.19  | 0.85 |
| 16.5  | 0.5   | 0.85 |
| 17.1  | 0.56  | 0.85 |
| 17.2  | 0.55  | 0.85 |
| 17.3  | -0.35 | 0.86 |
| 17.4  | 0.27  | 0.85 |
| 17.5  | -0.21 | 0.86 |
| 18.1  | 0.49  | 0.85 |
| 18.2  | 0.33  | 0.85 |
| 18.3  | 0.63  | 0.85 |
| 18.4  | -0.33 | 0.86 |
| 18.5  | -0.26 | 0.86 |
| 19.1  | -0.26 | 0.86 |
| 19.2  | -0.47 | 0.87 |
| 19.3  | 0.29  | 0.85 |
| 19.4  | 0.03  | 0.86 |
| 19.5  | -0.03 | 0.86 |
| 20.1  | 0.16  | 0.85 |
| 20.2  | -0.03 | 0.86 |
| 20.3  | 0.04  | 0.86 |
| 20.4  | -0.02 | 0.86 |
| 20.5  | 0.04  | 0.86 |
| 21.1  | 0     | 0.86 |

(Source: Adapted from DATatab Statistical Calculator, 2023)

With the above data derived from the DATAtab Statistical Calculator, it was established that the reliability of the data was acceptable for this study. The researcher was therefore able to proceed with the empirical research, focusing on descriptive analysis of the findings.

## **5.11 SUMMARY**

This chapter outlined the hypotheses formulated and the research methodology employed in the study. The study began with a discussion of the hypotheses used, followed by an examination of the research paradigm and philosophy, the research approach, and the research design. The key aspects of the research methodology highlighted included the research paradigm, approach and design, population and sampling, data collection and analysis, and assurance of validity and reliability using Cronbach's Alpha. The average Cronbach's Alpha score of 0.85 for the 61 items was considered good.

The study emphasised that it adopted a positivist paradigm and utilised a cross-sectional survey research design. It provided a comprehensive discussion of the population, sampling methods, and sample size, followed by an in-depth explanation of data collection procedures. First, it described how data was collected from the selected provincial departments, then from the designated local municipalities. This was succeeded by a detailed account of the data analysis process and measures taken to ensure validity and reliability. Finally, the results and interpretation of the Cronbach's Alpha internal consistency reliability test were presented. While Chapter Six presents the empirical findings from the selected provincial departments of the NCP, Chapter Seven outlines the findings from the chosen local municipalities within the NCP.



## **CHAPTER SIX**

### **EMPIRICAL STUDY ON FINDINGS AND RESULTS OF THE NORTHERN CAPE PROVINCIAL DEPARTMENTS**

#### **6.1 INTRODUCTION**

This chapter presents the empirical findings and results for the selected provincial departments of the NCP, using both descriptive and inferential statistical analyses. First, the empirical data are analysed descriptively, followed by inferential analysis with interpretations of the findings. Descriptive statistics are visually represented using graphs and charts that show frequencies, percentages, means, medians, modes, and standard deviations, often via vertical and horizontal bar charts. The questions in the first set of research instrument (Structured Questionnaires – see Annexure C) were designed to collect information on financial accountability, good governance, and service delivery efficiency within the chosen provincial departments and municipalities of the NCP. The discussion starts with an overview of data collection and analysis methods, then moves to interpret both the descriptive and inferential results, including the testing of the proposed hypotheses.

#### **6.2 DATA COLLECTION AND ANALYSIS**

While Section 5.7-5.8 discussed data collection and analysis, this section provides more detail. The researcher used a structured questionnaire with two sections: Section A gathered biographical data on race, gender, disability, language, age, workplace, experience, and education level; Section B contained statements rated on a five-point Likert scale. The rationale that informed the identification of the indicators in Section B was to ensure that the key variables, namely financial accountability (independent variable) and good governance (dependent variable) and service delivery efficiency (dependent variable) constitute the baseline of the questionnaire. The researcher had further ensured that moderating variables such as financial performance outcomes, legislative provisions and the functionality of financial controls as depicted in the conceptual framework were included in the questionnaire to answer both the research questions and respond to research objectives. Section B of the structured questionnaire consisted of statements designed to gather information on the key aspects of financial accountability as an independent variable and its related dependent variables, with particular emphasis on the following subsections:

- Legislative provisions to promote accountable and effective financial management
- Financial accountability,
- Public expenditure and financial accountability,
- Oversight bodies that promote financial accountability,
- Principles of good governance,
- Public service efficiency,
- Impact of financial accountability on financial performance outcomes,
- Supply chain management (SCM),
- Functionality of financial controls,
- Capacity of staff complement,
- Stability in senior management positions, and
- Whether financial accountability has a positive, no positive or negative impact on good governance and service delivery efficiency.

Each of the statements above was structured into a questionnaire using the Likert Scale for respondents to answer. The findings related to the three selected provincial departments were analysed descriptively through graphs, frequencies, and statistics. Frequencies included the number and percentage of respondents, while the descriptive statistics showed the number of respondents, mean, standard deviation, median, minimum, and maximum. Throughout this chapter, the researcher aimed to present the findings and analysis of the variables from the structured questionnaire. Data from each provincial department was analysed separately to prevent mixing the outcomes, and these were later combined into a single dataset for all three departments. It is important to note that there were two sets of structured questionnaires: one for provincial government departments and one for local municipalities.

### **6.3 PRESENTATION OF DESCRIPTIVE FINDINGS AND RESULTS FROM SECTION A OF THE STRUCTURED QUESTIONNAIRE: BIOGRAPHICAL DATA FROM THE SELECTED PROVINCIAL DEPARTMENTS**

The findings and results pertain to selected provincial departments, including the Northern Cape Department of Health (NCDoH), Northern Cape Department of Education (NCDoE), and Northern Cape Department of Transport, Safety and Liaison (NCDoTSL). The findings and results from the biographical data of these three selected provincial departments are presented in Table 6.1 below.

**Table 6.1 Biographical data from the selected provincial departments**

| Category                                 | NCDoE |        | NCDoH |        | NCDoTSL |        | Total |        |
|------------------------------------------|-------|--------|-------|--------|---------|--------|-------|--------|
|                                          | f     | %      | f     | %      | f       | %      | f     | %      |
| <b>Race:</b>                             |       |        |       |        |         |        |       |        |
| African                                  | 41    | 66.13  | 60    | 83.33  | 12      | 66.7   | 113   | 74.34  |
| Asian                                    | 0     | 0.00   | 0     | 0.00   | 0       | 0.00   | 0     | 0.00   |
| Coloured                                 | 18    | 29.03  | 9     | 12.50  | 4       | 22.22  | 31    | 20.39  |
| White                                    | 2     | 3.23   | 2     | 2.78   | 2       | 11.11  | 6     | 3.95   |
| Other                                    | 1     | 1.61   | 1     | 1.39   | 0       | 0.00   | 2     | 1.32   |
| Total                                    | 62    | 100.00 | 72    | 100.00 | 18      | 100.00 | 152   | 100.00 |
| <b>Gender:</b>                           |       |        |       |        |         |        |       |        |
| Male                                     | 26    | 41.94  | 33    | 45.83  | 10      | 55.56  | 69    | 45.39  |
| Female                                   | 36    | 58.06  | 39    | 54.17  | 8       | 44.44  | 83    | 54.61  |
| Total                                    | 62    | 100    | 72    | 100.00 | 18      | 100.00 | 152   | 100.00 |
| <b>Disability:</b>                       |       |        |       |        |         |        |       |        |
| Yes                                      | 1     | 1.69   | 0     | 0.00   | 0       | 0.00   | 1     | 0.68   |
| No                                       | 58    | 98.31  | 71    | 100.00 | 18      | 100.00 | 147   | 99.32  |
| Total                                    | 59    | 100.00 | 71    | 100.00 | 18      | 100.00 | 148   | 100.00 |
| <b>Home Language:</b>                    |       |        |       |        |         |        |       |        |
| English                                  | 6     | 9.68   | 6     | 8.45   | 0       | 0.00   | 12    | 7.95   |
| Afrikaans                                | 16    | 25.81  | 12    | 16.90  | 6       | 33.33  | 34    | 22.52  |
| Setswana                                 | 34    | 54.84  | 41    | 57.57  | 7       | 36.89  | 82    | 54.30  |
| IsiXhosa                                 | 5     | 8.06   | 8     | 11.27  | 5       | 27.78  | 18    | 11.92  |
| IsiZulu                                  | 0.00  | 2      | 2.82  | 0      | 0       | 0.00   | 2     | 1.32   |
| Other                                    | 1     | 1.61   | 2     | 2.82   | 0       | 0.00   | 3     | 1.99   |
| Total                                    | 62    | 100.00 | 71    | 100.00 | 18      | 100.00 | 151   | 100.00 |
| <b>Age:</b>                              |       |        |       |        |         |        |       |        |
| 18 to25                                  | 0     | 0.00   | 0     | 0.00   | 0       | 0.00   | 0     | 0.00   |
| 26 to 35                                 | 9     | 16.36  | 11    | 19.30  | 1       | 6.25   | 21    | 16.41  |
| 36 to 45                                 | 24    | 43.64  | 26    | 45.61  | 13      | 81.25  | 63    | 49.22  |
| 45 to 55                                 | 13    | 23.64  | 13    | 22.81  | 0       | 0.00   | 26    | 20.31  |
| 56 and above                             | 9     | 16.36  | 7     | 12.28  | 2       | 12.50  | 18    | 14.06  |
| Total                                    | 55    | 100.00 | 57    | 100.00 | 16      | 100.00 | 128   | 100.00 |
| <b>Salary Levels:</b>                    |       |        |       |        |         |        |       |        |
| Salary Band 1 – 5                        | 9     | 14.52  | 23    | 31.94  | 1       | 5.56   | 33    | 21.71  |
| Salary Band 6 – 8                        | 22    | 35.48  | 18    | 25.00  | 1       | 5.56   | 41    | 26.97  |
| Salary Band 9 – 12                       | 23    | 37.10  | 19    | 26.39  | 15      | 83.33  | 57    | 37.50  |
| Salary Band 13 – 16                      | 8     | 12.90  | 12    | 16.67  | 1       | 5.56   | 21    | 13.82  |
| Total                                    | 62    | 100.00 | 72    | 100.00 | 18      | 100.00 | 152   | 100    |
| <b>Department of respondents:</b>        |       |        |       |        |         |        |       |        |
| Department                               | 62    | 40.78  | 72    | 47.36  | 18      | 11.84  | 152   | 100.00 |
| Total                                    | 62    | 40.78  | 72    | 47.36  | 18      | 11.84  | 152   | 100.00 |
| <b>Length of Service in departments:</b> |       |        |       |        |         |        |       |        |
| 1 – 5 years                              | 4     | 6.45   | 8     | 11.11  | 2       | 11.11  | 14    | 9.21   |
| 6 – 10 years                             | 16    | 25.81  | 18    | 25.00  | 5       | 27.78  | 39    | 25.66  |
| 11 – 20 years                            | 24    | 38.71  | 32    | 44.44  | 6       | 33.33  | 62    | 40.79  |
| 21 years and more                        | 18    | 29.03  | 14    | 19.44  | 5       | 27.78  | 37    | 24.34  |
| Total                                    | 62    | 100.00 | 72    | 100.00 | 18      | 100.00 | 152   | 100.00 |
| <b>Highest level of Education:</b>       |       |        |       |        |         |        |       |        |
| Without a Senior Certificate             | 1     | 1.64   | 0     | 0.00   | 0       | 0.00   | 1     | 0.67   |
| Senior Certificate                       | 6     | 9.84   | 5     | 7.04   | 0       | 0.00   | 11    | 7.33   |
| Post Certificate                         | 3     | 4.92   | 7     | 9.86   | 1       | 5.56   | 11    | 7.33   |
| Diploma                                  | 15    | 24.59  | 21    | 29.58  | 5       | 27.78  | 41    | 27.33  |
| Degree                                   | 22    | 36.07  | 22    | 30.99  | 4       | 22.22  | 48    | 32.00  |
| Honours/Postgraduate Diploma             | 11    | 18.03  | 10    | 14.08  | 3       | 16.67  | 24    | 16.00  |
| Masters/MBA                              | 2     | 3.28   | 6     | 8.45   | 3       | 16.67  | 11    | 7.33   |

|               |    |        |    |        |    |        |     |        |
|---------------|----|--------|----|--------|----|--------|-----|--------|
| Doctorate/PhD | 1  | 1.64   | 0  | 0.00   | 2  | 11.11  | 3   | 2.00   |
| Total         | 61 | 100.00 | 71 | 100.00 | 18 | 100.00 | 150 | 100.00 |

### **6.3.1 Biographical data of respondents from the selected provincial government departments**

The data showed that 152 respondents participated in this study, selected from various provincial departments: NCDoE (62 respondents, 40.78%), NCDoH (72 respondents, 47.36%), and NCDTSL (18 respondents, 11.84%). Most respondents were of African descent, accounting for 74.3% of the total, with females comprising 54.6%. Respondents spoke different home languages, including Setswana (54.3%), Afrikaans (22.5%), Isixhosa (11.9%), English (8.0%), IsiZulu (2.0%), and others. Nearly all respondents (99.3%) confirmed they were not living with a disability. The majority were aged 36 to 45 years (36.1%), followed by the 46 to 55 age group (18.1%). The 26 to 35 age group accounted for 15.3%, while those older than 56 made up 9.7%.

The findings revealed that most respondents had significant public service experience, categorised as: 11-20 years (40.8%), 6-10 years (25.7%), more than 21 years (24.3%), and 1-5 years (9.2%). The majority possessed a three- or four-year tertiary qualification, while only a few had a senior certificate. Few senior managers lacked postgraduate qualifications.

## **6.4 DESCRIPTIVE PRESENTATION OF THE FINDINGS AND RESULTS OF THE SELECTED PROVINCIAL DEPARTMENTS FROM SECTION B OF THE STRUCTURED QUESTIONNAIRE**

This section includes statements or questions designed to gather information on financial accountability, good governance, and service delivery. Here, the researcher aimed to address the research questions outlined in Section 1.3.1.1.

- What are the theoretical and legislative regulatory principles, standards and requirements of financial accountability and good governance to promote public service delivery efficiency?
- How does financial accountability influence the financial performance outcomes of provincial departments and municipalities in the NCP?

- How does financial accountability influence the implementation of key financial legislation and treasury and SCM regulations in provincial departments and municipalities in the NCP?
- How does financial accountability influence the functionality of financial controls in provincial departments and municipalities in the NCP?
- How does financial accountability influence good governance in provincial departments and municipalities in the NCP?
- How does financial accountability influence the delivery of public service efficiency in provincial departments and municipalities in the NCP?
- What lessons can be learned from the international and national perspectives regarding financial accountability, good governance and service delivery efficiency?

While some responses to the research questions were already addressed in Chapters Two, Three, and Four of the literature review, this chapter presents the findings of the empirical study, and the results of the inferential statistical analysis used to test the hypotheses outlined in Chapter Five. The study evaluated the impact of financial accountability on good governance in selected provincial government departments and local municipalities through a structured questionnaire. Questions from 6.4.1 to 6.12.1 specifically report the findings and analysis for these departments. Both descriptive and inferential statistical analyses are included in Section 6.5. The descriptive statistics cover all variables that informed this study.

#### **6.4.1 Legislative provisions to promote accountable and effective financial management in provincial government departments**

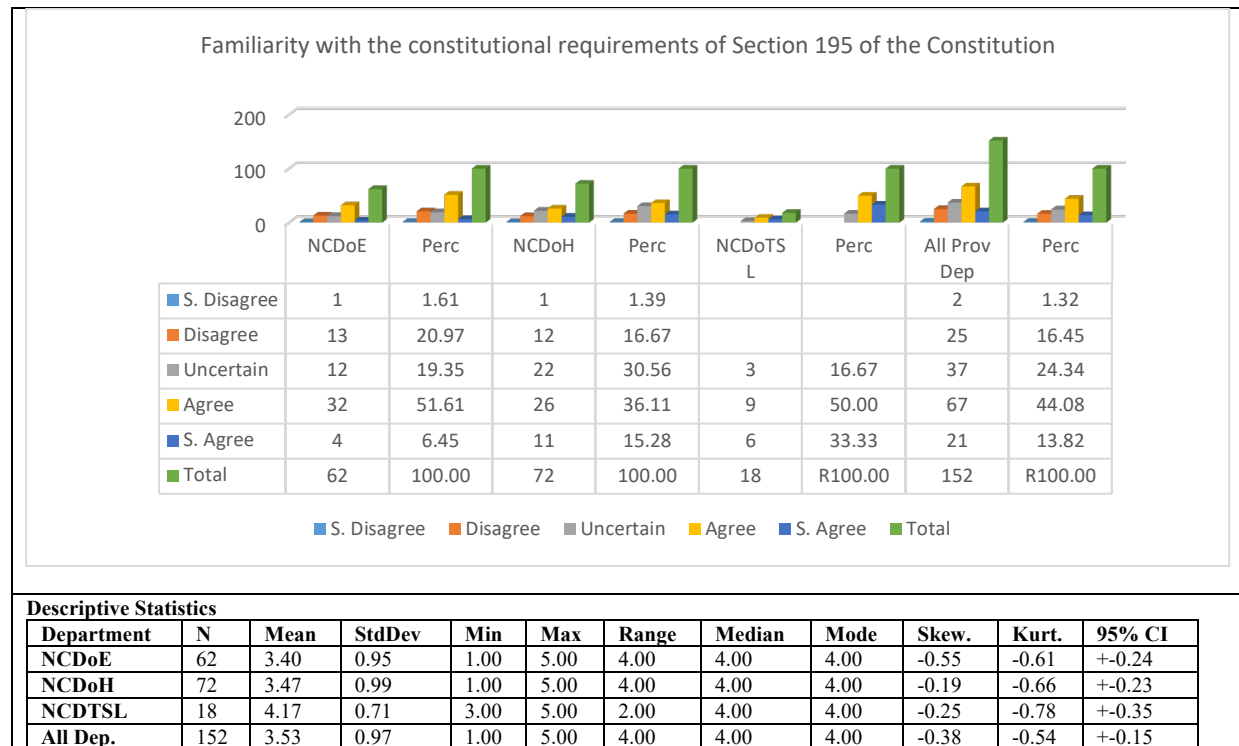
In response to question 6.4.1, the researcher identified five questions aimed at providing answers regarding the legislative provisions that promote accountable and effective financial management, listed below:

- Public officials in the department are familiar with the constitutional requirements provided in Section 195 of the *Constitution* to promote accountable governance.
- Public officials in the department attend training programmes on financial management, including legislative requirements, to promote effective financial management.
- Public officials in the department always comply with financial legislative prescripts of the *PFMA*, SCM and treasury regulations when discharging their duties.

- Public officials in the department disregard rules, policies, and legislation when implementing the budget.
- Disciplinary steps are taken against public officials in the department who contravene legislative prescripts such as the *PFMA*, SCM policies and Treasury regulations.

#### 6.4.1.1 Public officials in the department are familiar with the requirements provided in Section 195 of the *Constitution* to promote accountable governance

With the statement in 6.4.1.1, the researcher aimed to assess how well public officials understood the requirements of Section 195 of the *Constitution* for promoting accountable governance. Figure 6.1 presents a graph illustrating the findings, including frequencies and descriptive statistics on respondents' familiarity with these constitutional requirements.



(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

**Figure 6.1: Familiarity with the requirements outlined in Section 195 of the *Constitution***

The bar graph in Figure 6.1 shows 56.28% of respondents from the three provincial departments agreed (44.08%) or strongly agreed (13.82%) that public officials knew the constitutional requirements of Section 195 for accountable governance. Of the 44.1% who agreed in 6.4.1.1, the NCDoE and NCDTSL accounted for 51.6% and 50.0%, respectively, while the NCDoH comprised 36.1%. A significant proportion (24.3%) were uncertain, mostly

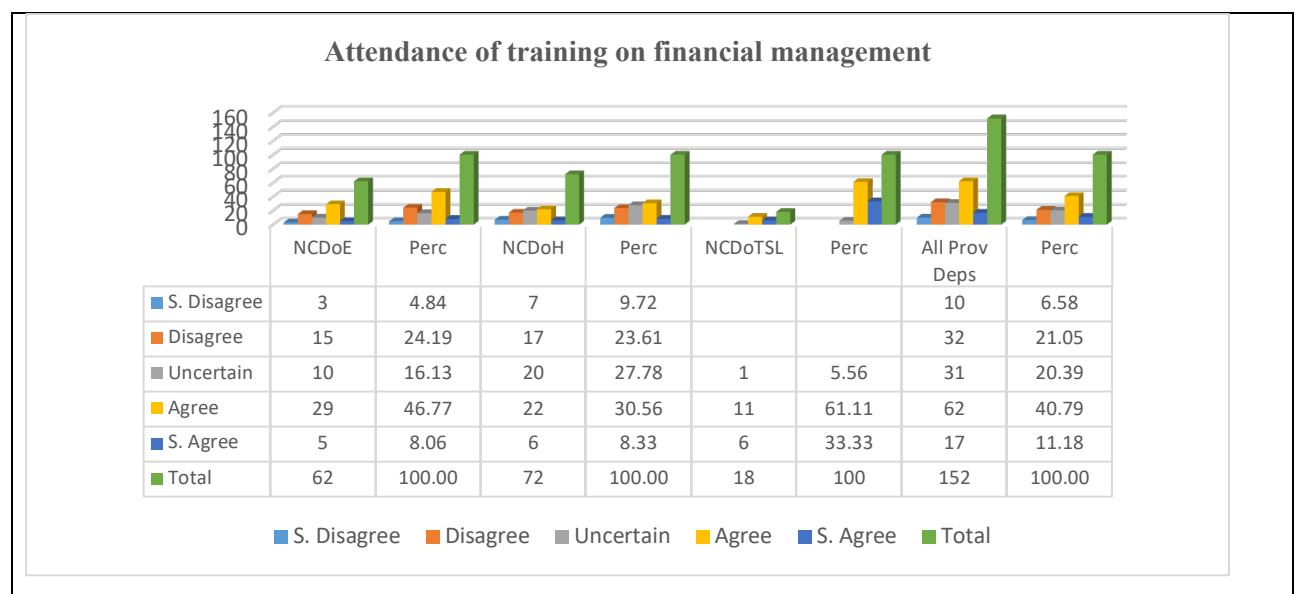
from NCDoH (30.1%), with NCDoE and NCDTSL at 19.4% and 16.7%. The rest (17.1%) were divided between disagreement (16.5%) and strong agreement (1.32%).

### Summary of the descriptive statistical analysis and interpretation of central tendency in Figure 6.1.

The findings indicate that most respondents (56.28%) agreed or strongly agreed that public officials in the three provincial departments were familiar with Section 195 of the *Constitution*, which promotes accountable governance, while 24.34% were uncertain. The mean (3.53), median (4.00), and mode (4.00) support this, and the median exceeding the mean indicates more respondents agree. Section 2.3.2 notes that using resources effectively to promote accountability is a constitutional obligation across all levels of government (Thornhill, 2015:82-83; Holtzhausen in Draai *et al.*, 2016:94).

#### 6.4.1.2 Public officials in the department attend training programmes on financial management, including legislative requirements, to promote effective financial management

The statement in 6.4.1.2 aimed to assess how participation in training programmes on financial management, including legislative requirements, promotes effective financial management. Figure 6.2 provides a graphical representation of the findings, including frequencies and descriptive statistics on the extent to which these training programmes promote effective financial management.





| Descriptive Statistics |     |      |        |      |      |       |        |      |       |       |         |
|------------------------|-----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Department             | N   | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| NCDoe                  | 62  | 3.29 | 1.08   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.45 | -0.81 | +/-0.27 |
| NCDoH                  | 72  | 3.04 | 1.13   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.14 | -0.81 | +/-0.26 |
| NCDTSL                 | 18  | 4.28 | 0.57   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | -0.02 | -0.25 | +/-0.29 |
| All Prov Deps          | 152 | 3.29 | 1.12   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.39 | -0.76 | +/-0.18 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

### Figure 6.2: Public officials in the department attend training programmes on financial management

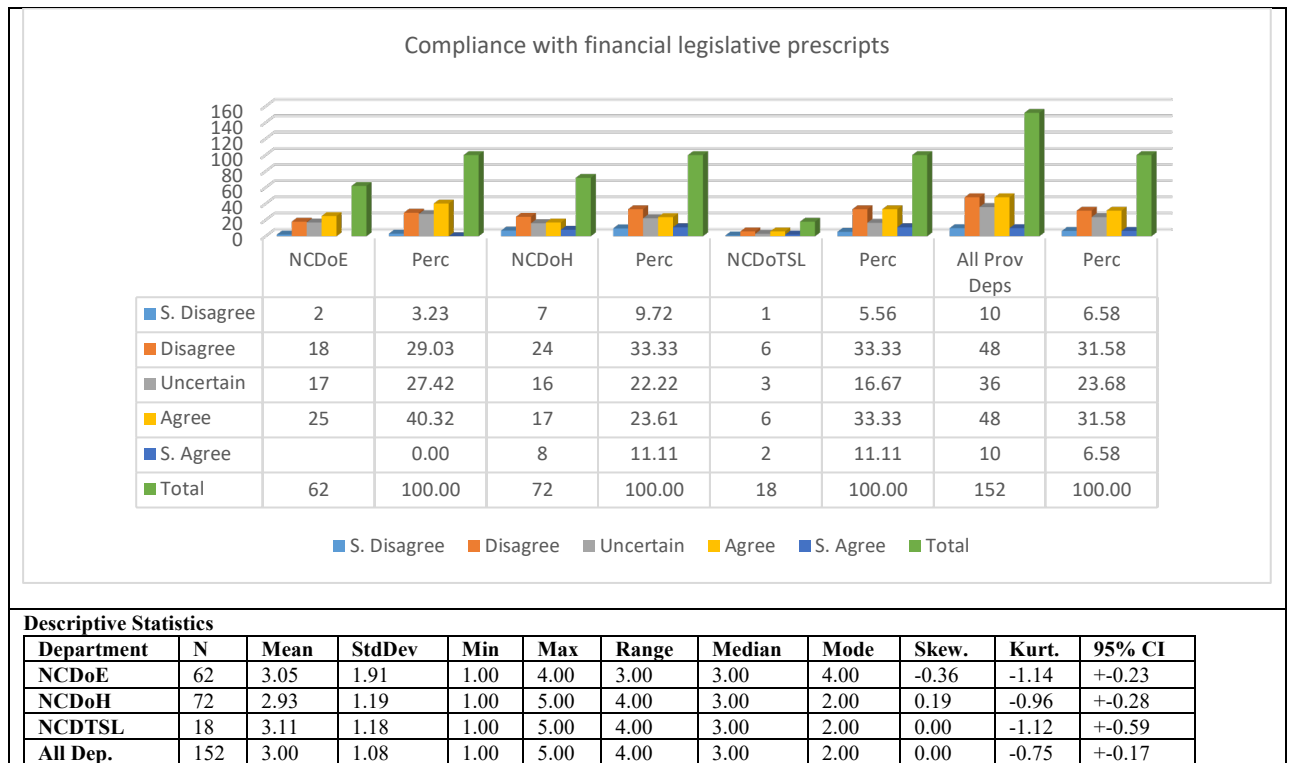
Figure 6.2 above shows that a majority of responses were from those who agreed (40.8%) and strongly agreed (11.2%) that public officials attended financial management training programs. Conversely, 21.1% disagreed, and 20.4% were uncertain. The smallest group was those who strongly disagreed, at 9.7%.

#### Summary of the descriptive statistical analysis and interpretation of central tendency in

**Figure 6.2.** The above findings demonstrate that most respondents (52%) agreed (40.8%) and strongly agreed (11.2%) with the statement, while 20.4% were unsure. Consistent with these findings, the mean (3.29), median (4.00), and mode (4.00) suggest that a significant proportion of respondents believed that public officials had participated in training programmes on financial management. The median (4.00) being higher than the mean (3.29) and the negatively skewed (-0.39) distribution of data indicate that more responses affirmed (52%) the statement that public officials had attended training programmes on financial management.

#### 6.4.1.3 Public officials in the department always comply with financial legislative prescripts of the *PFMA*, *SCM*, and treasury regulations when discharging their duties

Statement 6.4.1.3 evaluated how consistently public officials in the department followed the financial legislative requirements of the *PFMA*, *SCM*, and treasury regulations in their duties. Figure 6.3 presents the results using frequencies and descriptive statistics, showing the degree to which these officials always comply with the relevant financial regulations.



(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

**Figure 6.3: Public officials in the department always comply with the financial legislative prescripts of the *PFMA*, *SCM*, and treasury regulations**

Figure 6.3 shows that 38.16% of respondents disagreed (31.58%) or strongly disagreed (6.58%) with the statement, while the same percentage agreed, including 31.58% who agreed and 6.58% who strongly agreed that provincial departments followed *PFMA*, *SCM*, and treasury regulations. Smaller groups strongly agreed (6.6%) and strongly disagreed (6.6%), with 23.7% uncertain.

**Summary of the descriptive statistical analysis and interpretation of central tendency in Figure 6.3.** Most respondents agreed (31.6%), and an equal percentage disagreed (31.6%) with the statement. The mean and median (both 3.00) indicate that opinions were split on whether provincial departments complied with the *PFMA*, *SCM*, and Treasury regulations. Section 2.9 noted financial malpractices often stem from non-compliance and unethical *SCM* practices by officials (Baloyi and Beyers, 2019:464).

#### 6.4.1.4 Public officials in the department disregard rules, policies, and legislation when implementing the budget

The statement in 6.4.1.2 was examined to determine how public officials in the department disregard rules, policies, and legislation when implementing the budget. In Figure 6.4, a graphical depiction of the findings, frequencies and descriptive statistics on the extent to which public officials in the department disregard rules, policies, and legislation when implementing the budget.



(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

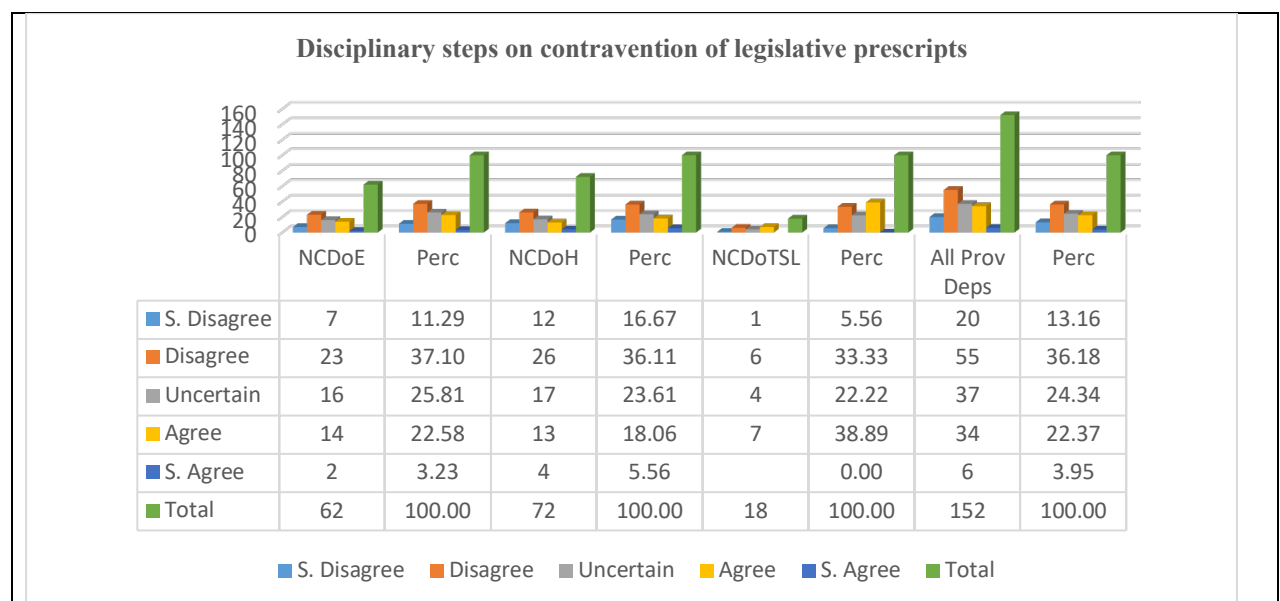
**Figure 6.4: Public officials in the department disregard rules, policies, and legislation when implementing the budget**

In Figure 6.4 above, it is shown that the largest proportion (36.2%) disagreed (28.3%) and strongly disagreed (7.89%), while a combined proportion (33.6%) strongly agreed and agreed, which was almost equal to the total sum of the categories of disagreed and strongly disagreed (36.2%). This suggests that public officials in the department disregarded the rules, policies, and legislation when implementing the budget. Meanwhile, 30.3% were uncertain. Consistent with these findings is that accounting officers disregard anti-corruption policies and regulations (Vorster & Nwosu, 2024:1)

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.4.** The above findings illustrate that most respondents (36.2%) disagreed or strongly disagreed, while a combined proportion of respondents (33.6%) agreed or strongly agreed with the statement, and 30.26% were uncertain. The median value (3.00), which is higher than the mean (2.93), reflects that the central tendency of the respondents was skewed towards agreeing with the assertion that public officials in the department disregarded rules, policies, and legislation when implementing the budget. The respondents who remained uncertain about their opinion have a mode value of 3.00.

#### 6.4.1.5 Disciplinary measures are taken against public officials in the department who violate legislative requirements such as the *PFMA*, SCM policies, and treasury regulations.

The statement in 6.4.1.5 aimed to determine how disciplinary measures were imposed on public officials within the department who breached legislative requirements such as the *PFMA*, SCM policies, and treasury regulations. Figure 6.5 provides a graphical representation of the findings, illustrating the frequencies and descriptive statistics regarding the extent to which disciplinary actions were taken against these officials for violating legislative prescripts, such as the *PFMA*, SCM policies, and Treasury regulations.



| Descriptive Statistics |     |      |        |      |      |       |        |      |       |       |        |
|------------------------|-----|------|--------|------|------|-------|--------|------|-------|-------|--------|
| Department             | N   | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI |
| NCDoe                  | 62  | 2.69 | 1.05   | 1.00 | 5.00 | 4.00  | 3.00   | 2.00 | 0.21  | -0.76 | +0.26  |
| NCDoH                  | 72  | 2.60 | 1.13   | 1.00 | 5.00 | 4.00  | 2.00   | 2.00 | 0.38  | -0.67 | +0.27  |
| NCDTSL                 | 18  | 2.94 | 1.00   | 1.00 | 4.00 | 3.00  | 3.00   | 4.00 | -0.28 | -1.27 | +0.50  |
| All Dep.               | 152 | 2.68 | 1.08   | 1.00 | 5.00 | 4.00  | 3.00   | 2.00 | 0.23  | -0.81 | +0.17  |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

**Figure 6.5: Disciplinary steps are taken against public officials in the department who contravene legislative prescripts such as the *PFMA*, SCM policies and treasury regulations**

The findings in Figure 6.5 show that the combined proportion (49.4%) of respondents strongly disagreed (13.2%) and disagreed (36.2%) with the statement in 6.4.15. This indicates that the majority of respondents were against the assertion that disciplinary actions were taken against public officials in the department who violated legislative requirements such as the *PFMA*, SCM policies, and treasury regulations. The combined categories of those who agreed and strongly agreed accounted for 26.3% of respondents; this response rate was slightly higher than that of those who were uncertain (24.3%).

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.5.** The above findings illustrate that most respondents (49.4%) either strongly disagreed (13.2%) or disagreed (36.2%) with the statement. However, Section 4.7 of the study mentions that the Auditor-General's Consolidated Report on National and Provincial Departments' Audit Outcomes for 2023/24 states that compliance findings were raised in the NCP departments related to consequence management. Therefore, audit units and audit committees must ensure these matters are investigated to improve consequence management and disciplinary processes. In Section 2.3.4, it was mentioned that Section 381(g) states that the AO of a department must take the required disciplinary steps against any official who contravenes or fails to comply with the provisions of the *PFMA*.

The overall conclusion from this descriptive analysis is that most public officials who violated financial legislative prescripts were neither sanctioned nor disciplined, resulting in a lack of financial accountability within provincial government departments. This conclusion is supported by the median value (3.00), which was higher than the mean (2.68). The mode value was 2.00, and the positive skewness of 0.93 indicates a tendency towards disapproval of the assertion that most responses (49.4%) did not support the claim that disciplinary actions were

taken against public officials in the department who violated legislative prescripts such as the *PFMA*, *SCM* policies, and Treasury regulations.

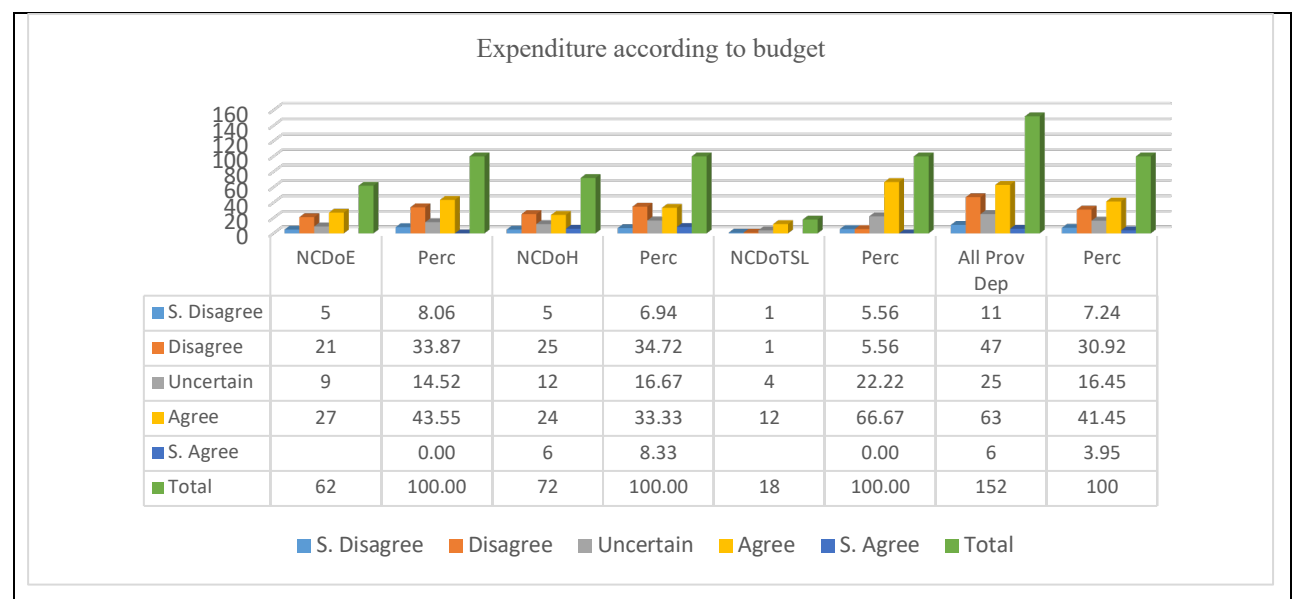
#### 6.4.2 Financial accountability

Financial accountability is a key independent variable examined in this research. The following statements supported the investigation of financial accountability in question 6.4.2:

- Public officials in the department utilise public funds in accordance with the budget to prioritise the basic needs of the community.
- The department makes financial reports easily accessible to oversight bodies, namely the internal audit committee, portfolio committee, and the Auditor General.
- Public officials within the department are consistently held accountable for how they use public funds.
- The department effectively investigates acts of financial misconduct by public officials.
- The department investigates acts of financial misconduct by public officials effectively.

##### 6.4.2.1 Public officials in the department use public funds according to the budget to prioritise the basic needs of the community

The statement aimed to determine whether public funds were used in accordance with the budget to prioritise the basic needs of the community. The findings are depicted in Figure 6.5 below.



| Descriptive Statistics |     |      |        |      |      |       |        |      |       |       |         |
|------------------------|-----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Department             | N   | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| NCDDoE                 | 62  | 2.94 | 1.05   | 1.00 | 4.00 | 4.00  | 3.00   | 3.00 | -0.30 | -1.38 | +/-0.27 |
| NCDDoH                 | 72  | 3.01 | 1.14   | 1.00 | 5.00 | 4.00  | 3.00   | 2.00 | 0.03  | -1.12 | +/-0.27 |
| NCDTSL                 | 18  | 3.50 | 0.86   | 1.00 | 4.00 | 3.00  | 4.00   | 4.00 | -1.89 | 3.38  | +/-0.43 |
| All Dep.               | 152 | 3.04 | 1.09   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.24 | -1.13 | +/-0.17 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

**Figure 6.6: Investigating whether the use of public funds was according to the budget**

In Figure 6.6 above, the findings reveal a contrasting outcome in the responses of the research participants. The combined categories of those who strongly agreed and agreed with the statement that public funds were allocated according to the budget to address the community's basic needs made up 45.4% of the responses. On the other hand, 38.2% opposed the statement, with 30.9% disagreeing and a smaller portion (7.2%) strongly disagreeing. Only 16.5% of respondents were uncertain whether public funds were used according to the budget to prioritise the community's basic needs.

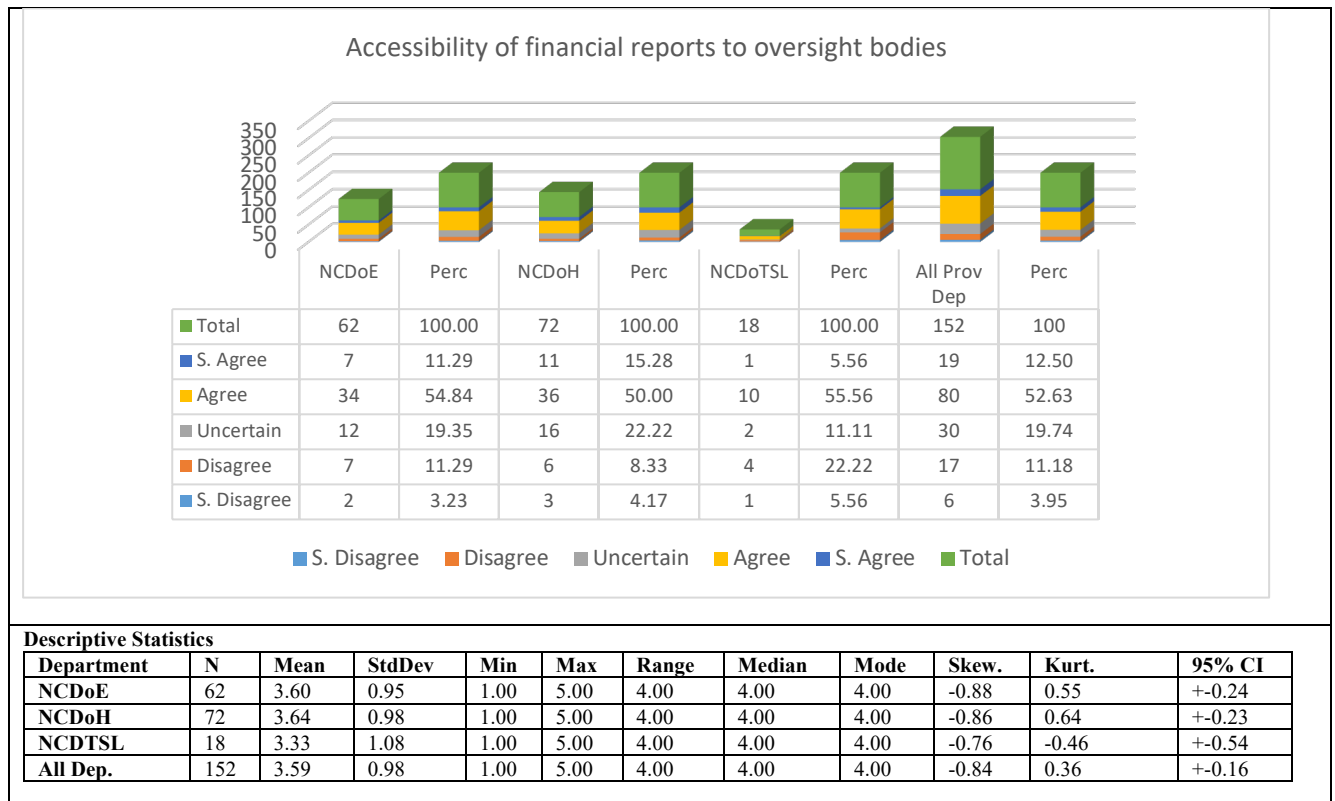
#### **Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.6.**

The findings show that 45.4% of respondents strongly agreed (3.95%) or agreed (41.45%) with the statement. Despite the mean (3.04) being higher than the median (3.00), negative skewness (-0.24) and mode (4.00) indicate more support (45.4%) than opposition (38.16%) for the assertion that public funds were used as planned to meet community needs. Chapter Two, Section 2.7.1, highlighted that public expenditure should be monitored against the budget, and integrating budgeting with strategic and operational planning helps track spending trends to ensure they align with planned activities (Siswana, 2007:115).

#### **6.4.2.2 The department makes financial reports easily accessible to oversight bodies, such as the internal audit committee, portfolio committee, and the Auditor-General**

This statement in 6.4.2.2 examined whether the provincial government departments, as the implementing agents of service delivery, were accountable to internal and external oversight bodies. The findings are depicted in Figure 6.7 below.





(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

**Figure 6.7: Accessibility of financial reports to oversight bodies**

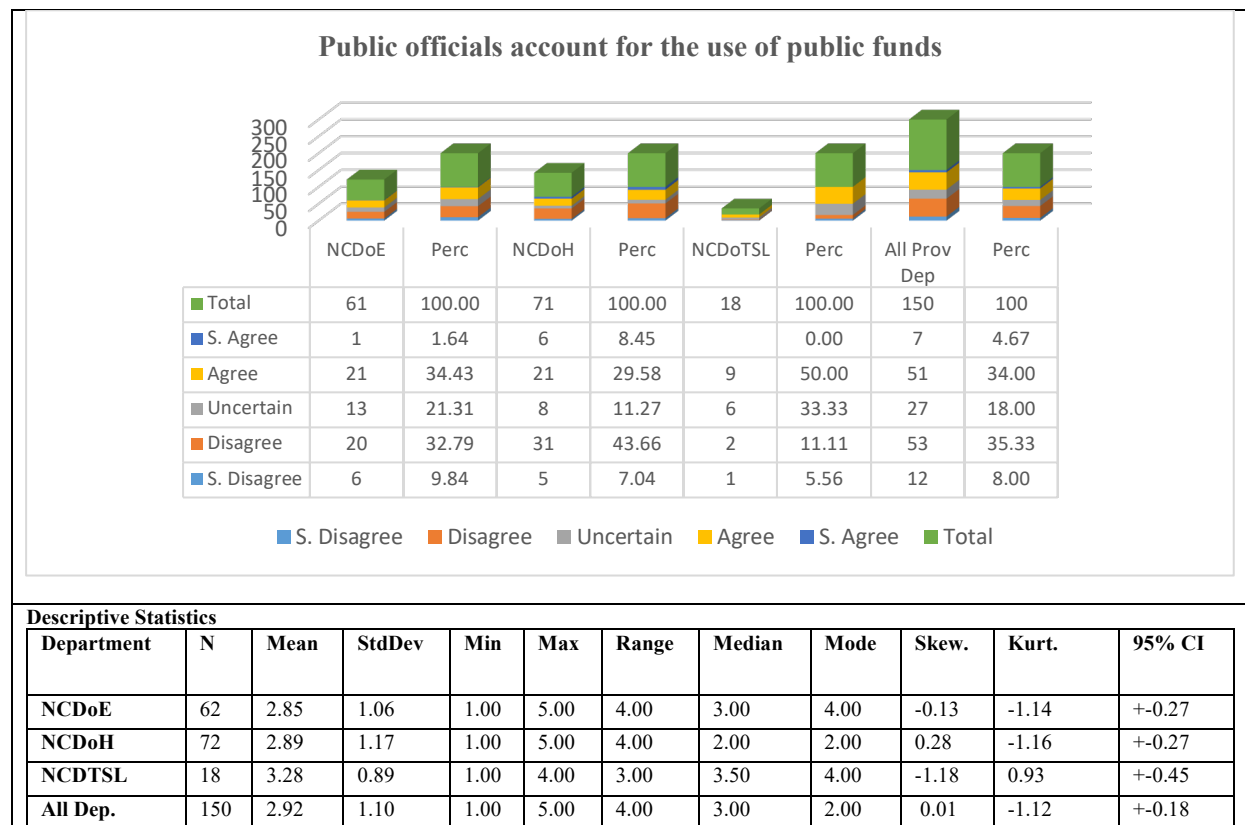
Figure 6.7 indicates that a significant proportion of respondents agreed that financial reports were made accessible to oversight bodies. The combined categories of this affirmation included 65.1% of respondents who agreed (52.6%) and strongly agreed (12.5%) with the assertion in 6.4.2.2. However, a small fraction, comprising 15.2% of respondents, ranged from disagreeing (11.2%) to strongly disagreeing (4.0%) with the statement that the departments made financial reports accessible to oversight bodies. The group of respondents who were uncertain made up 19.7% of the research sample.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.7.** The findings above show that a significant proportion (65.1%) of the respondents either agreed (52.6%) or strongly agreed (12.5%) with the statement. It can be concluded from the descriptive statistics that the combined proportion (65.1%) of respondents confirmed that the provincial departments had made financial reports accessible to oversight bodies. The central tendency of responses indicates that the median (4.00) was slightly higher than the mean (3.59). The value of 4.00 for the mode and the negatively skewed (-0.84) distribution of data suggest that more respondents agreed with the assertion in 6.5.2.2 that the provincial departments had made financial reports accessible to oversight bodies. Section 2.5.2, Chapter

Two highlighted that these reports need to be readily available to the AO because they must be analysed, signed, and submitted to the relevant treasury (Thys and Wait, 2020:64).

#### 6.4.2.3 Public officials in the department are always held to account for the use of public funds

The statement in 6.4.2.3 assessed whether public officials in the department were consistently held to account for the use of public funds. As with the earlier sections, graphical representations of frequencies and descriptive statistics were utilised in analysing the findings, as illustrated in Figure 6.8 below.



(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

**Figure 6.8: Public officials account for the use of public funds**

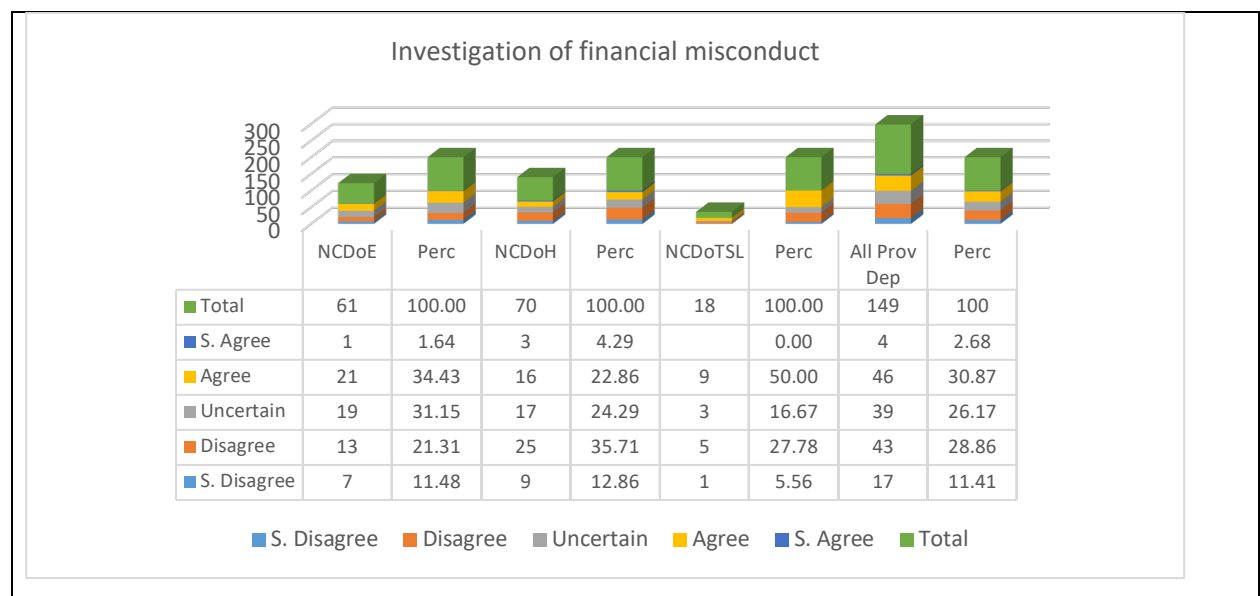
Figure 6.8 shows that a significant 43.3% of respondents disapproved of the statement that public officials were always held accountable for the use of public funds. Among these disapprovers, 35.3% disagreed and 8.0% strongly disagreed. Another group (a combined 38.67% of respondents) agreed (34.4%) or strongly agreed (4.7%) that public officials do account for the use of public funds. The remaining 18.0% of respondents were uncertain.

## Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.8.

The above findings illustrate that a significant proportion of respondents (43.3%) disagreed (35.3%) or strongly disagreed (8.0%) with the statement. The central tendency of descriptive statistics was consistent with the findings as depicted in Figure 6.8. The mean value (2.92) is lower than the median (3.00), and with the mode being 2.00, it indicates that the combined proportion (43.33%) of respondents disagreed with the assertion in 6.4.2.3. With a positively skewed distribution (0.01), it can be inferred from the findings that there was a lack of financial accountability regarding how public funds were spent in provincial government departments. This outcome resonates with Section 2.5.1 where it was reported that the NCDoH had mismanaged its funds with no one held accountable. Furthermore, in Section 3.4, Chapter Three, of the study, it was mentioned that, in terms of Section 38(1)(g) of the *PFMA*, the AO of a department must take the necessary disciplinary steps against any official who contravenes or fails to comply with the provisions of the *PFMA*.

### 6.4.2.4 Acts of financial misconduct by public officials are effectively investigated in the departments

The statement in 6.4.2.4 was to determine if acts of financial misconduct were effectively investigated in the provincial departments. The results of the investigation regarding statement 6.4.2.4 are depicted in Figure 6.9 below.



| Descriptive Statistics |     |      |        |      |      |       |        |      |       |       |          |
|------------------------|-----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Department             | N   | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| NCDDoE                 | 61  | 2.93 | 1.05   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.41 | -0.81 | +/- 0.27 |
| NCDDoH                 | 70  | 2.70 | 1.09   | 1.00 | 5.00 | 4.00  | 3.00   | 2.00 | 0.22  | -0.81 | +/- 0.26 |
| NCDTSL                 | 18  | 3.11 | 1.02   | 1.00 | 4.00 | 3.00  | 3.50   | 4.00 | -0.62 | -1.08 | +/- 0.51 |
| All Dep.               | 149 | 2.85 | 1.07   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.12 | -0.98 | +/- 0.17 |

(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

### Figure 6.9: Investigation of acts of financial misconduct

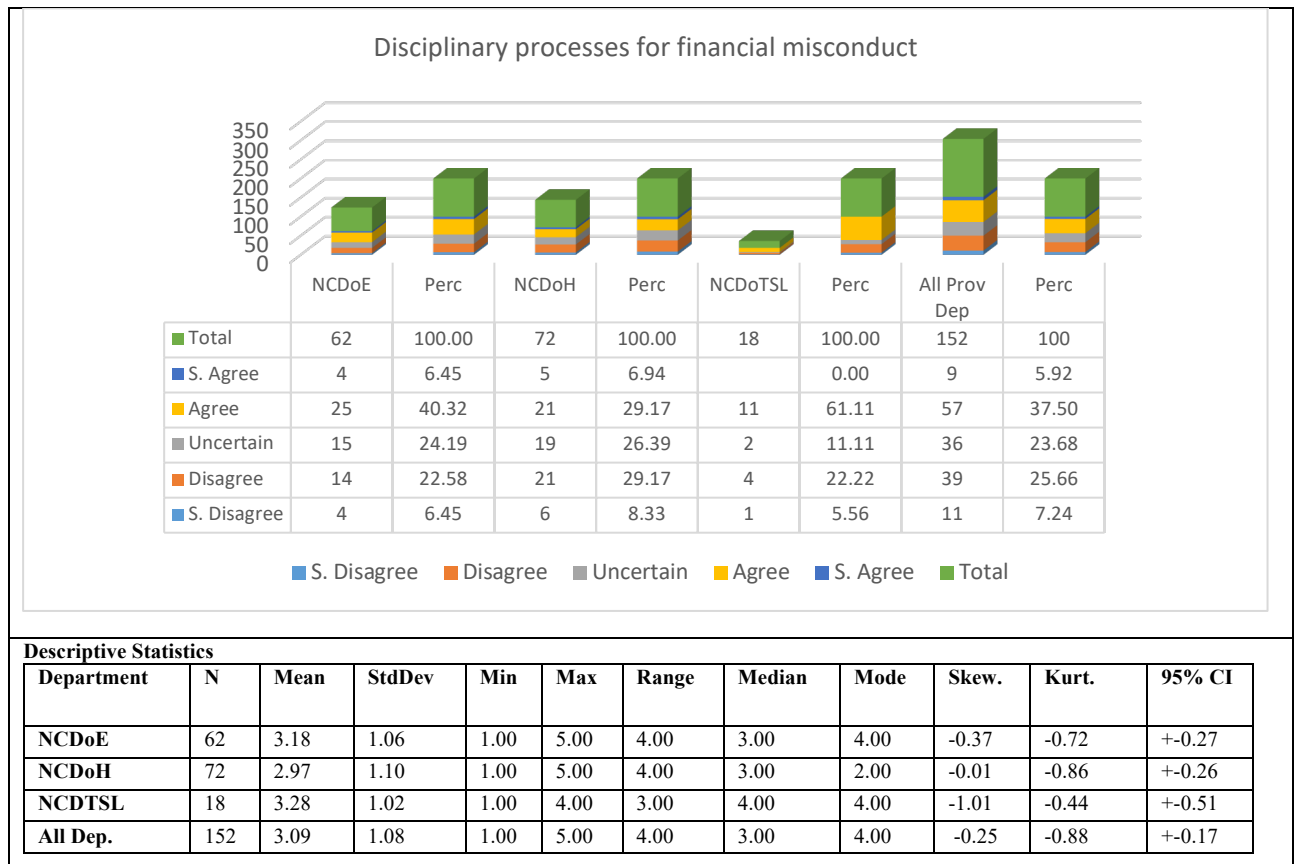
Figure 6.9 shows that the largest proportion (30.9%) of respondents agreed with the assertion that acts of financial misconduct had been effectively investigated in the department. Supporting this assertion, in 6.4.2.4, the smallest percentage of respondents had strongly agreed was 2.3%. The combined categories of respondents who disagreed (28.9%) and strongly disagreed (11.4%) made up 40.3% of the research respondents. There was also a significant percentage of respondents who remained uncertain (26.2%).

### Summary of descriptive statistical analysis and interpretation of central tendency in

**Figure 6.9.** Figure 6.18 shows that 40.3% of respondents opposed the statement that financial misconduct was effectively investigated, with 28.9% disagreeing and 11.4% strongly disagreeing. Meanwhile, 33.55% agreed or strongly agreed, and 26.17% were uncertain. The mean is 2.85, which is lower than the median of 3.00, indicating that more respondents disagreed. The mode is 4.00, but the mean and median reflected that more respondents believed misconduct was not effectively investigated, contradicting the mandate of the Public Service Commission (PSC) to oversee public service practices. An example from Section 4.3.1.4 highlights SCOPA's inability to effectively investigate misconduct linked to the Gupta family, allegedly due to collusion with public officials.

### 6.4.2.5 Departmental officials found guilty of financial misconduct face disciplinary processes

The statement in 6.4.2.5 aimed to assess whether departmental officials found guilty of financial misconduct had undergone disciplinary processes. The findings are shown in Figure 6.10 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023 and SPSS)

**Figure 6.10: Application of disciplinary processes for financial misconduct**

The findings shown in Figure 6.10 reveal that out of 152 research respondents, there were marked differences in views on whether acts of financial misconduct were effectively investigated in the provincial departments. The combined categories of respondents who strongly disagreed and disagreed with the statement in 6.4.2.5 accounted for 32.9%, which was less than the combined proportion of those who strongly agreed (5.92%) and agreed (37.50%), totalling 43.4%. Among the 152 respondents, 23.7% expressed uncertainty.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.10.** The findings show that 43.4% of respondents either agreed (37.5%) or strongly agreed (5.92%) with the statement. The mean (3.09) and median (3.00) suggest that most responses were below the mean. The negatively skewed distribution (-0.25) indicates that more respondents supported the statement (43.4%) than opposed it. This implies that disciplinary actions for financial misconduct have been somewhat implemented in provincial government departments. However, as discussed in Section 2.10, this has not always been the case. The NCDDoE Annual Performance Report 2019/20 (2020:92) states that, according to SCOPA

resolutions, no instances of financial misconduct were reported by the NCDDoE during the 2019/20 financial year, resulting in no disciplinary or punitive measures being taken against officials. Additionally, Section 2.3.4, emphasises that Section 38(1)(h)(iii) of the PFMA mandates disciplinary action against officials responsible for incurring unauthorised, irregular, or fruitless and wasteful expenditure.

#### **6.4.3 Public expenditure and financial accountability**

It was stated in Section 3.1 that the PEFA is an assessment tool guided by seven pillars, which are budget reliability, transparency of public finances, management of assets and liabilities, policy-based fiscal strategy and budgeting, predictability and control in budget execution, accounting and reporting, and external scrutiny and audit. To further explore how well the PEFA is understood and utilised in the provincial departments, the following variables were tested in this research study.

Public officials in the department are familiar with public financial management and accountability assessment tools such as the Public Expenditure and Financial Accountability (PEFA).

The CFO or the Internal Audit Unit makes use of public financial management and accountability assessment tools such as PEFA to assess the department's financial management/accountability.

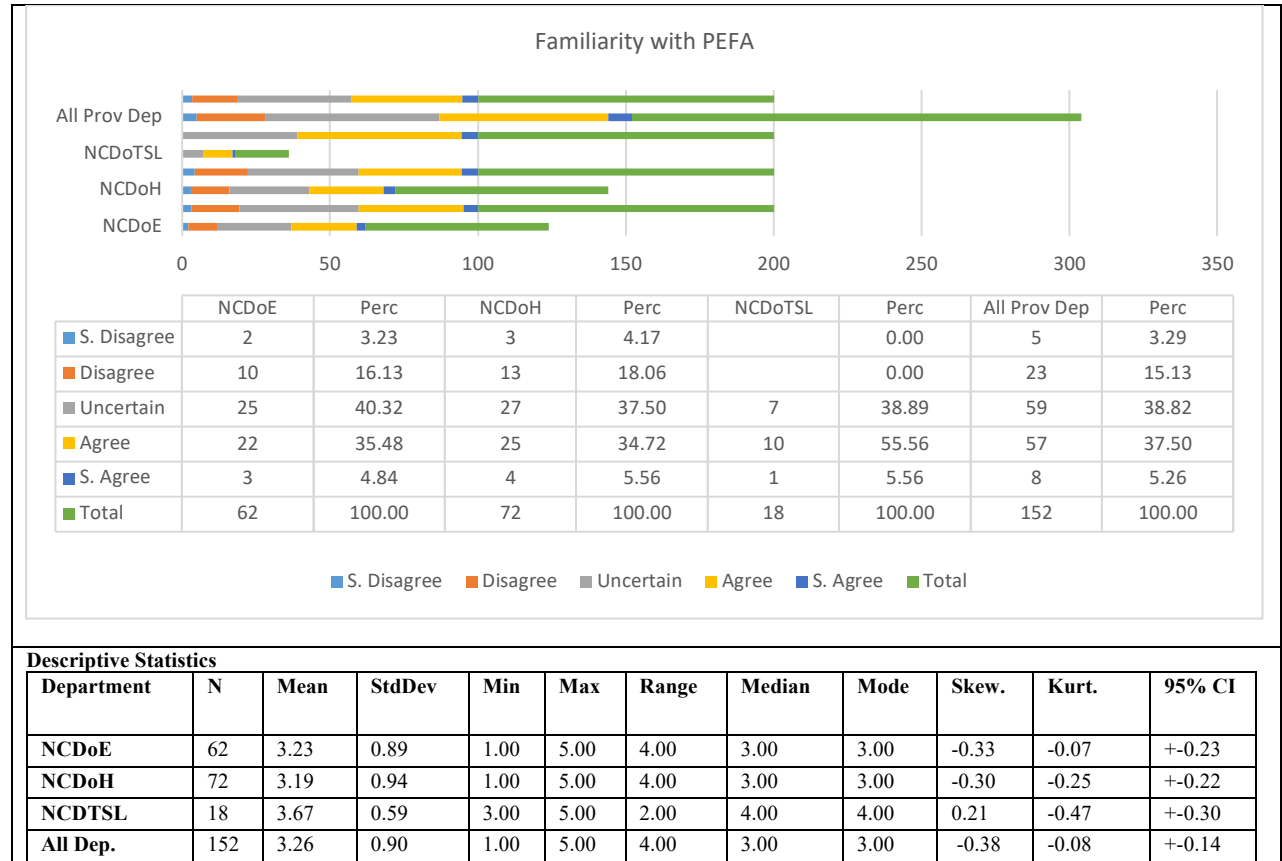
Public officials are familiar with aspects of public financial management (such as budgeting, asset and liability management) and financial accountability.

Public officials in the department always promote sound public financial management and accountability.

Poor financial management and a lack of financial accountability by departmental programmes contribute to unauthorised, irregular, fruitless, and wasteful expenditure.

##### **6.4.3.1 Public officials in the department are familiar with public financial management and accountability assessment tools, such as Public Expenditure and Financial Accountability (PEFA) or Budget-Driven allocations.**

The statement in section 6.4.3.1 assessed public officials' understanding of the PEFA tool to promote budget-driven allocations. Figure 6.11 illustrates these findings visually, supported by descriptive statistics and a summarised frequency table below.



(Source: Adapted from MoonStats (2005), DATatab (2023), and SPSS)

**Figure 6.11: Public expenditure and financial accountability assessment tool**

The findings in Figure 6.11 show that a significant proportion of respondents (37.5%) agreed that public officials in the department were familiar with the PEFA assessment tool. This was supported by a smaller percentage (5.3%) who strongly agreed. In contrast to those who agreed with the assertion in 6.4.3.1, 15.1% of respondents disagreed, while 3.3% strongly disagreed. The largest proportion of responses was from those who were uncertain, accounting for 38.8% of the respondents.

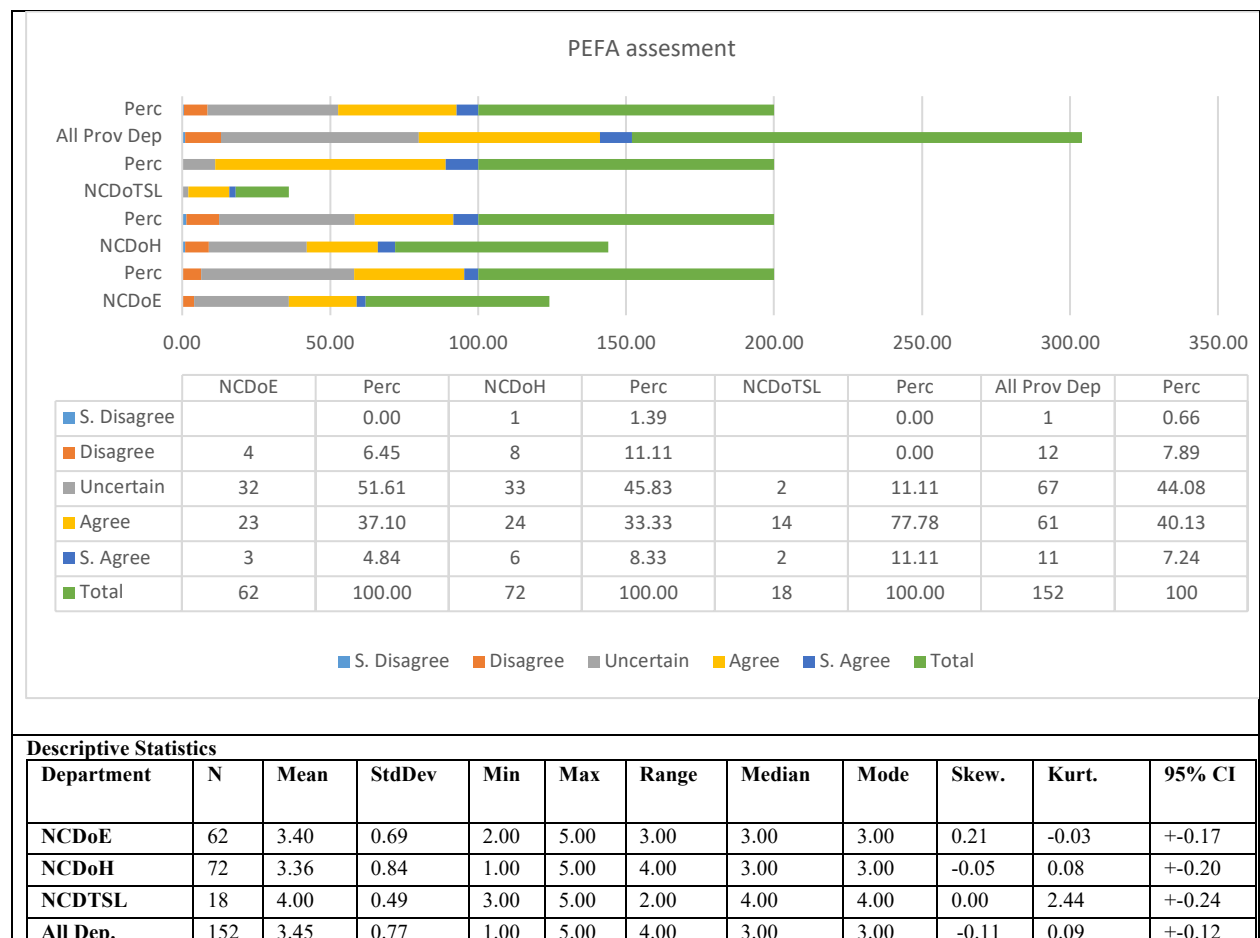
**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.11.** Although a notable 42.8% of respondents agreed (37.5%) or strongly agreed (5.3%) with the statement, the mean (3.26), median (3.00), and mode (3.00) values indicate uncertainty about whether department public officials are familiar with the PEFA assessment tool, which emphasises budget-driven allocations. The mean being lower than the median



suggests that more responses fall below the average. While support for statement 6.4.3.1 was slightly higher (42.8%) than opposition, a substantial 38.8% of respondents were unsure. Understanding financial assessment tools like the PEFA is crucial, given its widespread use by many countries as a diagnostic instrument to evaluate financial accountability and Public Financial Management (PFM), as detailed in Section 3.2.1, and Section 4.2 of this study.

#### 6.4.3.2 The CFO or Internal Audit Unit makes use of public financial management and accountability assessment tools such as the PEFA to assess the department's financial management/accountability

The statement in 6.4.3.2 aimed to identify whether the CFO or the internal audit unit had utilised the PEFA to evaluate the financial accountability of provincial departments. Figure 6.12 provides a visual representation of the findings, supported by descriptive statistics and a summarised frequency table below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.12: PEFA assessment tool to measure financial management and accountability**

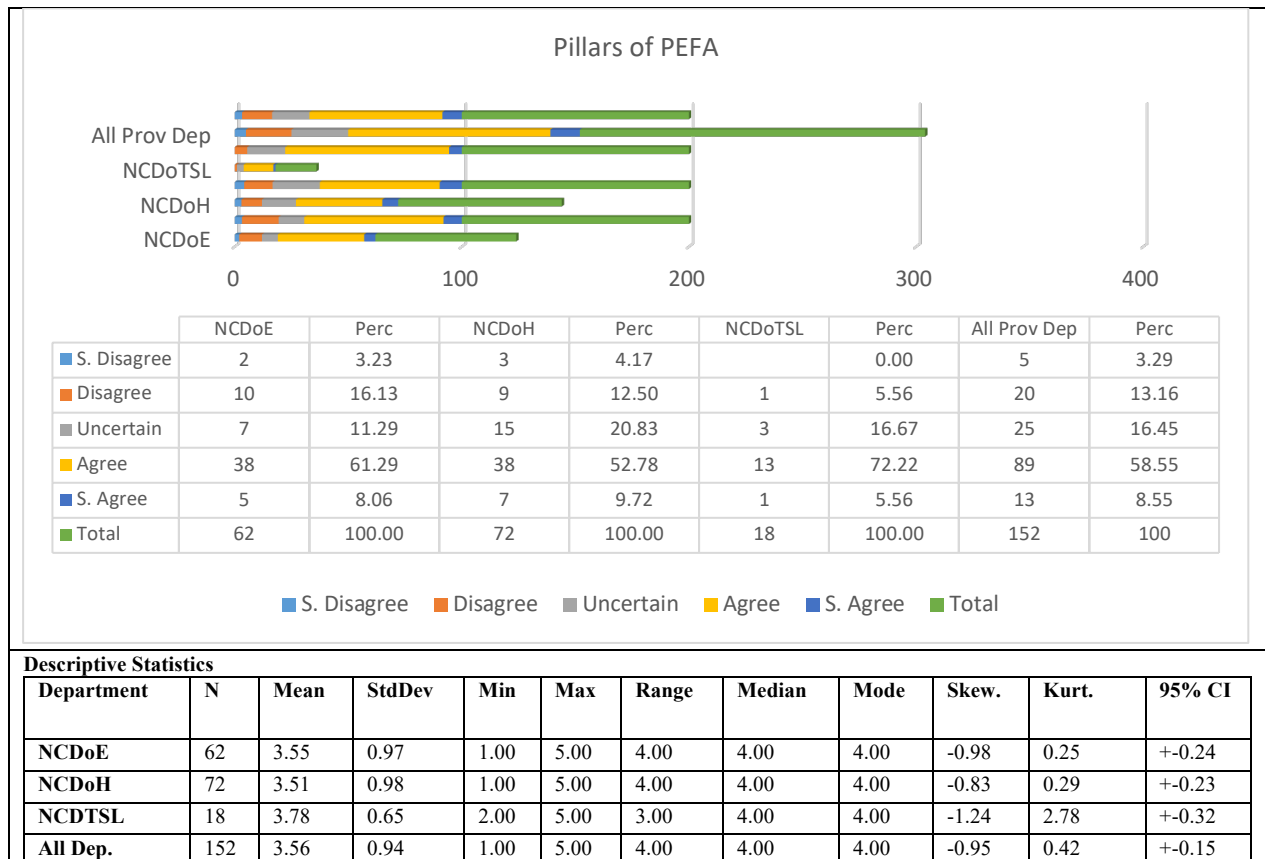
Figure 6.12 illustrates that a third (40.13%) of respondents agreed that the CFOs or the internal audit unit used the PEFA to assess the financial management and accountability of provincial departments. Supporting this, 7.2% of respondents strongly agreed with the statement in question 6.4.3.2. This shows that nearly half (47.4%) of the participants either agreed or strongly agreed with the statement. In contrast, the combined percentage of respondents who disagreed or strongly disagreed was 8.6%. Additionally, a significant proportion (44.1%) of respondents were unsure whether the CFOs or internal audit units used the PEFA to evaluate the financial management and accountability of provincial departments.

#### **Summary of descriptive statistical analysis and interpretation of central tendency in**

**Figure 6.12.** The above findings demonstrate that a significant proportion of the respondents (47.3%) either agreed (40.1%) or strongly agreed (7.2%) with the statement. The values of the mean (3.45), median (3.00), and mode (3.00) suggest there was almost a state of uncertainty among the respondents regarding whether the CFOs or the internal audit unit used the PEFA to assess the financial management and accountability of the provincial departments. This level of uncertainty, reflected in the values of central tendency, could be linked to the fact that the largest proportion of respondents, at 45.8%, were uncertain. It can be inferred and argued that those who were uncertain (45.8%) may not have been aware of the use of PEFA in assessing financial accountability within the department.

#### **6.4.3.3 Public officials are familiar with aspects of public financial management (budgeting, management of assets and liabilities) and financial accountability**

The statement in 6.4.3.3 was examined to determine whether public officials were familiar with aspects of public financial management and financial accountability. The findings of the investigation are presented graphically in Figure 6.13, supported by descriptive statistics and a summarised frequency table below.



(Source: Adapted from MoonStats (2005), DATatab (2023), and SPSS)

**Figure 6.13: Public officials are familiar with aspects of public financial management**

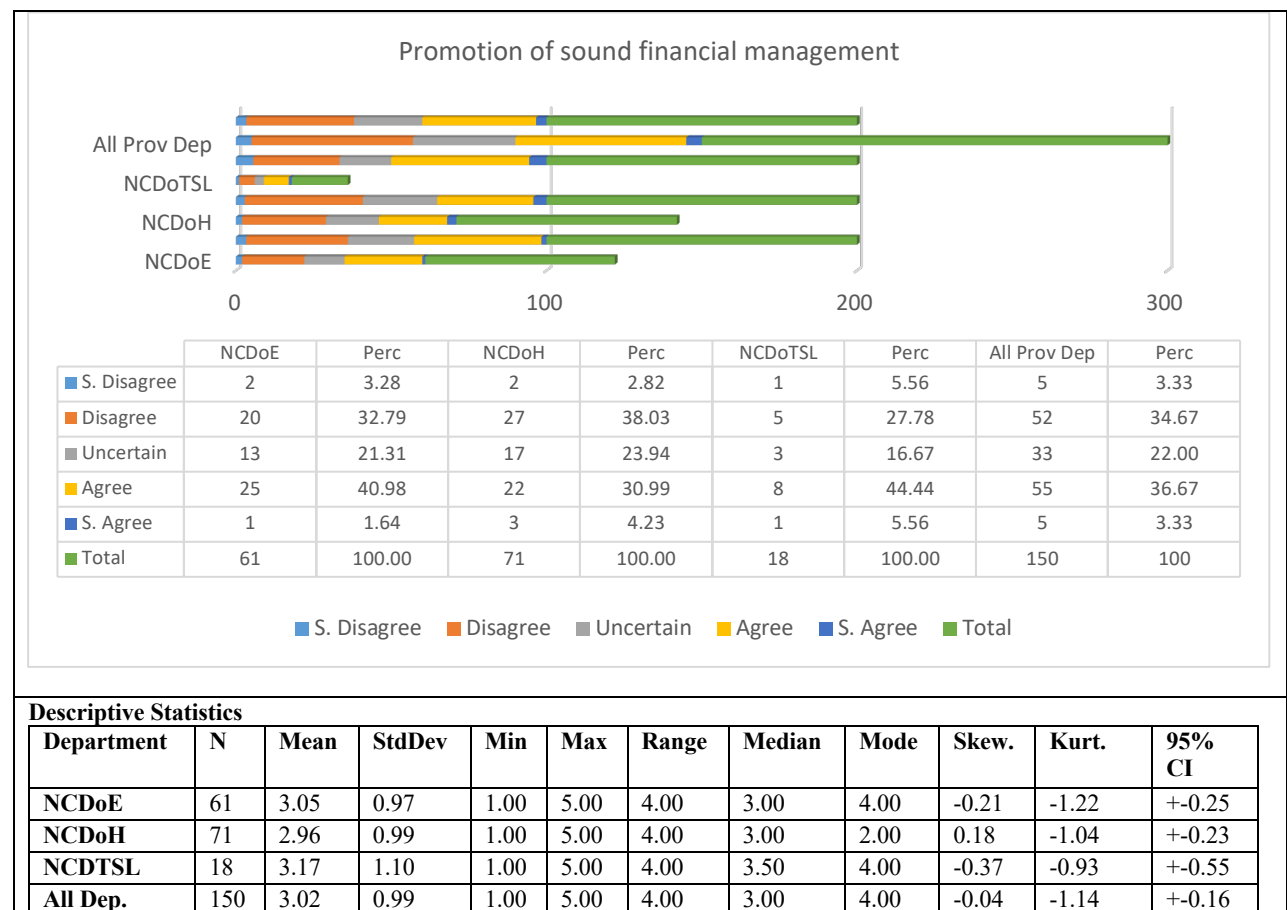
Figure 6.13 shows that a significant percentage, 67.0%, of the combined respondent categories agreed (58.5%) and strongly agreed (8.5%) with the statement in 6.4.3.3 that public officials were familiar with aspects of public financial management. A section of respondents, ranging from those who disagreed (13.2%) to those who strongly disagreed (3.3%), made up 16.5% of the research participants. The respondents who remained uncertain also accounted for 16.5%. It can be inferred from the findings depicted in Figure 6.12 that most respondents acknowledged familiarity with aspects of public financial management among public officials.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.13.** The above findings illustrate that a significant combined proportion of the respondents (67.1%) agreed (55.6%) and strongly agreed (8.6%) with the statement. The values of the mean (3.56), median (4.00) and mode (4.00) suggest that the combined proportion (67.1%) of respondents supported the assertion in statement 6.4.3.3 that public officials were familiar with aspects of public financial management. The central tendency indicates that the orientation of responses or distribution of data was negatively skewed (-0.95). The median (4.00) is larger than the mean (3.55), and the negative skewness (-0.95) indicates that more

respondents agreed with the statement than disagreed. The results of the central tendency analysis support the statement that asserts that public officials are familiar with aspects of public financial management. Although the findings indicate that the combined proportion (67.1%) of public officials were familiar with aspects of financial management, the implementation projects a contrary view of financial mismanagement across the NCDoH, NCDoE and NCDTSL as shown in Section 4.7 of the study.

#### 6.4.3.4 Public officials in the department always promote sound public financial management and accountability

The statement in 6.4.3.4 aimed to evaluate how public officials in the department promoted sound public financial management and accountability. The results are displayed graphically and in table format, showing numerical frequencies and descriptive statistics, as illustrated in Figure 6.14 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

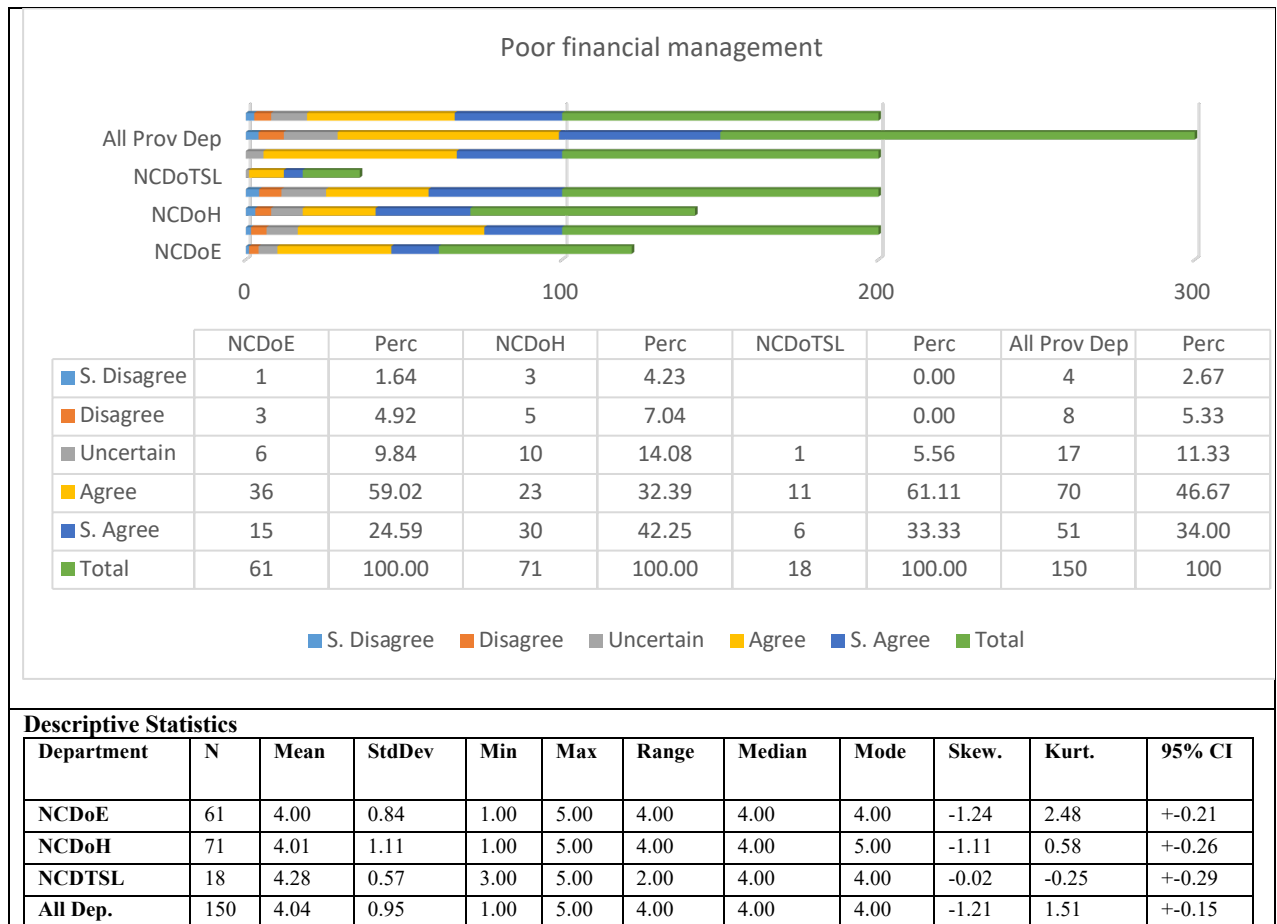
**Figure 6.14: Promotion of sound public financial management and accountability**

Based on Figure 6.14, the respondents who agreed and strongly agreed accounted for 40.0%, which is slightly higher than the combined percentages of those who disagreed (34.7%) and strongly disagreed (3.3%), totalling 38.0%. Out of the 150 research respondents, 22.0% expressed uncertainty. Given the high level of uncertainty and the nearly equal opposing positions, it can be concluded that there was no clear indication of whether respondents agreed or disagreed with the assertion in 6.4.3.4.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.14.** The findings above show that 40.0% of respondents agreed (36.67%) or strongly agreed (3.33%) with the statement. The mean (3.02), median (3.00), and slight negative skewness (-0.04) of the data indicate a near even split between those supporting and opposing the statement 6.4.3.4. The division between respondents supporting (40.0%) and opposing (38.0%) the assertion that public officials have promoted sound financial management and accountability was almost equal. In Section 4.8, it was noted that between 2016/17 and 2018/19, the NCP lacked effective financial management and accountability, affecting the province's audit results. Nevertheless, there was an overall improvement in financial management and accountability in 2023/24, although the Auditor-General reported that the NCP's three largest service departments (NCDoH, NCDoE, and NCDoPW) still required improvement in their financial performance, accountability, transparency, and integrity (AGSA, 2025:163).

#### **6.4.3.5 Poor financial management and a lack of financial accountability by departmental programmes contribute to unauthorised, irregular, fruitless, and wasteful expenditure**

The statement in 6.4.3.5 aimed to assess how poor financial management and a lack of financial accountability contributed to unauthorised, irregular, and wasteful expenditure. To achieve this, an inquiry was conducted, and the findings are presented in Figure 6.15 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.15: Poor financial management and a lack of financial accountability**

Figure 6.15 shows that a large majority, 80.7%, of respondents either agreed (46.7%) or strongly agreed (34.0%) that poor financial management and a lack of accountability led to unauthorised, irregular, and fruitless spending. Those who disagreed (5.3%) or strongly disagreed (2.7%) made up 8.0%, with 11.3% remaining uncertain.

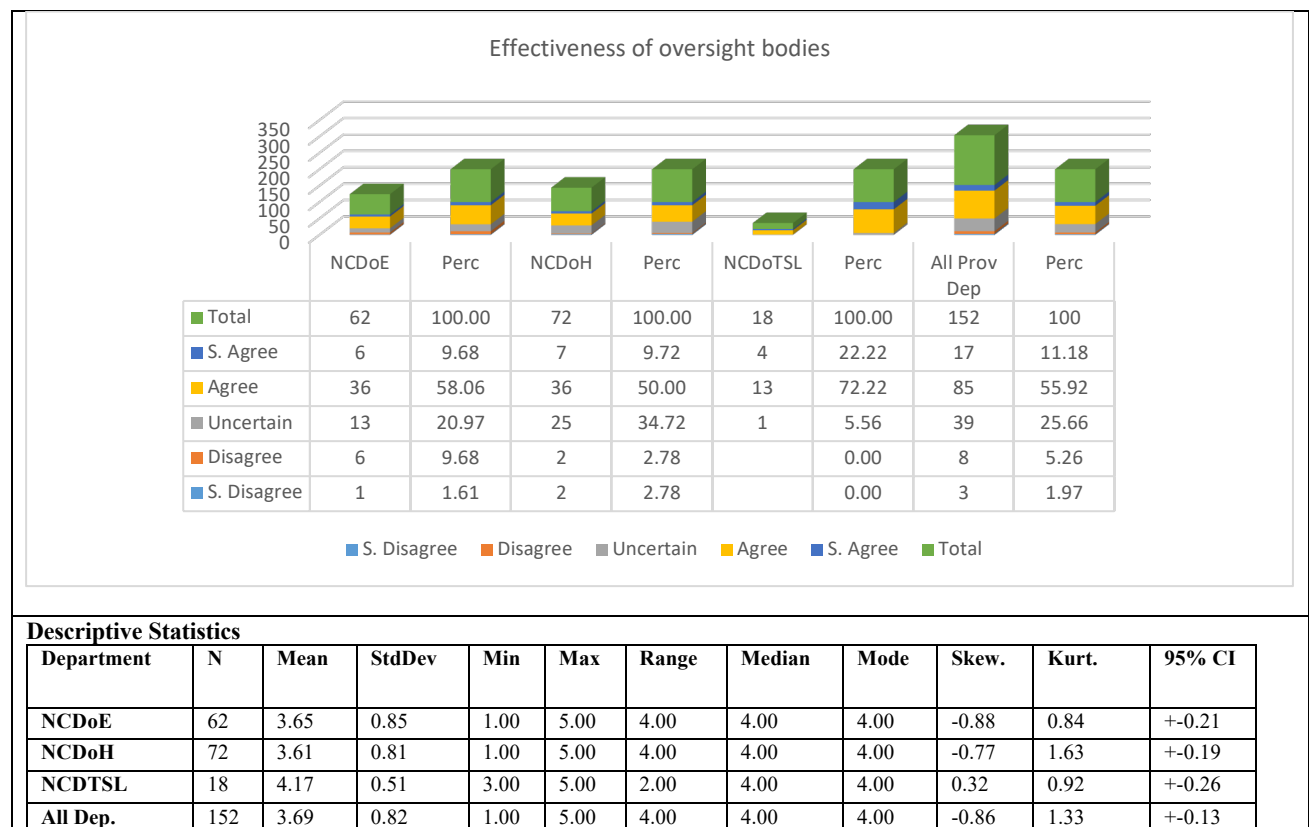
**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.15.** The above illustrates that a significant proportion of respondents (80.7%) agreed or strongly agreed with the statement, with 46.7% agreeing and 34.0% strongly agreeing. The mean (4.04), median (4.00), and mode (4.00) indicate that most respondents confirmed that poor financial management and a lack of financial accountability led to unauthorised, irregular, and fruitless expenditures in 6.4.3.5. The central tendency measures and the negative skewness (-1.21) indicate that a combined 80.7% of respondents agreed with this view. These results align with the discussion in Section 4.7.8, regarding financial mismanagement in government departments within the NCP.

## 6.4.4 Oversight bodies that promote financial accountability

Section 1.8.4, identified public accounts standing committees, portfolio committees, internal audit units, and audit committees as crucial oversight bodies and organisational structures that promote accountable governance within the control environment at the provincial and local government levels. Their roles were examined and analysed. They are discussed in the following sections.

### 6.4.4.1 The department has effective oversight bodies such as the internal audit unit and internal audit committee

This statement in 6.4.4.1 assessed whether the provincial departments had effective oversight bodies, including an internal audit unit and an internal audit committee. The results are presented visually and through descriptive statistics and frequencies in Figure 6.16 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.16: Department oversight bodies in provincial departments**

The findings in Figure 6.16 show that the largest proportion of respondents agreed (55.9%) and strongly agreed (11.2%) with the statement in 6.4.4.1 that the provincial government



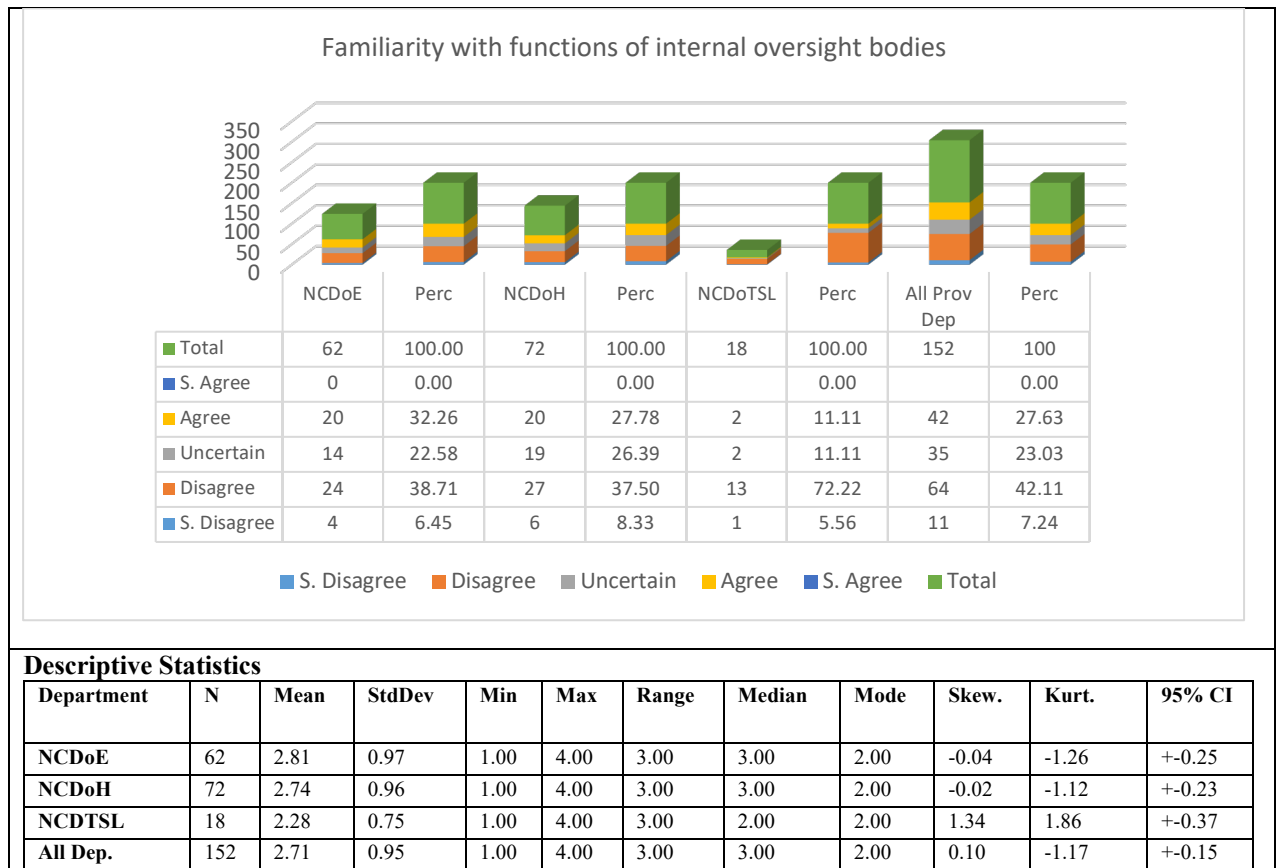
departments had effective oversight bodies. A small group, comprising the combined categories of respondents (7.23%), disagreed (5.3%) or strongly disagreed (2.0%) with the assertion in statement 6.4.4.1. The findings also reveal that a significant percentage (25.7%) of respondents were uncertain whether the provincial government departments had effective oversight bodies.

#### **Summary of descriptive statistical analysis and interpretation of central tendency in**

**Figure 6.16.** The findings above show that a significant portion of respondents (67.1%) either agreed (55.9%) or strongly agreed (11.2%) with the statement, while 25.7% were unsure. The mean (3.69), median (4.00), and mode (4.00) indicate that many respondents agreed with the statement 6.4.4.1, which states that provincial government departments have effective oversight bodies. The central tendency measures and a negative skewness of -0.86 suggest that 67.92% of respondents supported the assertion in statement 6.4.4.1. From these results in Figure 6.15, it can be inferred that although a large proportion of respondents agreed with this statement, it also suggests that oversight bodies are not well known within provincial departments. Moreover, contrary to earlier findings in Section 2.4.2.5, Matebese-Notshulwana (2019:161) argues that the failure of oversight bodies such as legislatures (national, provincial, and municipal councils) to hold executives accountable has led to ongoing maladministration, misuse of public funds, and irregular, fruitless, and wasteful expenditure, resulting in poor service delivery.

#### **6.4.4.2 The departmental officials are not familiar with the role and functions of the internal audit unit and the internal audit committee**

The statement in 6.4.4.2 sought to determine whether departmental officials understood the role and functions of the internal audit unit and the internal audit committee. The results are shown in Figure 6.17 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.17: Familiarity with the role and functions of the internal audit unit and internal audit committee**

While 6.4.4.1 and 6.4.4.2 may appear similar, there is a key difference. The focus of question 6.4.4.1 was on the effectiveness of oversight bodies, whereas question 6.4.4.2 concentrated on how familiar respondents were with the roles and functions of the internal audit unit and internal audit committee.

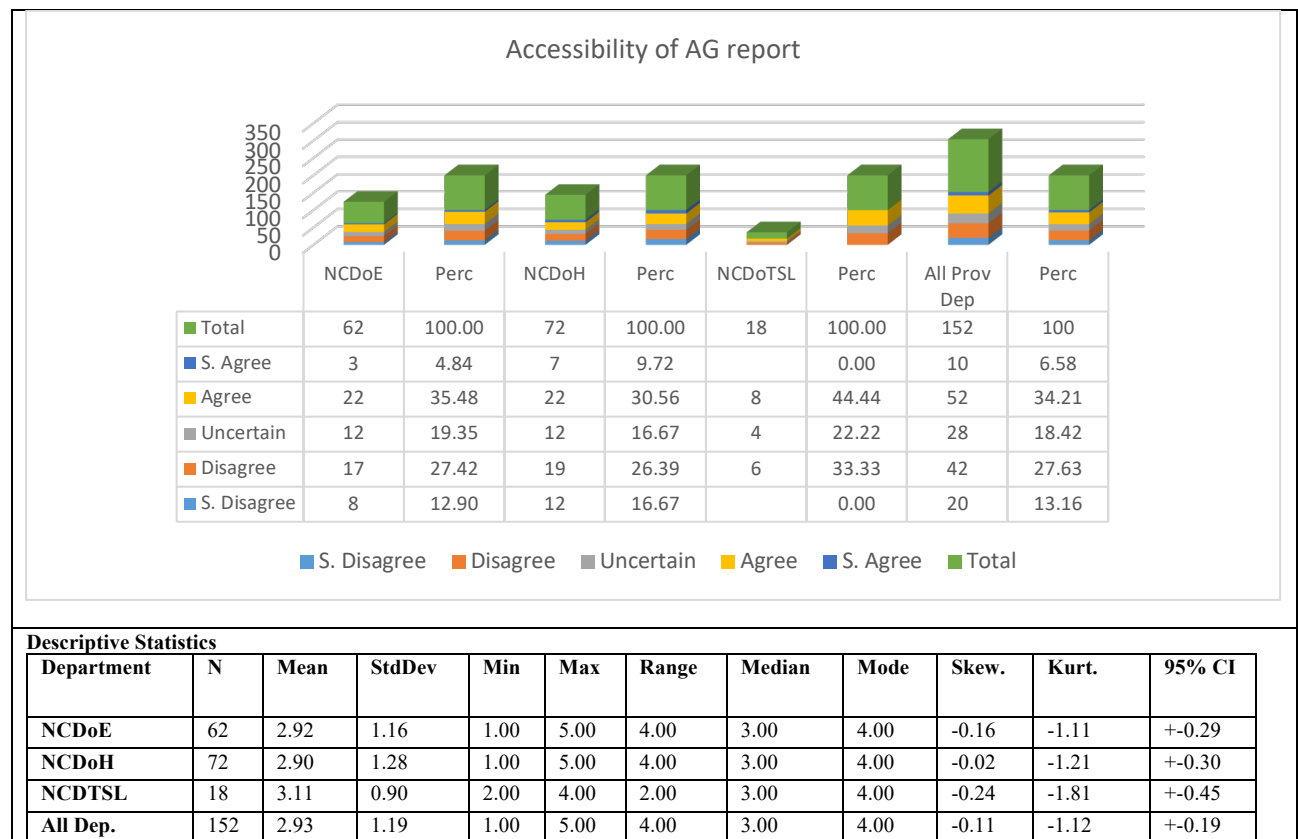
Figure 6.17 shows that 42.1% of respondents disagreed and 7.2% strongly disagreed with the statement that departmental officials were unfamiliar with the roles of the internal audit unit and committee. Conversely, 27.6% agreed, while 23.0% were uncertain. In Section 2.5.2.2, it was highlighted that, according to Section 38 1(a)(ii), the AO had to ensure that the department had a functioning internal audit system overseen by the audit committee, in line with treasury regulations. This suggests that most respondents were aware of the roles and functions of the internal audit unit and committee.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.17.** The above findings show that a significant proportion of the respondents (49.3%)

either disagreed (42.1%) or strongly disagreed (7.2%) with the statement, while 23.0% were unsure. The values of the mean (2.71), median (3.00), and mode (2.00) indicate that the number of respondents who had either disagreed or strongly disagreed with the statement in 6.4.4.2 was greater than those who affirmed it (27.63%). The positively skewed (0.10) distribution of data also confirmed disapproval of the statement that departmental officials were not familiar with the role and functions of the internal audit unit and internal audit committee.

#### 6.4.4.3 The Auditor-General Report is accessible to all officials within the department

The statement in 6.4.4.3 sought to establish whether the Auditor-General's report was accessible to all officials in the provincial departments. The results of this investigation are shown graphically and through descriptive statistics and frequencies in Figure 6.18 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.18: The Auditor-General Report is made accessible to departmental officials**

Figure 6.18 indicates that out of 152 respondents, there was equal contestation for positions between those who supported (40.8%) and those who held a contrary view (40.8%) regarding the assertion in 6.4.4.3. Support for the statement comprised 40.8% of respondents, including those who agreed (34.2%) and strongly agreed (6.6%), while those holding an opposing view

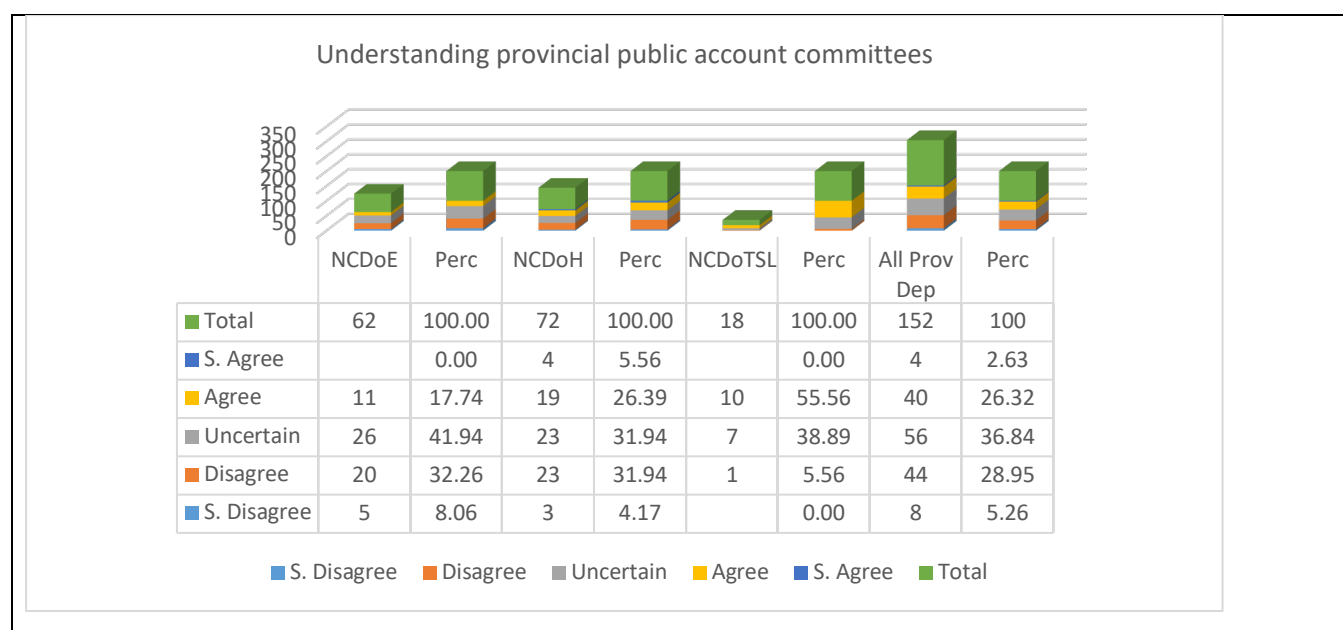
made up 40.8%, including those who disagreed (27.6%) and strongly disagreed (13.2%). The proportion of respondents who were uncertain was 18.4%. Although the support and opposition to the assertion in statement 6.4.4.3 were equal at 40.8%, the degree of contestation varied in terms of the level of support or opposition.

### Summary of descriptive statistical analysis and interpretation of central tendency in

**Figure 6.18.** The data above show that an equal percentage of respondents, 40.8%, supported or rejected the statement (34.2% agreed and 6.6% strongly agreed; 40.8% disagreed and 27.6% strongly disagreed), while 18.4% remained uncertain. The mean (2.93), median (3.00), and slightly negative skewness (-0.11) indicate that the levels of uncertainty and rejection were higher than those of support. Although the number of supporters and opponents was similar, the intensity of opposition varied. This point was emphasised in Section 2.3.2.2 where van Niekerk and Dalton-Brits (2018:121) note that, according to Section 4(c) and (d) of the *Auditor-General Act* (Act 15 of 1995), discussions of the Auditor-General's annual report findings should not be held in private and must be accessible to the public.

#### 6.4.4.4 Departmental officials understand the role and functions of Provincial Public Accounts Committees

This statement in 6.4.4.4 assessed whether departmental officials understood the roles and responsibilities of provincial public accounts committees. The results of this investigation are presented both graphically and through descriptive statistics and frequencies in Figure 6.19 below.



| <b>Descriptive Statistics:</b> |     |      |        |      |      |       |        |      |       |       |         |
|--------------------------------|-----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Department                     | N   | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| NCDDoE                         | 62  | 2.69 | 0.86   | 1.00 | 4.00 | 3.00  | 3.00   | 3.00 | -0.15 | -0.58 | + -0.22 |
| NCDDoH                         | 72  | 2.97 | 0.99   | 1.00 | 5.00 | 4.00  | 3.00   | 2.00 | 0.15  | -0.69 | + -0.23 |
| NCDTSL                         | 18  | 3.50 | 0.62   | 2.00 | 4.00 | 2.00  | 4.00   | 4.00 | -0.84 | -0.10 | + -0.31 |
| All Dep.                       | 152 | 2.92 | 0.93   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.04 | -0.59 | + -0.15 |

(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

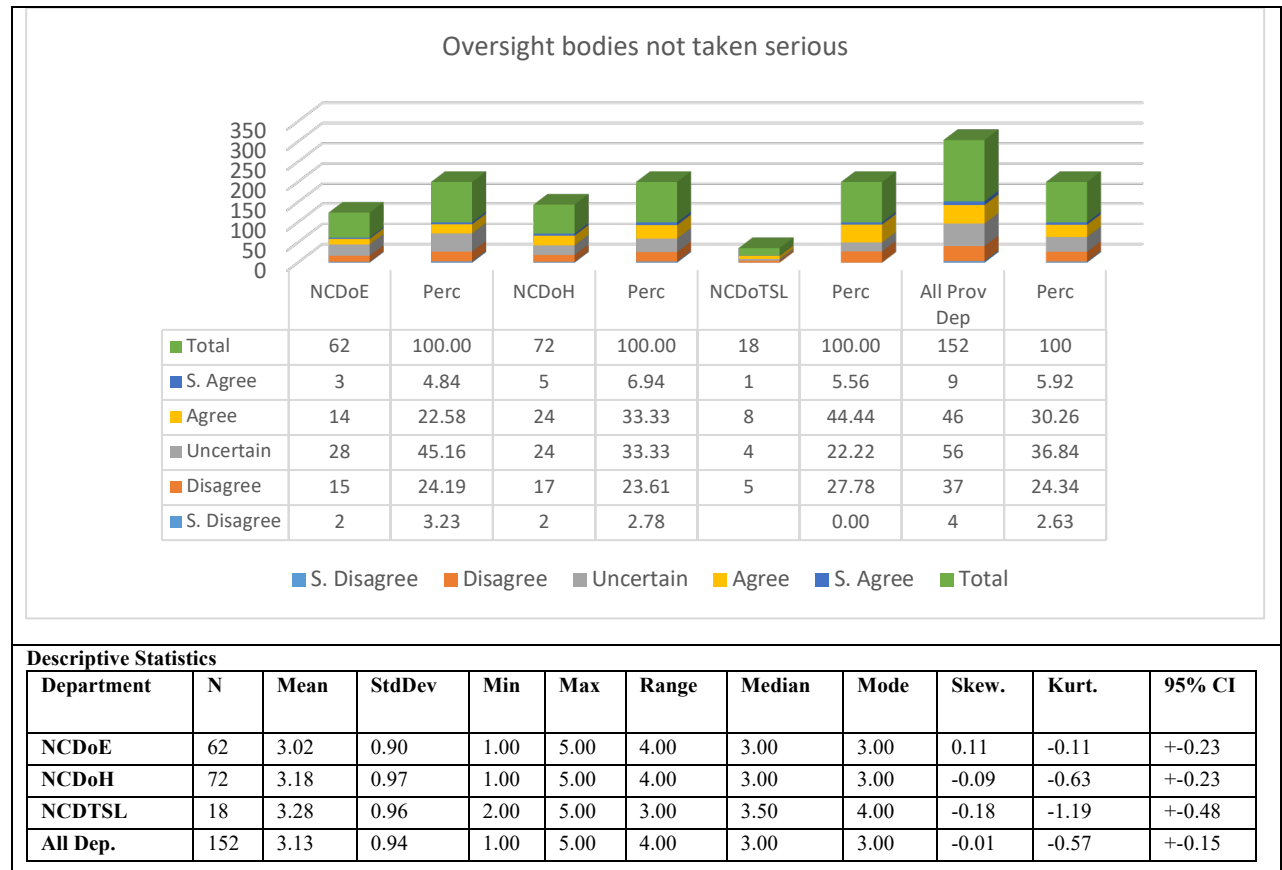
**Figure 6.19: Public officials understand the role and functions of provincial public accounts committees**

The results presented in Figure 6.19 show that the percentage of respondents who disagreed (29.0%) and strongly disagreed (5.3%) with the statement that the role and functions of provincial public accounts committees were understood by departmental officials is notable. In contrast, 28.5% of respondents disagreed, while 26.32% agreed with the statement, and the smallest proportion of 2.6% strongly agreed with the assertion in 6.4.4.4. The respondents who were uncertain (36.8%) made up the largest percentage of the research participants.

**Descriptive statistical analysis and interpretation of central tendency in Figure 6.19.** The findings show that 34.21% of respondents either disagreed (28.95%) or strongly disagreed (5.3%) with the statement, while a significant portion remained uncertain (36.8%). The mean (2.92), median (3.00), and mode (3.00) indicate that many respondents (36.84%) were unsure whether officials understood the roles and functions of public accounts committees. The data distribution is slightly negatively skewed (-0.04), suggesting that the mode is higher than the median. This confirms that the percentage of those uncertain (36.84%) was greater than those supporting (28.85%) or opposing (34.3%) the statement. From these statistics, it can be concluded that departmental officials in the provincial departments did not fully understand the roles and functions of public accounts committees. As explained in Section 4.3.1.3, understanding the role of the Provincial Public Accounts Committees (PPACs) is essential because they investigate government spending, evaluate policy effectiveness, and assess administrative quality (Botlhoko, 2017:173).

#### 6.4.4.5 Departmental officials do not take oversight bodies seriously due to their ineffectiveness

The investigation into the statement in 6.4.4.5 aimed to assess whether departmental officials disregarded oversight bodies due to their ineffectiveness. The results are presented both graphically and through descriptive statistics and frequency data in Figure 6.20 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.20: Oversight bodies are not taken seriously by officials**

Figure 6.20 shows that among the 152 respondents, the largest group was uncertain, at 36.84%. The next largest group consisted of those who agreed (30.3%) and strongly agreed (5.92%) with the statement in 6.4.4.5, totalling 36.18%. Respondents who disagreed (24.3%) also formed a significant portion. Combined, those who disagreed (24.34%) and strongly disagreed (2.63%) accounted for 26.97%, which was less than the groups that were uncertain or supported the statement. The insights from Figure 6.20 suggest that departmental officials do not take oversight bodies seriously, as the most common responses were those who agreed (30.26%) and those who were uncertain (36.8%).

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.20.** The findings above reveal that 36.84% of respondents were unsure whether oversight bodies were taken seriously by officials, which was nearly equal (36.18%) to those who either agreed (30.26%) or strongly agreed (5.92%). The mean (3.13), median (3.00), and mode (3.00) indicate significant uncertainty. The data is slightly negatively skewed (-0.01), suggesting marginally more support than opposition. This shows that many respondents were uncertain about whether oversight bodies were respected. Matebese-Notshulwana (2019:161) noted in Section 2.4.1, that failure to take oversight bodies seriously in promoting financial accountability and holding executives accountable could lead to maladministration and misuse of public funds.

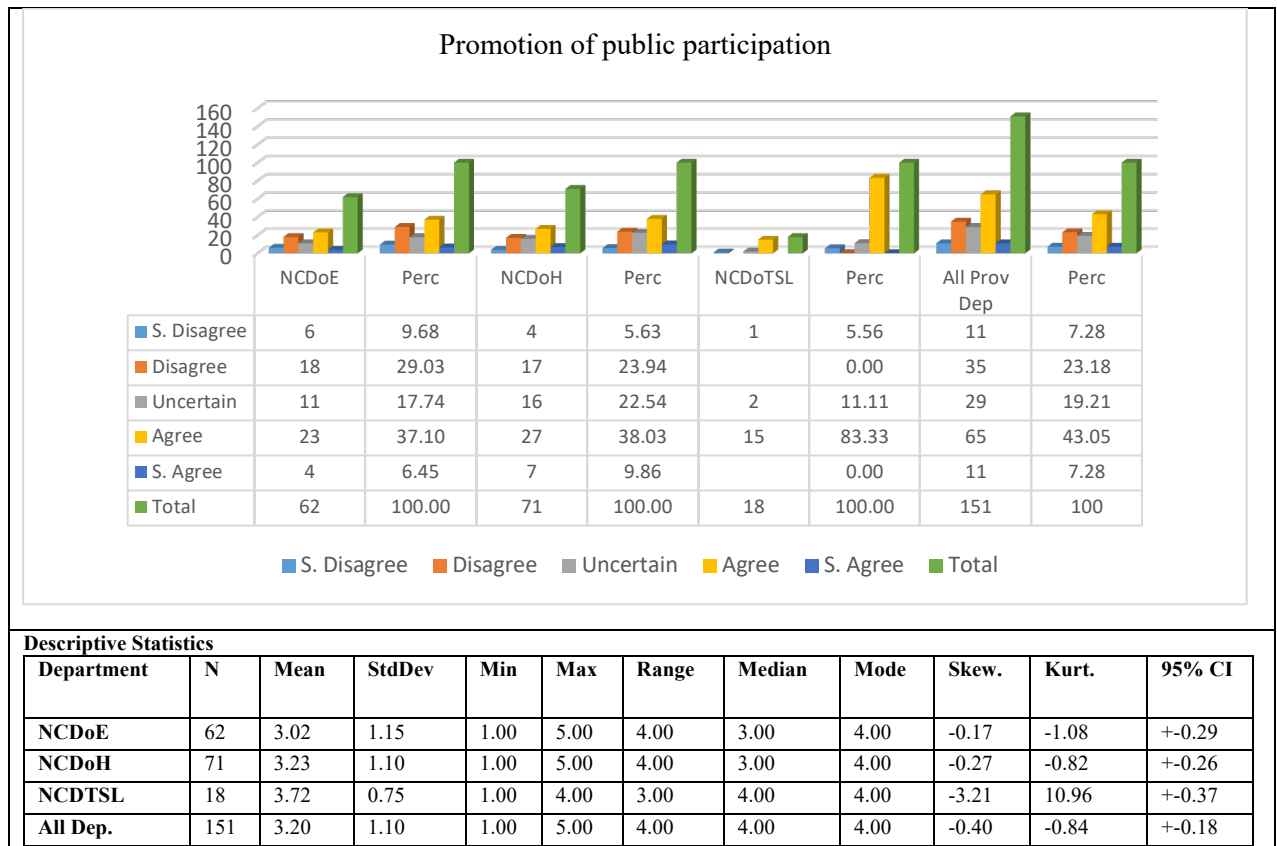
#### **6.4.5 Principles of good governance**

In this study, good governance is identified as one of the key dependent variables of financial accountability. As outlined in Section 2.5.2, good governance comprises nine elements: public participation, transparency, accountability, rule of law, responsiveness, efficiency and effective government, equity, consensus orientation, and strategic vision. These elements, considered the core aspects of good governance, were incorporated into the investigation, as demonstrated in the subsequent sub-headings from statement 6.4.5.1 to 6.4.5.10.

##### **6.4.5.1 The department encourages public participation through different methods, such as road shows, advocacy programmes, and community meetings**

The statement 6.4.5.1 aimed to assess whether provincial departments promoted public participation via road shows, advocacy programmes, and community meetings. The findings are shown using a frequency table, descriptive statistics, and a graph in Figure 6.21 below.





(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.21: Public participation in provincial departments**

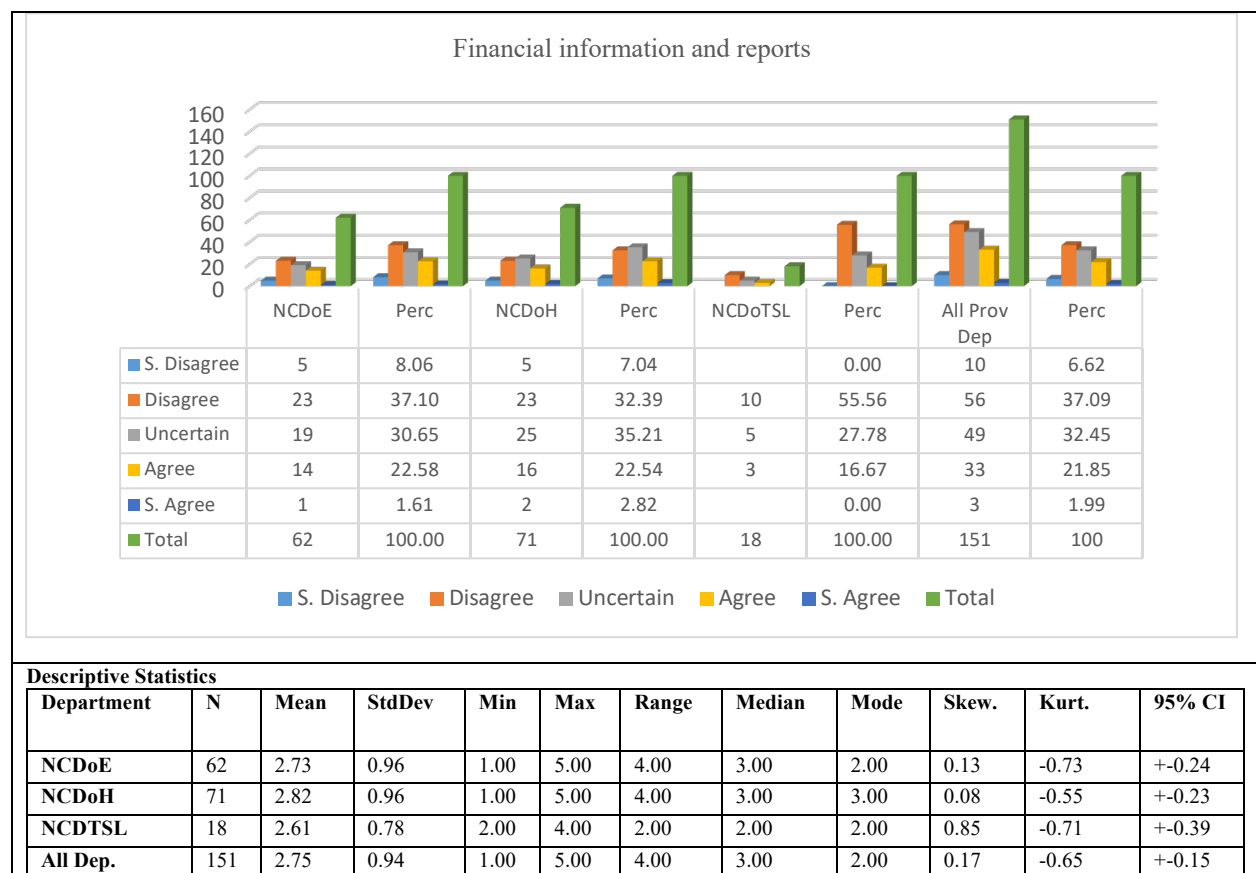
Figure 6.21 illustrates that out of 151 respondents, 43.1% agreed and 7.3% strongly agreed with the statement 6.4.5.1. This suggests that a total of 50.4% supported the idea that provincial government departments encouraged public participation via methods such as road shows, advocacy programmes, and community meetings. On the other hand, 23.2% disagreed, 7.3% strongly disagreed, and 19.2% were uncertain. As shown in 6.30, these findings indicate that most respondents believe that provincial government departments actively promote public participation through these activities.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.21.** Most (50.4%) respondents agreed (43.1%) or strongly agreed (7.3%) that provincial departments promoted public participation through road shows, advocacy, and community meetings. The mean (3.20), median (4.00), and mode (4.00) suggest most responses were above the mean. The negatively skewed distribution (- 0.40) supports this, affirming the assertion. As noted in Section 2.4.2.1 that public participation is essential in public service delivery, emphasising community members' experiences and knowledge (Osborne *et al.*, 2013:157). It is a key element of good governance, supported by both public service and

principal-agent theories, which stress accountability and cooperation with community members.

#### 6.4.5.2 Financial information and reports are readily accessible through departmental websites

Statement 6.4.5.2 aimed to determine whether financial information and reports were easily accessible via the department's website. The findings are summarised using a frequency table and descriptive statistics, as visually represented in Figure 6.22 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.22: Accessibility of financial information and reports in provincial departments**

Statement 6.4.5.2 asserts that financial information and reports were readily accessible through the departmental website, but this was disputed by the larger proportion of respondents, as shown in Figure 6.22. This dispute manifested as disapproval of the statement, with 37.1% and 6.6% of respondents disagreeing and strongly disagreeing, respectively. It should, however, be noted that this disapproval accounted for 43.7% of the overall respondents, while a significant proportion of the remaining categories either remained uncertain (32.5%) or supported the

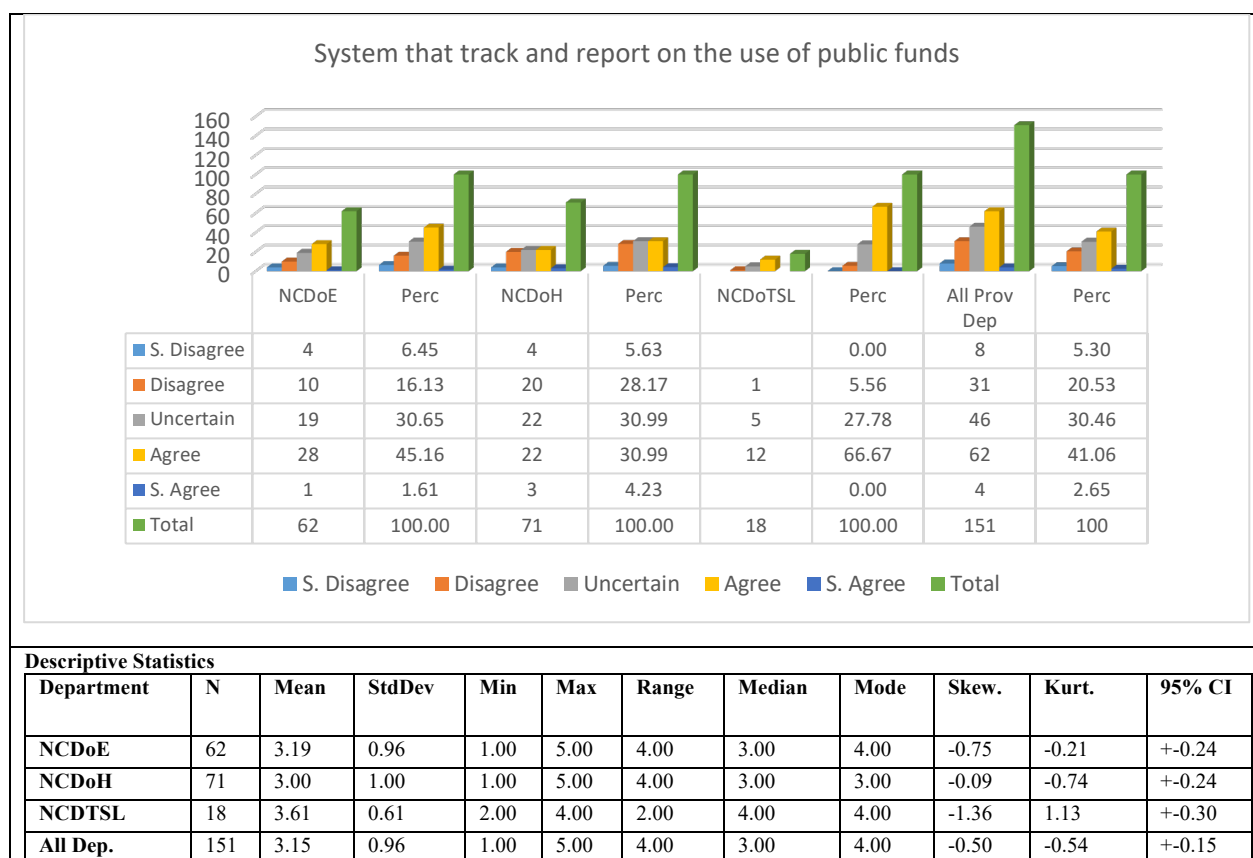
statement by agreeing (22.5%) and strongly agreeing (2.8%) with the assertion that financial information and reports were made readily accessible through the departmental website.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.22.** The above findings show that a significant number (43.7%) of respondents either disagreed (37.1%) or strongly disagreed (6.6%) with the statement, while 32.5% were uncertain. The values of the mean (2.75), median (3.00), and mode (2.00) indicate that the combined proportion of respondents (43.7%) did not support the assertion in statement 6.4.5.2 that financial information and reports were made readily accessible through the departmental website. The positively skewed (0.17) distribution of data and the values of central tendency suggest that a significant number of respondents disapproved of this statement.

The key takeaway from this description is that, although more people contested the assertion in 6.4.5.2 than those who agreed or strongly agreed, the large percentage of respondents who remained uncertain (32.5%) is concerning. From Figure 6.22, it can be inferred that while information and reports were not readily accessible through the departmental website, there appeared to be better channels for dissemination, as mentioned earlier in Section 6.4.4.3. In that section, it was noted that a higher percentage of respondents believed the Auditor-General's reports were made available to all departmental officials.

#### **6.4.5.3 There are systems in place to track and report on the use of public funds and to hold public officials accountable for their actions**

The aim of statement 6.4.5.3 was to determine whether there were systems that tracked and reported on the use of public funds and held public officials accountable for their actions. The result of this investigation is presented in Figure 6.23 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.23: Systems that track and report on the use of public funds in provincial departments**

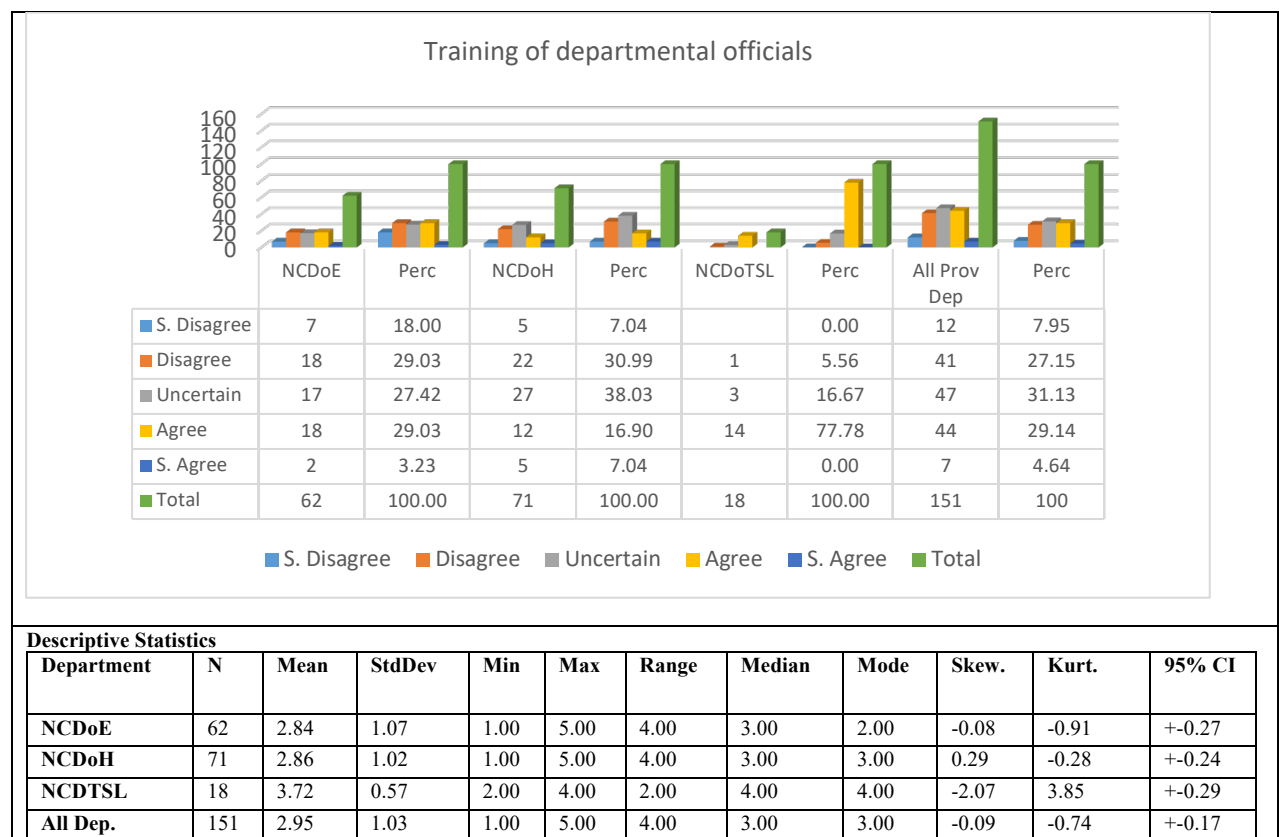
The findings in Figure 6.23 indicate that the combined proportion (43.8%) of respondents supported (agreed: 41.1% and strongly agreed: 2.7%) the assertion in 6.4.5.3, which was higher than those holding a contrary view, those who disagreed (20.5%) and strongly disagreed (5.3%). At the centre of these opposing positions was a significant percentage of respondents who were uncertain (30.5%) about whether systems that track and report the use of public funds and hold public officials accountable for their actions existed.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.23.** The results show that 43.8% of respondents agreed (41.1%) or strongly agreed (2.7%) with the statement, while a significant portion were uncertain (30.5%). The mean score of 3.15 is slightly higher than the median of 3.00, and the data distribution is negatively skewed (-0.50). This indicates that the central tendency leans toward greater positive support for the statement 6.4.5.3. Therefore, it can be concluded that although there was overall positive backing, a considerable number of respondents (30.46%) remained uncertain or disagreed about the existence of systems that track and report public fund usage, holding public officials

accountable. These findings align with Chapter Two, Section 2.7.1, which identified the need to implement such monitoring systems.

#### 6.4.5.4 Administrative and executive office staff are continuously trained and educated on relevant legislative frameworks, policies, and regulations to ensure compliance

Statement 6.4.5.4 was intended to assess whether administrative and executive officials received ongoing training and education on relevant frameworks, policies, and regulations to ensure compliance. The findings of this investigation are presented through a frequency table, descriptive statistics, and visualised in Figure 6.24 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

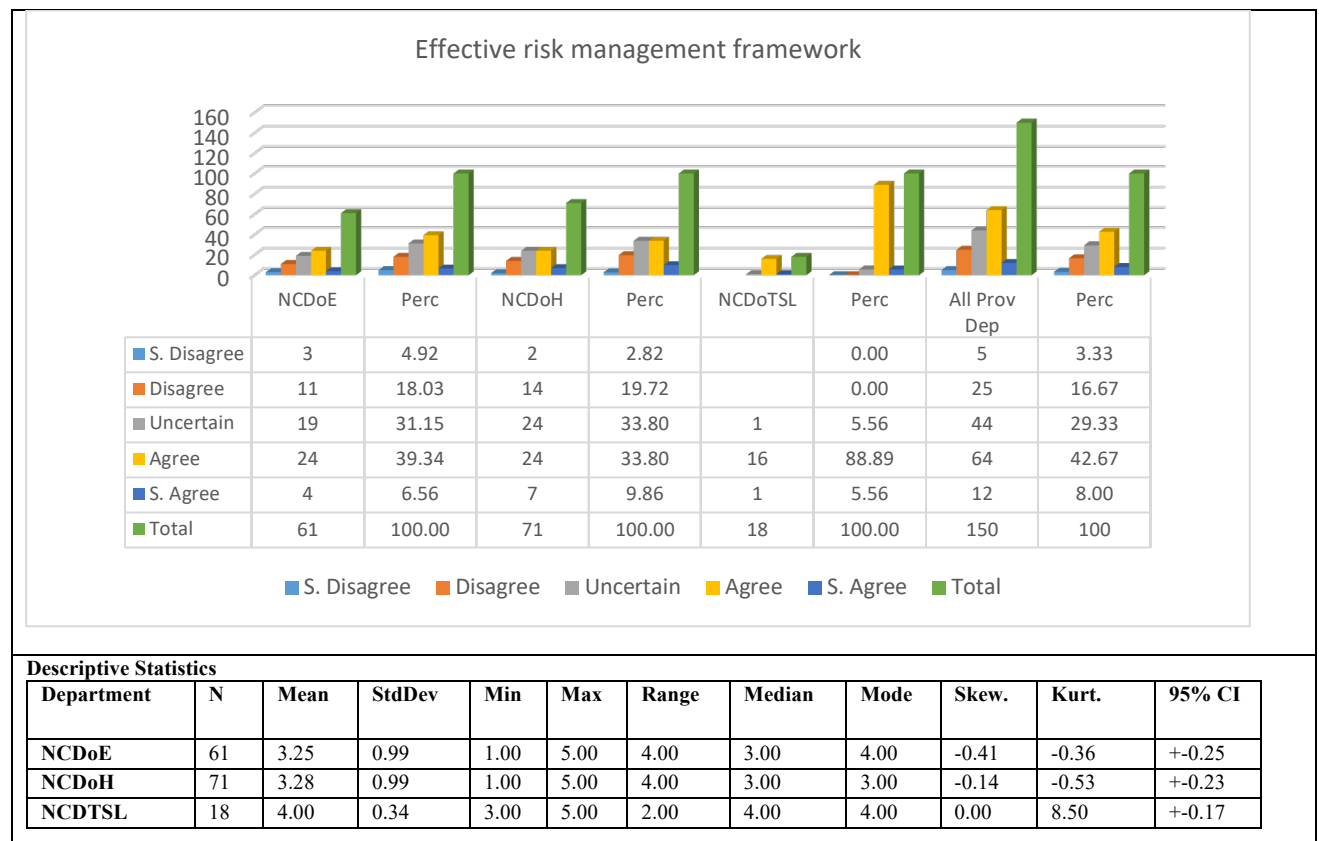
**Figure 6.24: Training of administrative and executive officials in provincial departments**

The results in Figure 6.24 show that there were nearly equal opposing views between those who affirmed (33.78%) [including agreed (29.14%) and strongly agreed (4.64%)] and those holding a contrary view [disagreed (27.2%) and strongly disagreed (8.0%)] with the assertion in 6.4.5.4. that administrative and executive officials had been continuously trained and educated on relevant legislative frameworks, policies, and regulations to ensure compliance. Among these opposing perspectives, a large group of respondents (31.1%) remained uncertain about the assertion in question 6.4.5.4.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.24.** The above findings show nearly the same percentage of 35.2% for respondents who disagreed (27.2%) and strongly disagreed (8.0%), as those (33.7%) who agreed (29.1%) or strongly agreed (4.6%) with the statement. The mean (2.95), median (3.00), and mode (3.00) values indicate an almost equal level of uncertainty (31.13%) among respondents about whether the administrative and executive officials had been consistently trained and educated on relevant legislative frameworks, policies, and regulations to ensure compliance. A contrasting view of these results was presented in Section 2.4.2.6, where Links and Draai (2023:1087) suggest that unskilled and incompetent administrative staff, lacking technical and analytical skills, have contributed to institutional incapacity.

#### 6.4.5.5 There is an effective risk management framework that enables the department to identify, assess, and mitigate potential risks to safeguard public resources effectively

The statement in 6.4.5.5 aimed to determine whether an effective risk management framework existed that enabled the department to identify, evaluate, and address potential risks to protect public resources effectively. The findings of this investigation are presented through a frequency table, descriptive statistics, and visual representations in Figure 6.25 below.



|          |     |      |      |      |      |      |      |      |       |       |       |  |
|----------|-----|------|------|------|------|------|------|------|-------|-------|-------|--|
| All Dep. | 150 | 3.35 | 0.96 | 1.00 | 5.00 | 4.00 | 4.00 | 4.00 | -0.44 | -0.32 | +0.15 |  |
|----------|-----|------|------|------|------|------|------|------|-------|-------|-------|--|

(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.25: Effective risk management framework in the provincial departments**

The results in Figure 6.25 show that the largest groups of respondents were those who agreed (42.7%) and those who were uncertain (29.3%) about whether there was a working risk management framework in the provincial departments, as per statement 6.4.5.5. A smaller portion of respondents, comprising 20%, rejected it, with 16.7% disagreeing and 3.3% strongly disagreeing with the assertion.

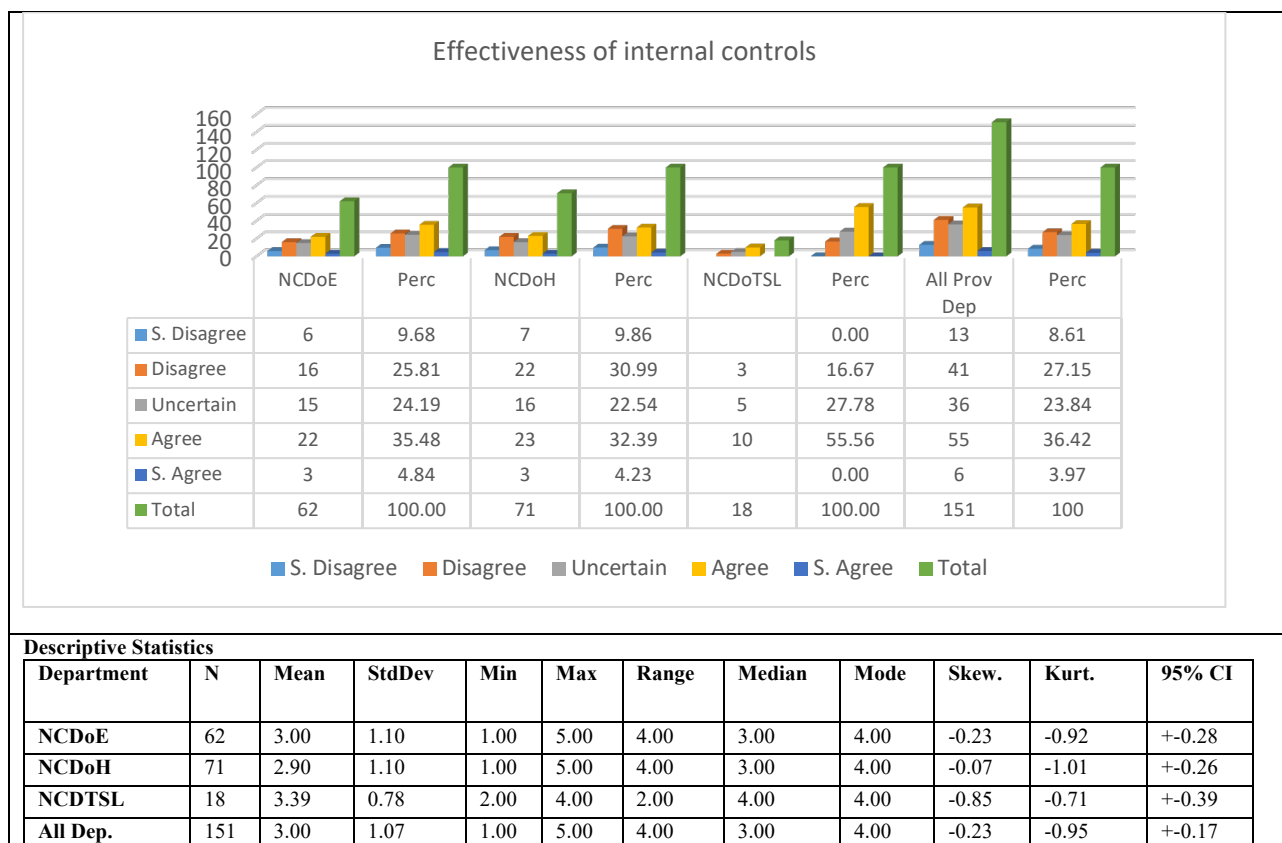
### **Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.25.**

The above findings show that a significant proportion of respondents agreed (42.7%) or strongly agreed (8.0%) with the statement, while 29.3% were uncertain. The median (4.00) is higher than the mean (3.35), and the data distribution is negatively skewed (-0.44). This suggests that the combined proportion of respondents (42.7%) confirmed the existence of an effective risk management framework that allows the department to identify, assess, and mitigate potential risks to protect public resources. However, it is worth noting that a substantial proportion of respondents remained uncertain (29.33%). These findings do not align with the content of Sections 4.7.1.2, 4.7.2.1.2, and 4.7.3.2, which stated that the NCDoH had a weak risk management system, but that the NCDoE and NCDoTSL had comparatively better systems, leading to improvements in financial management.

### **6.4.5.6 Effective internal controls (policies, procedures, and processes) are enforced to prevent fraud and corruption within the department**

Statement 6.4.5.6 was intended to assess whether effective internal controls were in place to prevent fraud and corruption within the department. The findings of this investigation are presented through a frequency table, descriptive statistics, and graphically in Figure 6.26 below.





(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

**Figure 6.26: Effective internal controls in provincial departments**

Figure 6.26 illustrates that 40.4% (36.4% agreed and 4.0% strongly agreed) of respondents supported the statement in 6.4.5.6, compared to 35.76% (27.2% disagreed and 8.6% strongly disagreed) who opposed it. Additionally, a significant portion of respondents, 23.8%, expressed uncertainty.

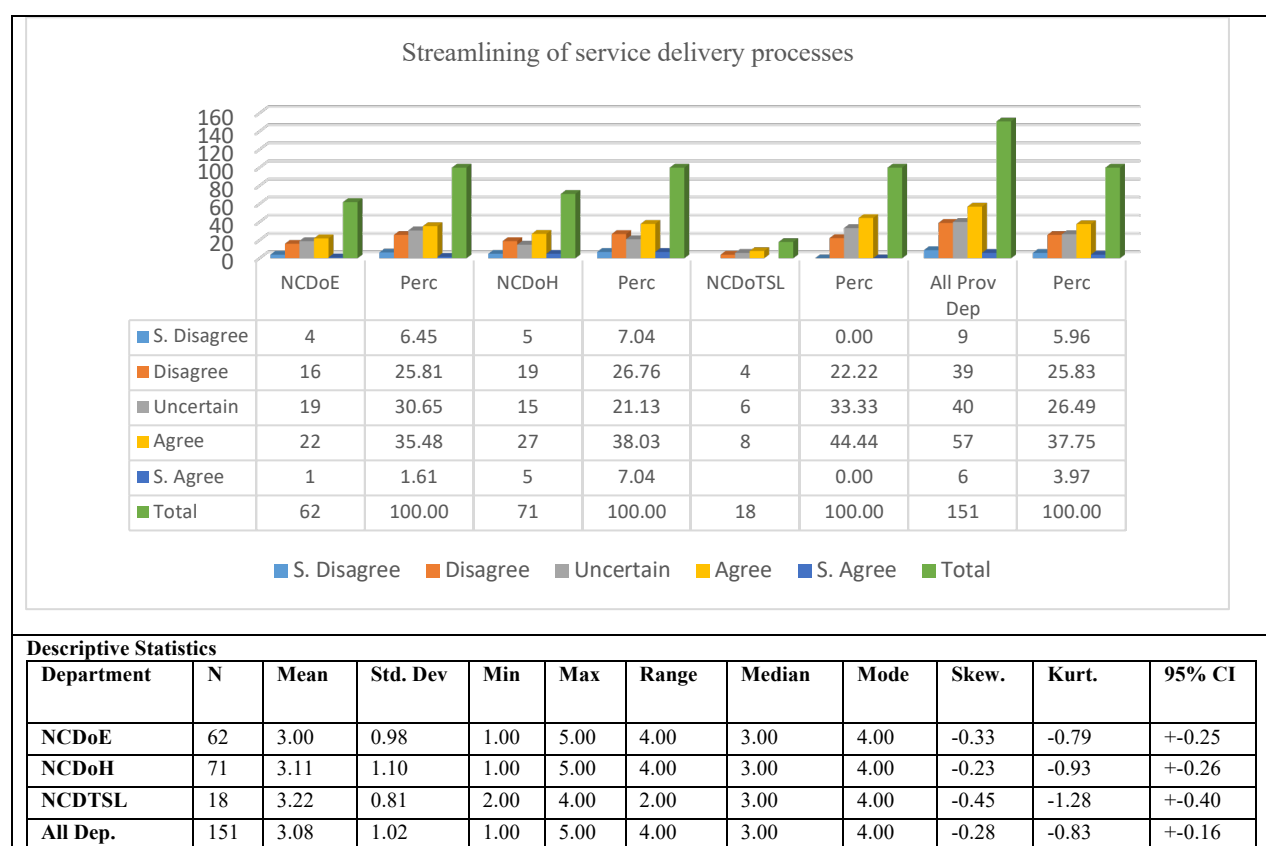
### Summary of descriptive statistical analysis and interpretation of central tendency in

**Figure 6.26.** The findings indicate that 40.4% of respondents agreed (36.4%) or strongly agreed (4.0%) with the statement, while 23.8% were unsure. The descriptive statistics shown above, in Figure 6.25, reveal a slight negative skew (-0.23), which supports the assertion in 6.4.5.6. The mean, median, and mode are all 3.00, with the mode at 4.00. This suggests more respondents believed effective internal controls were in place to prevent fraud and corruption in provincial departments. In Section 2.4.2.5, it was discussed that Fourie and Malan (2020:14) argue that ineffective management of public funds is linked to weak internal financial controls and a lack of capacity and skills within government finance departments. In Section 2.5.2 it was emphasised that poor financial controls can lead to incorrect financial statements, loss of

assets, fraud, mismanagement of vital documents, and unreliable records, which can damage the government's reputation and its ability to deliver services (Avery and Obah, 2018:38).

#### 6.4.5.7 Service delivery processes are streamlined to be more efficient and responsive to citizens' needs

The statement in 6.4.5.7 aimed to assess whether service delivery processes were streamlined to enhance efficiency and responsiveness to citizens' needs. The findings are shown through a frequency table, descriptive statistics, and a graphical representation in Figure 6.27 below.



(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

**Figure 6.27: Streamlining of service delivery processes in provincial departments**

Figure 6.27 indicates that the largest proportion of the 151 respondents (41.7%) agreed [agreed (37.8%) and strongly agreed (4.0%)] that service delivery processes were made more efficient and responsive to citizens' needs. A combined 31.79% of respondents disagreed (25.83%) and 6.0% strongly disagreed with the statement in 6.4.5.7, while a significant number were uncertain (26.5%) about the statement.

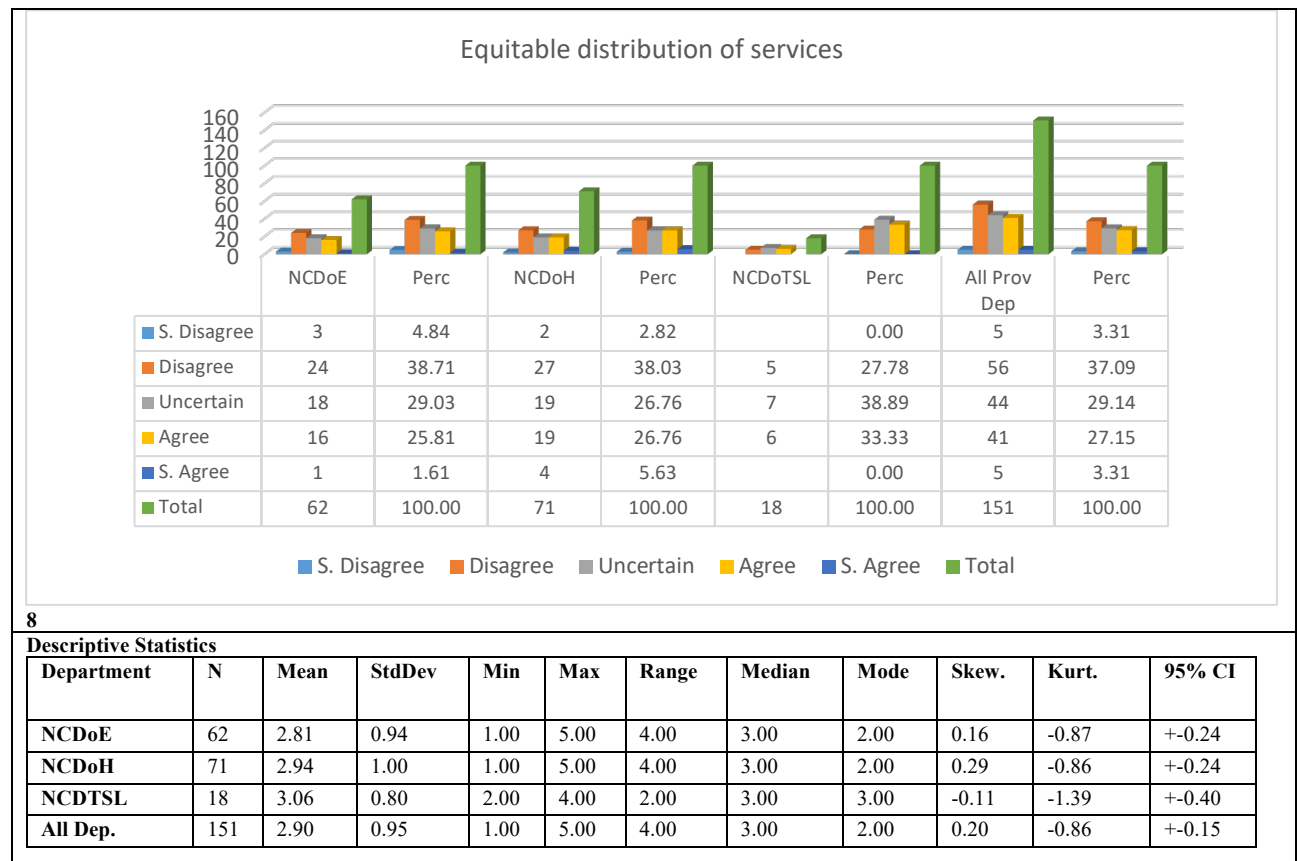
#### Summary of descriptive statistical analysis and interpretation of central tendency in

**Figure 6.27.** The findings above show that a significant proportion of respondents (41.8%)

agreed (37.8%) or strongly agreed (4.0%) with the statement, while 26.5% were uncertain. The frequencies and central tendency, measured by the mean, median, and mode of responses, indicate that more respondents supported the idea that service delivery processes were streamlined to enhance efficiency and responsiveness to citizens' needs. The mean value (3.08) is slightly higher than the median (3.00), and the mode of 4.00 illustrate greater agreement with the statement. The data distribution is negatively skewed, further supporting that most responses leaned towards affirming that service delivery processes had been streamlined to be more efficient and responsive to citizens' needs.

#### 6.4.5.8 Service provision is distributed equitably to redress the socio-economic imbalances of the past

Statement 6.4.5.8 aimed to determine whether services were equitably distributed to address historical socio-economic disparities. The results are presented in Figure 6.28 below.



(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

**Figure 6.28: Equitable distribution of services**

The outcomes of this question are displayed in Figure 6.28, which shows that the largest proportion of respondents disagreed (37.1%) with the assertion in 6.4.5.8, which aimed to

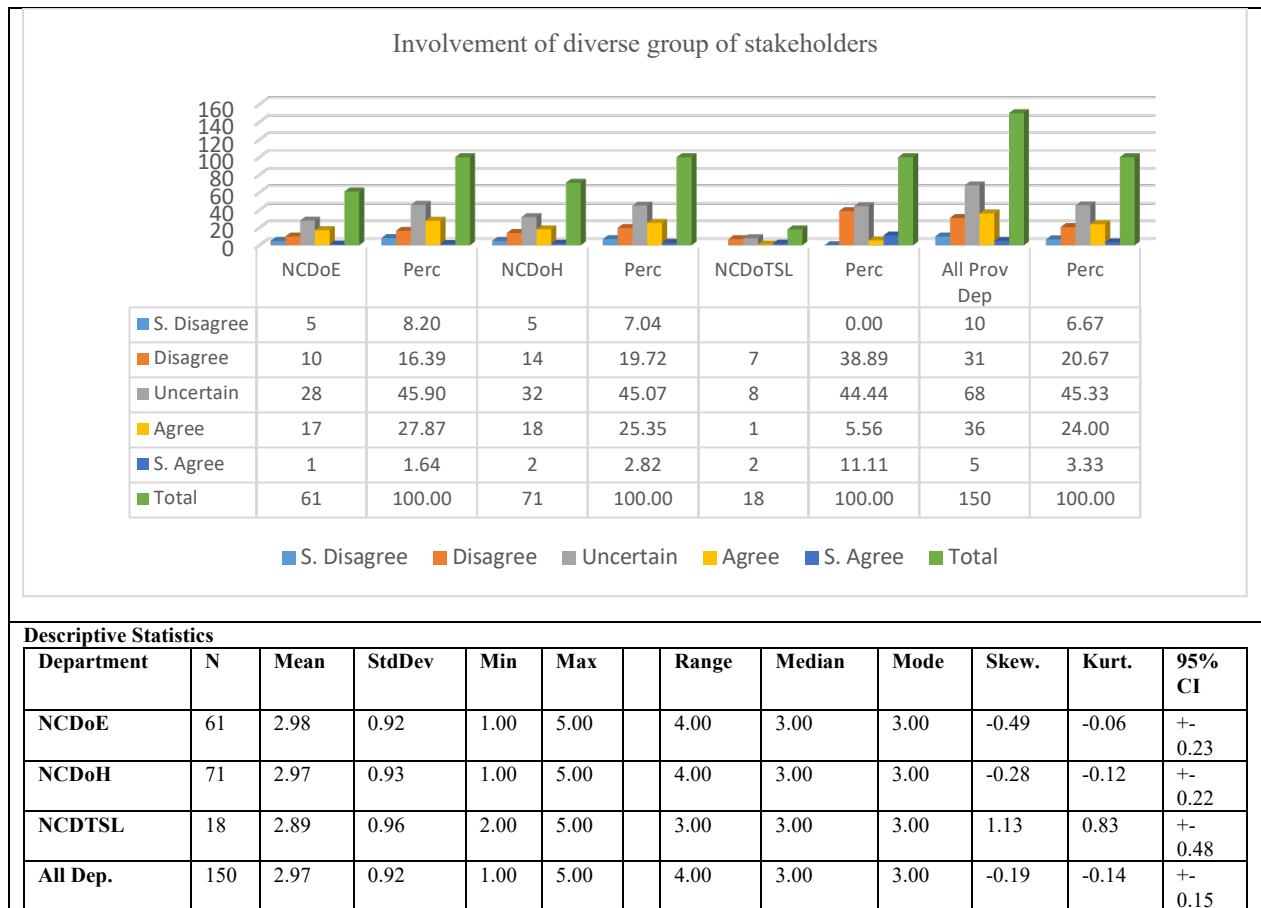
determine whether services were provided equitably to redress the socio-economic imbalances of the past. The percentage of respondents who were uncertain (29.1%) was slightly higher than those who agreed (27.2%) with the assertion in 6.4.5.8. The response rate for those who strongly agreed (3.3%) was equal to that of respondents who strongly disagreed (3.3%) that services were provided equitably to redress the socio-economic imbalances of the past.

#### **Summary of descriptive statistical analysis and interpretation of central tendency in**

**Figure 6.28.** The above findings show that the combined proportion of respondents (40.4%) either disagreed (37.1%) or strongly disagreed (3.3%) with the statement. A notable 29.1% were uncertain. These results indicate that a greater number of respondents did not support the assertion that services were distributed equitably to address past socio-economic imbalances. The mean value (2.90) is lower than the median (3.00), and the distribution of responses is positively skewed (0.20). This suggests that the descriptive statistics, in terms of central tendency and positive skewness, confirm that a higher number of respondents disagreed with this assertion. In Section 2.3.2, it was emphasised that, under Section 195 of the *Constitution*, public services must be delivered impartially, fairly, and equitably. Therefore, these findings highlight a concerning issue regarding the public sector's performance when it fails to adequately address this vital transformative goal of equality, which aims to improve service delivery efficiency.

#### **6.4.5.9 The department encourages the participation of a diverse range of stakeholders in the financial decision-making process.**

The statement above aimed to assess whether the department encouraged the participation of a diverse range of stakeholders in the financial decision-making process. The findings of this investigation are shown in Figure 6.29 below.



(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

**Figure 6.29: Involvement of diverse groups in the financial decision-making process**

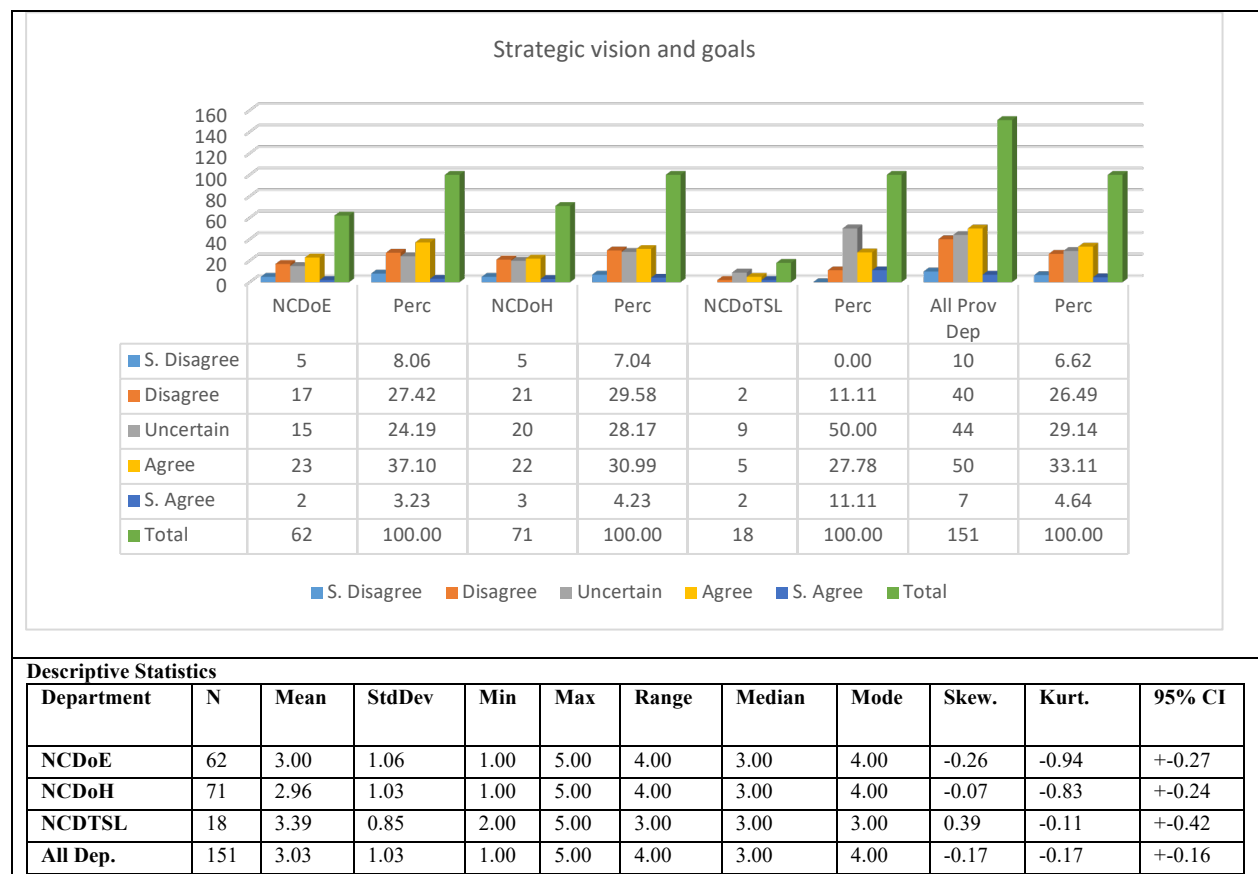
Figure 6.29 shows that the largest proportion of respondents, at 45.3%, were uncertain whether the NCDoH had promoted the involvement of a diverse group of stakeholders in the financial decision-making process. The remaining responses were divided between those who supported the statement (27.34%) [24.0% agreed and 3.3% strongly agreed] and those who refuted it (27.33%) [20.7% disagreed and 6.7% strongly disagreed].

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.29.** The findings above reveal that the combined proportion of respondents was uncertain (45.3%) about the statement. An almost equal percentage of respondents (27.34%) opposed the statement, while a similar proportion (27.33%) supported it. Figure 6.29 summarises the scenario of uncertainty reported by the respondents. The descriptive statistics indicate that the mean (2.97), median (3.0), and mode (3.0) are nearly equal, suggesting that the data are concentrated around 3.0, which corresponds to a coded measure for an uncertain response. It should also be noted that the negatively skewed distribution (-0.19) suggests a greater acceptance of the statement than rejection. Although the percentages for acceptance

and rejection were nearly equal, one could argue that, due to the high proportion of respondents who were uncertain (45.33%), the results do not provide a clear indication of whether the assertion was supported or disputed. The importance of a consensus-oriented decision-making process was emphasised in Section 2.4.2.8. It was noted that when all stakeholders are consulted during the planning phase of projects and consensus is sought as a group, everyone involved tends to feel a sense of ownership of the decisions made, thereby enhancing accountability (Waikenda *et al.*, 2019:2).

#### 6.4.5.10 The use of public funds aligns with the long-term strategic vision and goals of the department

The statement aimed to assess whether the utilisation of public funds was consistent with the department's long-term strategic vision and objectives. The findings of this investigation are illustrated graphically in Figure 6.30 below.



(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

**Figure 6.30: The use of public funds is in line with the strategic vision of the department**

The findings in Figure 6.30 show that out of 151 respondents, 37.8% supported the statement in 6.4.5.10, comprising those who agreed (33.1%) and strongly agreed (4.6%). Respondents

with a contrary view to the statement made up 33.1%, including those who disagreed (26.5%) and strongly disagreed (6.6%). A significant proportion of respondents (29.1%) were also uncertain. The percentage of respondents who either agreed or strongly agreed with 6.4.5.10 was slightly higher than those who disagreed or strongly disagreed.

#### **Summary of descriptive statistical analysis and interpretation of central tendency in**

**Figure 6.30.** The above findings show that the combined proportion of respondents (37.8%) either agreed (33.1%) or strongly agreed (4.6%) with the statement, while 29.1% were uncertain. The negatively skewed distribution of data (-0.17) and the values of central tendency, where the mean (3.03) exceeds the median and the mode (4.00), indicate a slight tendency towards acceptance of the statement 6.4.5.10. This suggests that slightly more respondents (37.8%) accepted the assertion that the use of public funds aligned with the department's strategic vision. As outlined in the literature in Section 2.4.2.9, a clear strategic vision and effective strategies can foster prosperity, develop strong cities and nations, and achieve desired outcomes. Conversely, poor strategies cause conflict, damage communities, and diminish hope (Lusk and Birks, 2014:1). A considerable proportion of respondents remained uncertain, and those who disagreed that public funds supported the department's strategic vision raise serious concerns. Therefore, aligning public expenditure with the strategic goals of departments was identified as a crucial element to include in the proposed framework of financial accountability.

#### **6.4.6 Public service efficiency**

In Section 2.9, it was highlighted that the efficiency of public service delivery is a fundamental constitutional right outlined in Section 197 of the *Constitution*. Citizens and end users are entitled to receive quality, accessible, and acceptable services, including healthcare and basic education, as stipulated in Sections 27 and 29 of the *Constitution*. To better understand the importance of public service delivery efficiency, an analysis of research findings from the following statements was carried out, based on the following considerations:

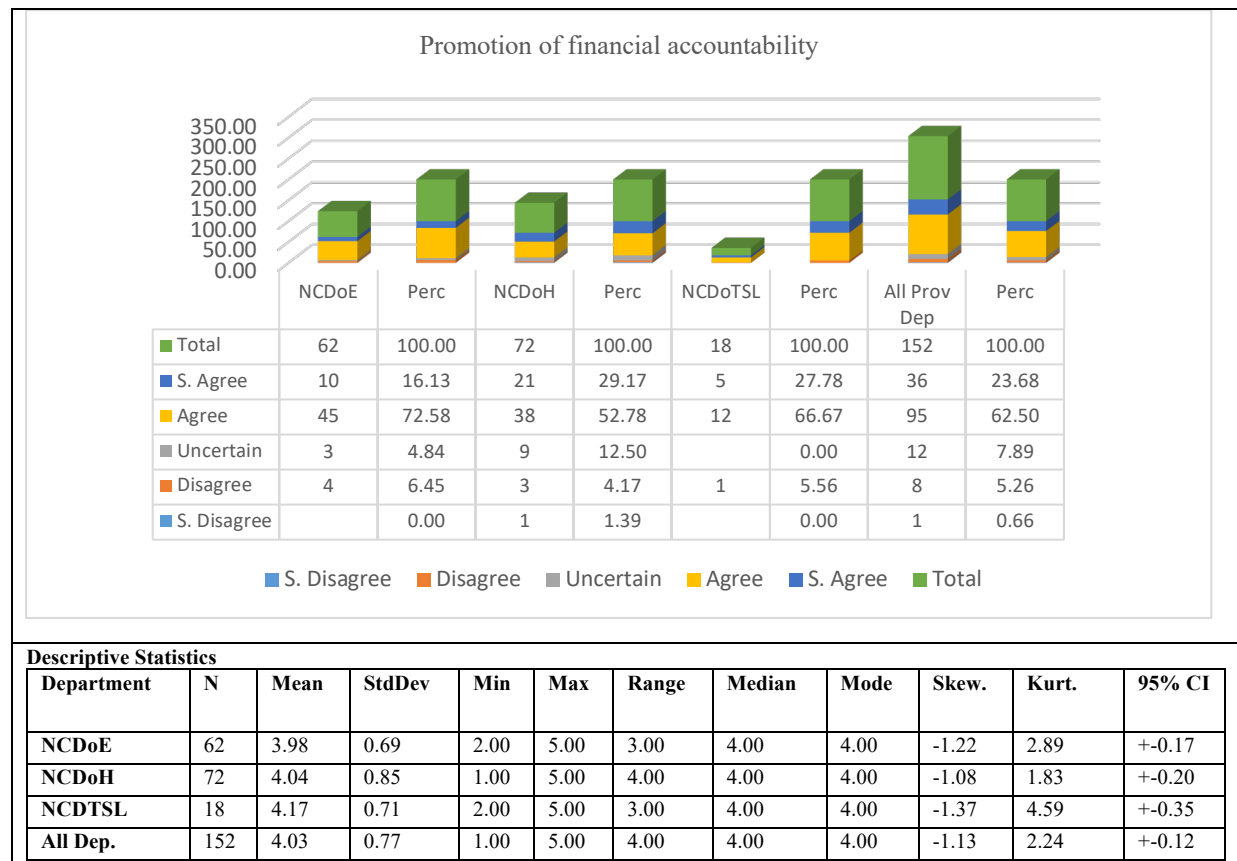
- Promoting financial accountability leads to efficient service delivery,
- A lack of financial accountability impacts service delivery negatively,
- Legislative oversight bodies hold departmental officials to account for poor service delivery,
- Public officials are not held accountable for poor service delivery, and



- Service delivery to the public is of high quality due to effective financial accountability and sound financial management systems within the department.

#### 6.4.6.1 Promoting financial accountability leads to efficient service delivery

The statement above aimed to determine how the promotion of financial accountability leads to efficient service delivery. The results of this investigation are presented in graphically in Figure 6.31 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.31: Promotion of financial accountability leads to efficient service delivery**

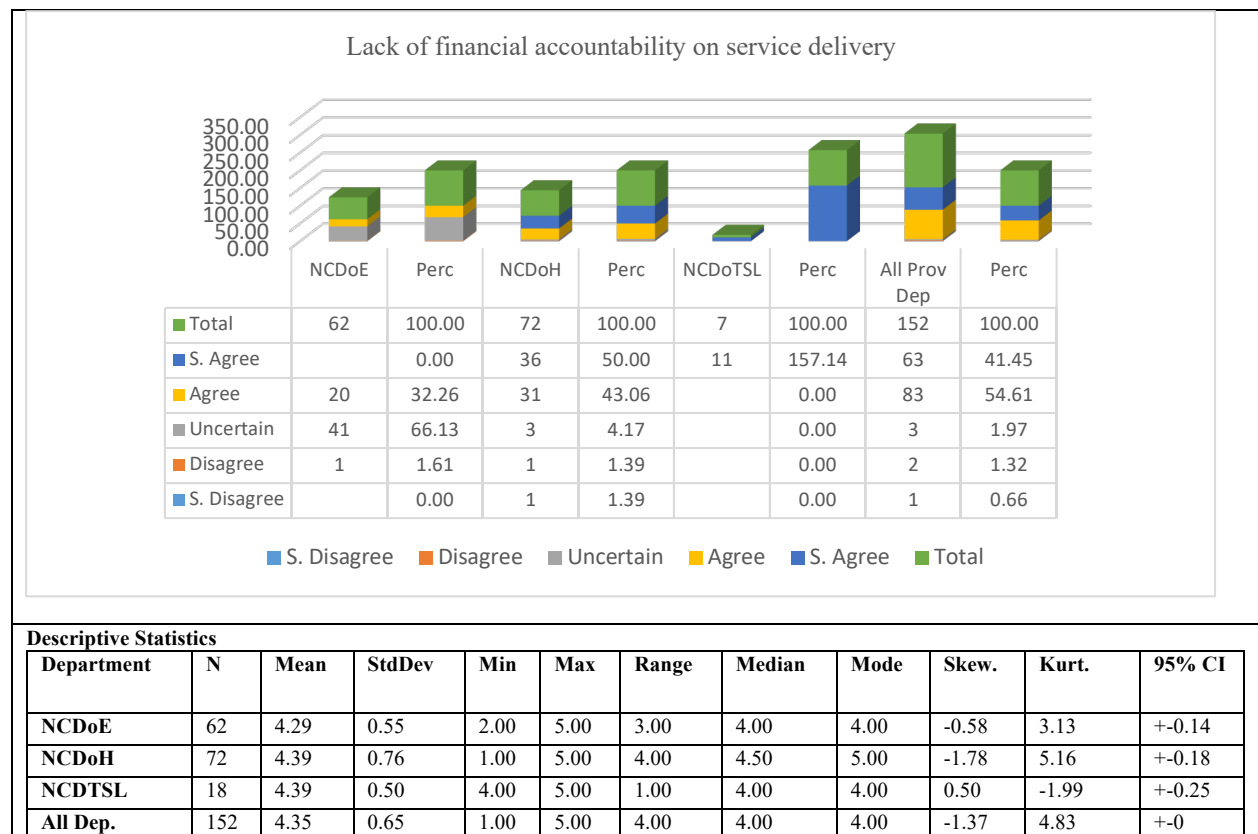
Figure 6.31 shows that the majority of responses for 6.4.6.1 supported the statement, with 62.5% agreeing and 23.7% strongly agreeing. Only a small minority disagreed (5.3%) or strongly disagreed (0.7%) that promoting financial accountability improved service delivery. Additionally, 7.9% of respondents were unsure about this assertion.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.31.** The findings indicate that a large and significant majority of respondents (86%) either agreed (62.5%) or strongly agreed (23.7%) with the statement. The data distribution is

negatively skewed at -1.13, indicating a general acceptance of the statement, with the central tendency centred on a value of 4.00, which represents agreement. The mean score is 4.03, slightly higher than the median of 4.00. Both the frequency and central tendency data demonstrate that the largest portion of respondents (86.0%) agreed or strongly agreed that promoting financial accountability promotes efficient service delivery. In Section 2.4.2.3, it was emphasised that financial accountability is crucial for promoting good governance and effective service delivery.

#### 6.4.6.2 A lack of financial accountability impacts negatively on service delivery

Statement 6.4.6.2 investigated whether a lack of financial accountability adversely affected service delivery. The results of this investigation are presented graphically in Figure 6.32, alongside a frequency table and descriptive statistics below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.32: Lack of financial accountability impacts negatively on service delivery**

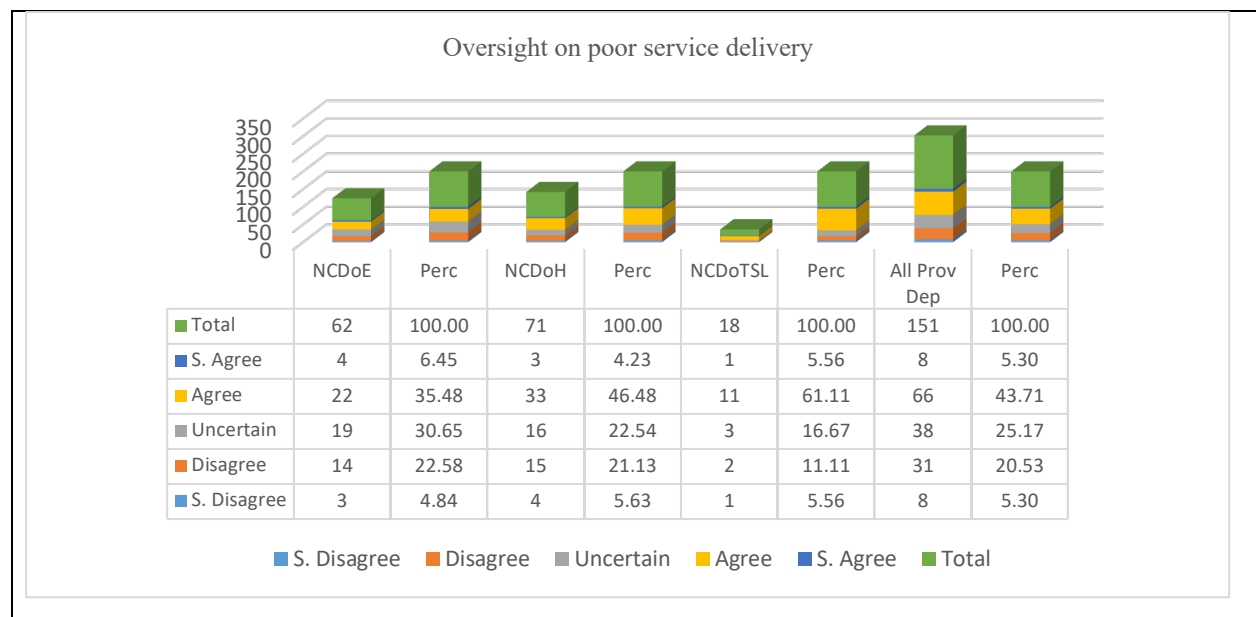
The findings shown in Figure 6.32 demonstrate that a large majority of the respondents (96.1%) accepted the statement, with 54.6% agreeing and 41.5% strongly agreeing. A minor proportion

(disagreed: 1.3% and strongly disagreed: 0.7%) held an opposing view to the assertion, while 2.0% of the respondents were uncertain.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.32.** The above findings show that most respondents (96.1%) either agreed (54.6%) or strongly agreed (41.5%) with the statement. The negative skewness (-1.37) of the data distribution, along with its central tendency, indicates support for the assertion. The median has a value of 4.00, the same as the mode, and both are lower than the mean, which has a value of 4.35. This suggests that a large proportion, 96.1%, of respondents agreed that lack of financial accountability negatively influenced service delivery. It was mentioned in Section 2.4.2.3, that the lack of accountability denies citizens their right to influence decisions affecting their lives and to hold public officials accountable for public resources entrusted to them to deliver services effectively and efficiently (McNeil and Malena, 2010:1). Additionally, Section 4.9, emphasised the lack of financial accountability as a key factor adversely affecting the promotion of good governance and service delivery in the NCP.

#### 6.4.6.3 Legislative oversight bodies hold departmental officials to account for poor service delivery

This statement examined whether legislative oversight bodies held departmental officials accountable for poor service delivery. The results of this investigation are shown in Figure 6.33 below.



| Descriptive Statistics |     |      |        |      |      |       |        |      |       |       |         |
|------------------------|-----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Department             | N   | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| NCDDoE                 | 62  | 3.16 | 1.01   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.24 | -0.60 | +/-0.25 |
| NCDDoH                 | 71  | 3.23 | 1.02   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.56 | -0.61 | +/-0.24 |
| NCDTSL                 | 18  | 3.50 | 0.99   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -1.25 | 1.29  | +/-0.49 |
| All Dep.               | 151 | 3.23 | 1.01   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.48 | -0.58 | +/-0.16 |

(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

### Figure 6.33: Legislative oversight bodies hold departmental officials to account for the use of state resources

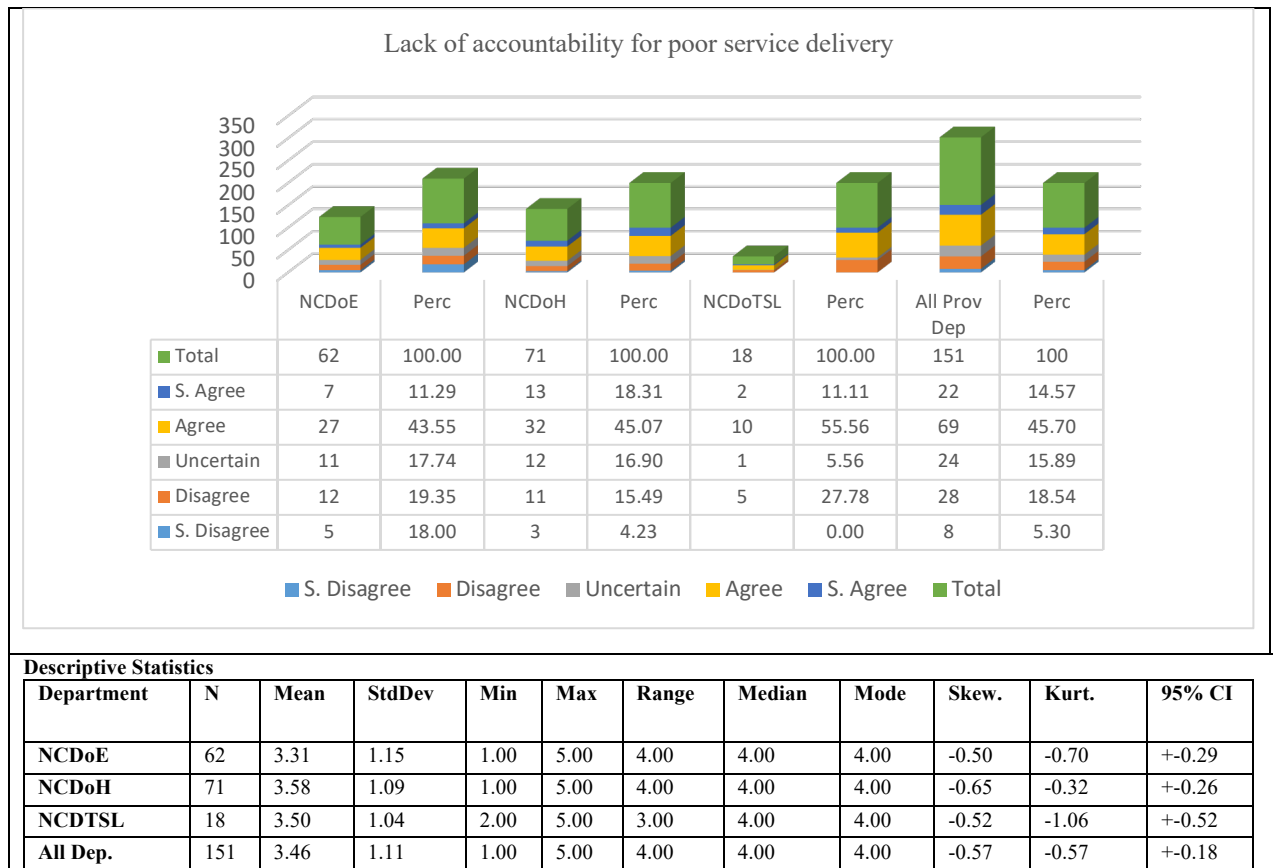
Figure 6.33 shows that the largest group of respondents, combining those who agreed (43.7%) and strongly agreed (5.3%), accounted for 49.0%. This indicates nearly half of the respondents supported the view that legislative bodies held departmental officials accountable for poor service delivery. Conversely, 5.3% strongly disagreed, and 20.5% disagreed with this statement. Merely 25.2% of respondents expressed uncertainty. Overall, the findings suggest that about 49% of respondents agreed that legislative bodies are responsible for holding departmental officials accountable for poor service delivery.

#### Summary of descriptive statistical analysis and interpretation of central tendency in

**Figure 6.33.** The findings above show that a combined 49.71% of respondents either agreed (43.7%) or strongly agreed (5.3%) with the statement, while 25.2% were unsure. The mean value of 3.23 is higher than the median of 3.00, indicating that more responses supported statement 6.4.6.4 than opposed it. In Section 2.4.1, it was mentioned that oversight structures must hold executives to account for the use of public funds and the provision of services (Sebakamotse, 2020:10).

#### 6.4.6.4 Public officials are not held accountable for poor service delivery

The statement in 6.4.6.4 aimed to determine whether public officials were held accountable for poor service delivery. The results of this investigation are presented in Figure 6.34.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.34: Public officials are not held to account for poor service delivery**

In Figure 6.34, it is shown that a significant proportion of respondents agreed (45.7%) and strongly agreed (14.6%) with the statement that public officials were not held accountable for poor service delivery. Those who disagreed made up 18.5% of respondents, while a small fraction (5.3%) strongly disagreed, and 15.9% remained uncertain.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.34.** According to the above findings, it is evident that most respondents (60.3%) either agreed (45.7%) or strongly agreed (14.6%) with the statement. The central tendency of the descriptive statistics indicates that the mean value is 3.46, which is lower than the median and mode, both of which are equal to 4.00. The data distribution was negatively skewed (-0.57), supporting the assertion in 6.4.6.4. The findings indicate that most respondents (60.3%) stated that public officials had not been held accountable for poor service delivery. In Section 4.9, the Auditor-General reported that the lack of consequence management by political leaders in departments within the NCP, who failed to hold executives accountable, negatively influenced financial accountability (AGSA, 2018:193).

#### 6.4.6.5 Effective financial accountability and sound financial management systems in the department result in the public receiving high-quality services

The statement in 6.4.6.5 determined whether service delivery to the public was of good quality due to effective financial accountability and sound financial management systems in the department. The results of this investigation are shown in Figure 6.35 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.35: The public receives quality service delivery**

The research findings in Figure 6.35 show that, out of 150 respondents, 52.0% disagreed, with 22.0% disagreeing and 30.0% strongly disagreeing. Uncertainty was expressed by 22.0% of respondents, while 22.0% agreed and 4.0% strongly agreed. This investigation's results indicate that approximately 52.0% of respondents rejected the statement that the public received quality service delivery due to effective financial accountability and sound financial management systems within the department.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.35.** The above findings show that a significant proportion of respondents (52%) disagreed (46.0%) and strongly disagreed (6.0%) with the statement, while 22.5% were uncertain. The mean (2.72), median (2.00), and mode (2.00) indicate that most respondents

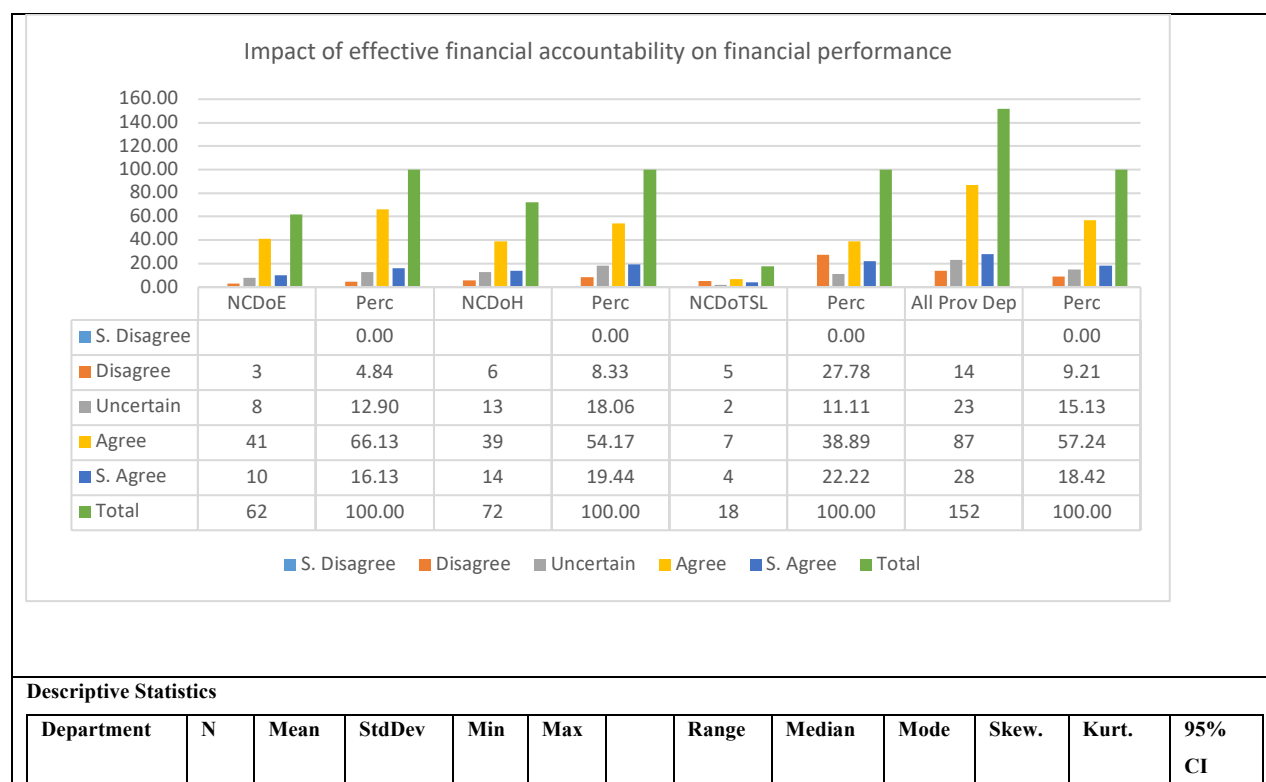
(52%) either disagreed or strongly disagreed with the assertion in statement 6.4.6.5. The positively skewed (0.47) distribution of the data is also consistent with the values of the central tendency. It thus supports the rejection or disapproval of the assertion that the public received quality service delivery due to effective financial accountability and sound financial management systems in the department.

## 6.4.7 Financial accountability influences financial performance outcomes

Both financial accountability and financial performance outcomes were evident throughout the review of this study. To emphasise the importance of these variables, an investigation and subsequent analysis were conducted.

### 6.4.7.1 Effective financial accountability improves the overall financial performance outcomes in the department

Statement 6.4.7.1 aimed to investigate whether effective financial accountability enhanced overall financial performance outcomes in the department. The findings are depicted in Figure 6.36 below.



|                 |     |      |      |      |      |  |      |      |      |       |       |       |
|-----------------|-----|------|------|------|------|--|------|------|------|-------|-------|-------|
| <b>NCDoE</b>    | 62  | 3.94 | 0.70 | 2.00 | 5.00 |  | 3.00 | 4.00 | 4.00 | -0.81 | 1.49  | +0.18 |
| <b>NCDoH</b>    | 72  | 3.85 | 0.83 | 2.00 | 5.00 |  | 3.00 | 4.00 | 4.00 | -0.60 | 0.09  | +0.19 |
| <b>NCDTSL</b>   | 18  | 3.56 | 1.15 | 2.00 | 5.00 |  | 3.00 | 4.00 | 4.00 | -0.28 | -1.34 | +0.57 |
| <b>All Dep.</b> | 152 | 3.85 | 0.83 | 2.00 | 5.00 |  | 3.00 | 4.00 | 4.00 | -0.70 | 0.23  | +0.13 |

(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

### Figure 6.36: Effective financial accountability improves financial performance

Figure 6.36 indicates that the largest proportion of respondents (57.2%) believe that effective financial accountability improves the overall financial performance of the NCDoH. Those who strongly agreed (18.4%), whereas 9.2% disagreed and 15.1% were unsure, reinforced this opinion that effective financial accountability improves financial performance.

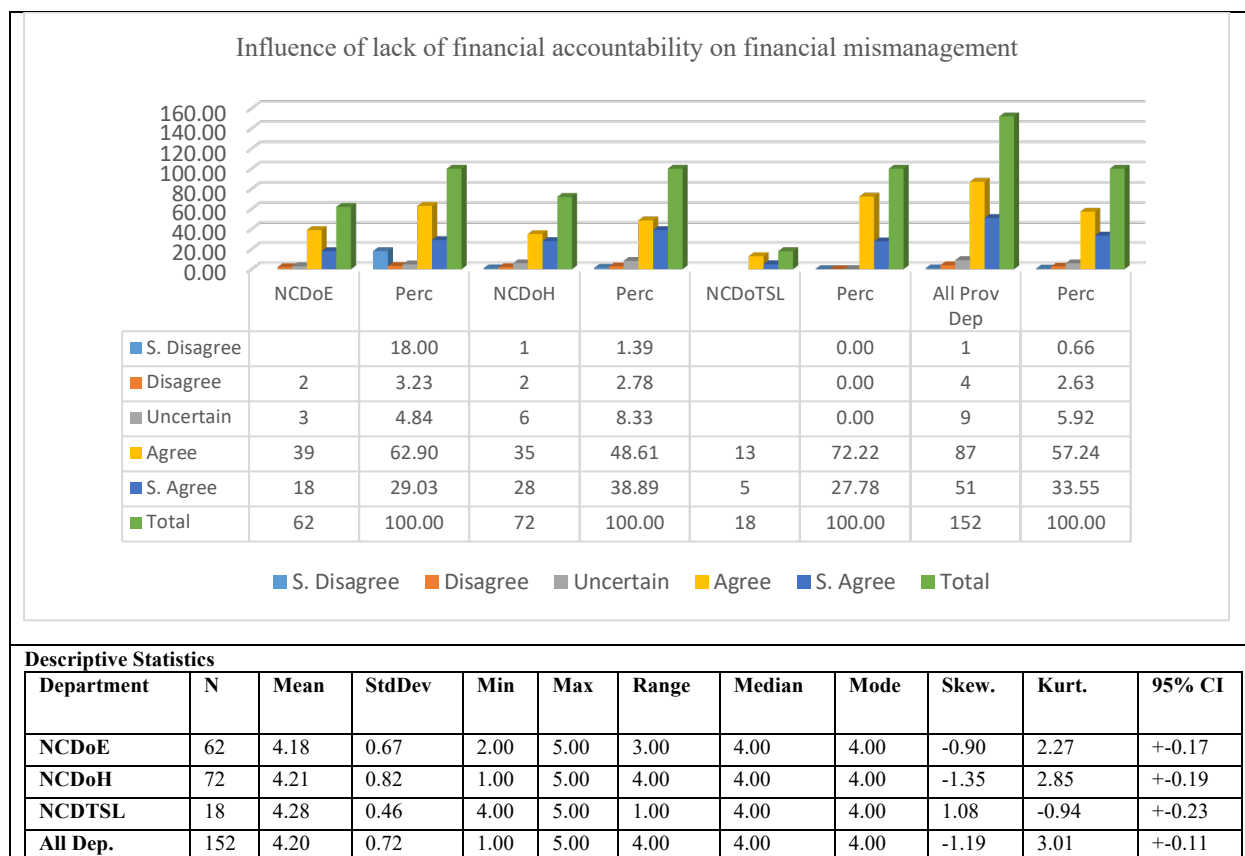
### Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.36.

The findings indicate that a large majority of respondents (75.48%) agreed or strongly agreed with the statement, with 57.24% agreeing and 18.42% strongly agreeing. As shown in Figure 6.36, most participants acknowledged that effective financial accountability leads to improved financial performance. The response distribution is negatively skewed (-0.70), with a median of 4.00 and a mean of 3.85, supporting statement 6.4.7.1, which claims that effective financial accountability improves financial outcomes. In Section 4.7.1, the Auditor-General's Consolidated General Report for 2018/19 audit outcomes of national and provincial departments noted that the NCDoH was in a vulnerable condition, with a R 448 million deficit, about 21.9% of the cash shortfall, funded by the following year's operational budget (AGSA, 2020:63).

### 6.4.7.2 The lack of financial accountability contributes to financial mismanagement in the department

Statement 6.4.7.2 assesses whether the lack of financial accountability contributed to financial mismanagement in the provincial departments. The findings are shown in Figure 6.37 below.





(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.37: Lack of financial accountability contributes to financial mismanagement**

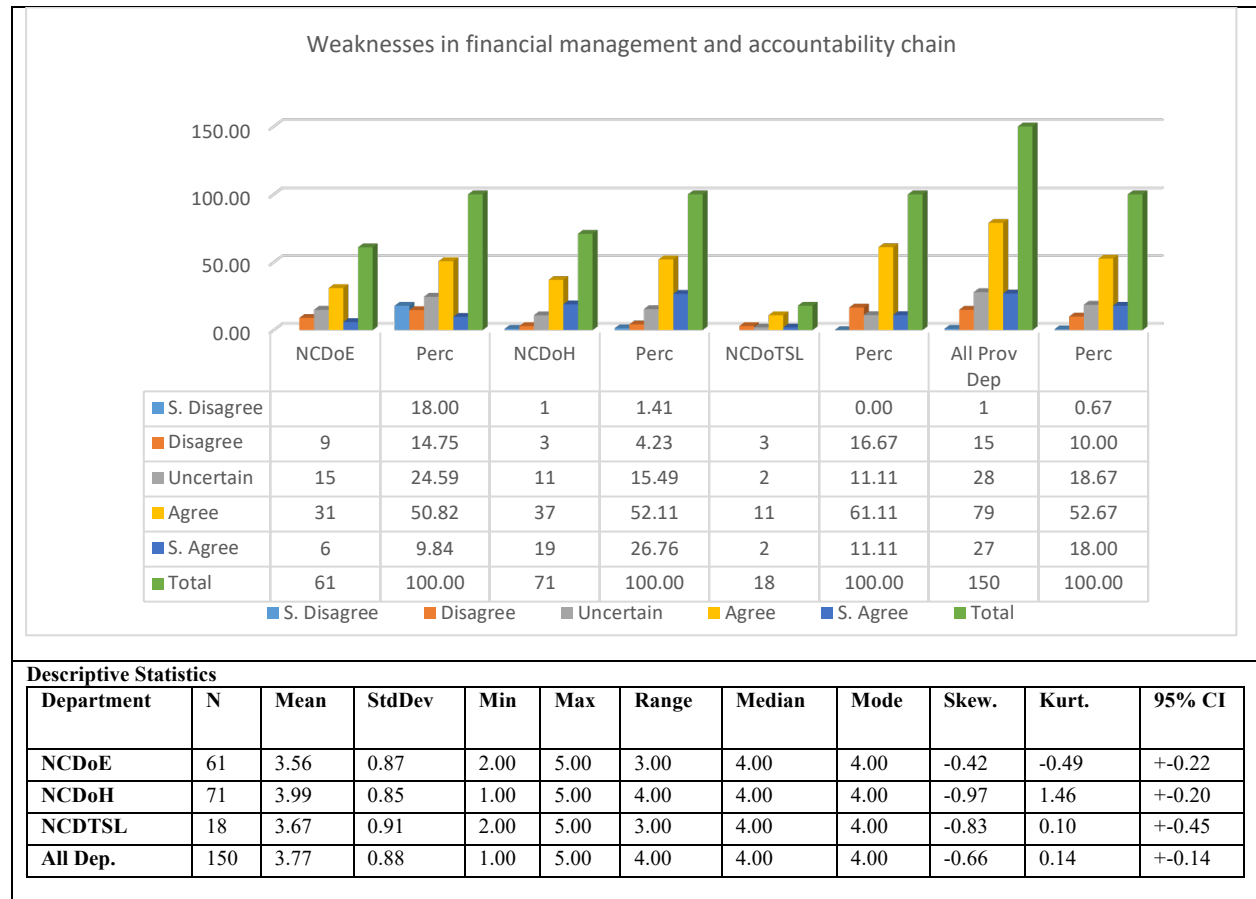
Figure 6.37 shows most respondents agreed (57.2%) or strongly agreed (33.6%) that lack of financial accountability causes mismanagement. Few disagreed (2.6%) or strongly disagreed (0.7%), and 5.9% were uncertain. The 90.8% strong affirmation indicates strong support for this idea.

### Summary of descriptive statistical analysis and interpretation of central tendency in

**Figure 6.37.** The findings show that 90.8% of respondents either agreed or strongly agreed that a lack of financial accountability led to financial mismanagement. The mean (4.20), median (4.00), and mode (4.00) reflect this, while the negative skewness (-1.19) indicates agreement. Section 2.5.1 emphasised that a lack of accountability negatively impacts financial performance. Evidence of this is that the NCDoH incurred financial losses from unauthorised, irregular, and wasteful spending (NCDoH Annual Performance Report 2020/2021, 2021:18). The department had spent R253.793 million without proper authorisation, and R497.829 million was unaccounted for due to irregular expenditure, as noted in Section 2.5.1 (NCDoH Annual Performance Report 2020/2021, 2021:18).

### 6.4.7.3 There are weaknesses in the department's financial management and accountability chain

Statement 6.4.7.3 aimed to identify if there were weaknesses in the department's financial management and accountability chain. The findings are illustrated in Figure 6.38 below.



(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

**Figure 6.38: Weaknesses in the financial management and accountability chain**

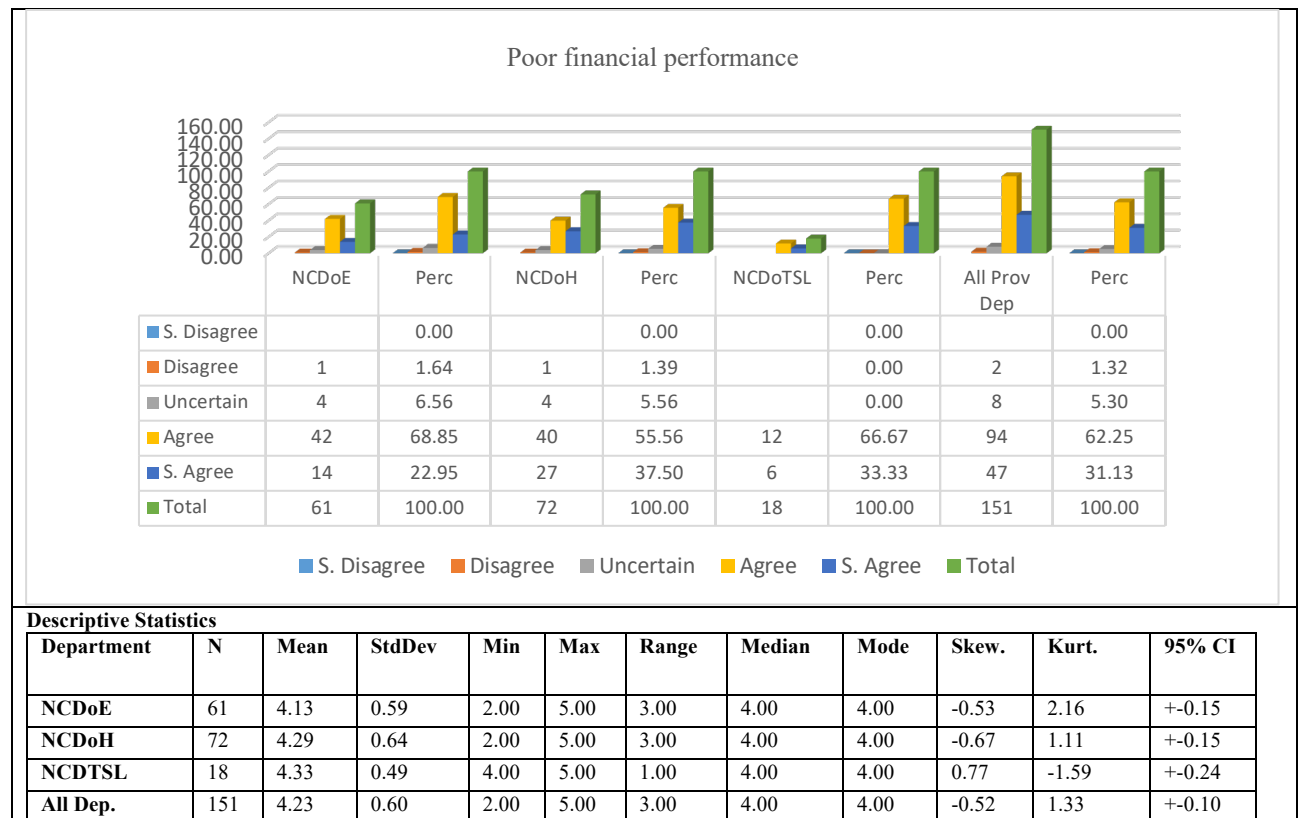
Figure 6.38 shows that the respondents agreed that there were weaknesses in the financial management and accountability chain of the provincial government departments. The largest proportion of respondents agreed (52.7%) and strongly agreed (18.0%) with the statement. Additionally, 18.7% of respondents were uncertain, while fewer respondents disagreed (10.0%) and strongly disagreed (0.7%).

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.38.** The findings showed that a significant majority of respondents (70.7%) agreed (52.7%) or strongly agreed (18.0%) with the statement. The mean (3.77), median (4.00), and skewness (-0.66) of the data distribution indicate that 70.7% of respondents accepted the idea

that provincial government departments face weaknesses in financial management and accountability. This approval percentage exceeded the rejection rate. Additionally, the mean, median, and mode all fall on the positive side of the scale, with values above 3.00, supporting the view that respondents generally accepted the statement. The median (4.00), being higher than the mean (3.77), further suggests overall agreement that weaknesses exist within the provincial departments' financial processes.

#### 6.4.7.4 Poor financial accountability leads to poor financial performance in the department

Statement 6.4.7.4 examined whether poor financial accountability resulted in poor financial performance within the department. The findings are illustrated in Figure 6.39 below.



(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

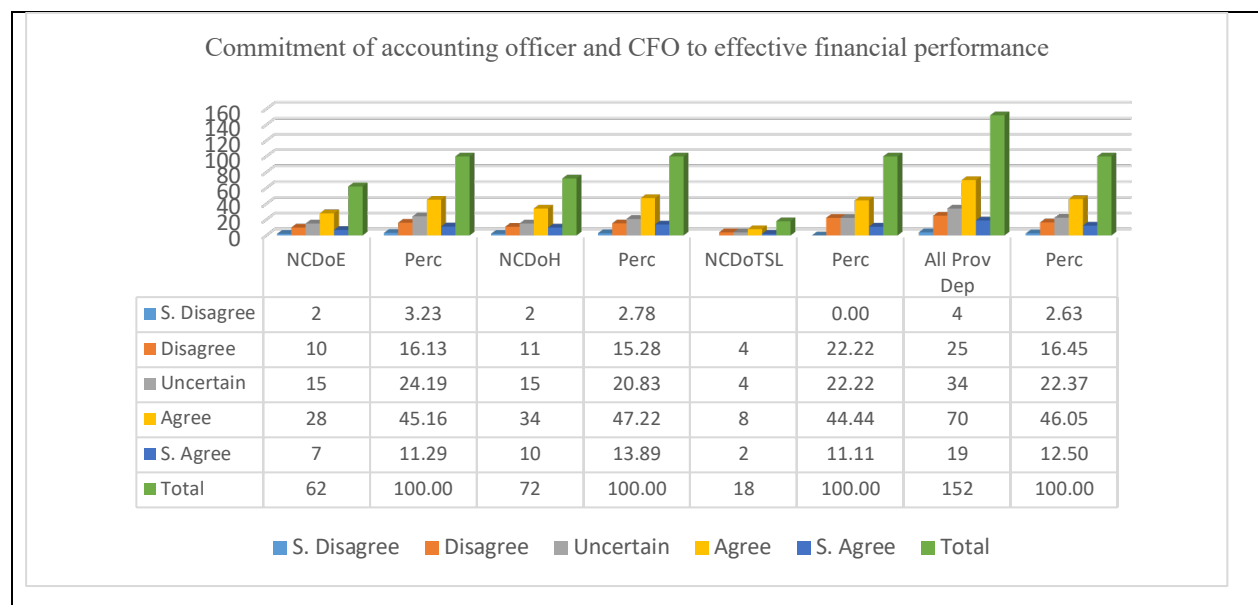
**Figure 6.39: Poor financial accountability leads to poor financial performance**

Figure 6.39 illustrates that respondents believe poor financial accountability results in poor financial performance in the department. The majority, 62.3%, agreed, and an additional 31.1% strongly agreed with the statement in 6.4.7.4. Meanwhile, 5.3% were uncertain, and only 1.3% disagreed. The total of those who agreed or strongly agreed is 93.4%, supporting the view that poor financial accountability impacts financial performance negatively within the department.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.39.** It can be inferred from the above findings that a significant proportion of respondents (93.4%) agreed (62.3%) and strongly agreed (31.1%) with the statement. The affirmation of the assertion expressed in statement 6.4.7.4, as shown in Figure 6.48, is consistent with the central tendency and skewness of the data distribution, as indicated by the respondents' responses. The mean value was recorded as 4.23, while the median and mode were each marked at 4.00, suggesting that a large majority of respondents (93.4%) accepted the assertion in statement 6.4.7.4. The research results indicate that a significant number of respondents believe that poor financial accountability leads to poor financial performance within departments. Avery and Obah (2018:38) state in Section 2.5.2 that control measures are essential for enhancing financial accountability and overall financial results. Section 2.5.1 highlights that a lack of financial accountability caused poor financial performance in NCDoH and NCDOE during the 2019/20 financial year.

#### 6.4.7.5 The AO and the CFO are committed to promoting effective financial performance and accountability in the department

Statement 6.4.7.5 examined whether the AO and CFO were dedicated to fostering strong financial performance and accountability in the department. The results are shown in Figure 6.40 below.



| Descriptive Statistics |     |      |        |      |      |       |        |      |       |       |         |
|------------------------|-----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Department             | N   | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| NCDDoE                 | 62  | 3.45 | 1.00   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.52 | -0.29 | +/-0.25 |
| NCDDoH                 | 72  | 3.54 | 1.01   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.59 | -0.24 | +/-0.24 |
| NCDTSL                 | 18  | 3.44 | 0.98   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.24 | -0.92 | +/-0.49 |
| All Dep.               | 152 | 3.49 | 1.00   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.51 | -0.38 | +/-0.16 |

(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

### Figure 6.40: The commitment of the CFO to effective financial accountability and performance

Figure 6.40 shows that respondents supported the claim that the AO and the CFO were committed to promoting effective financial performance and accountability within the department. The largest group of respondents agreed (46.1%) or strongly agreed (12.5%) with the statement 6.4.7.5. Meanwhile, 22.4% of respondents were uncertain, while others expressed disapproval by disagreeing (16.5%) or strongly disagreeing (2.6%). Based on the findings in Figure 6.40, it can be concluded that 58.6% of respondents believed the accounting officer and the CFO are committed to fostering effective financial performance and accountability in the department.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.40.** The above findings show that a significant proportion of respondents (58.6%) agreed (46.1%) or strongly agreed (12.5%) with the statement, while 22.4% were uncertain. The response frequencies are reflected in the mean (3.49), median (4.00), and mode (4.00), along with a negative skewness (-0.51) of the data. These results indicate that most respondents (58.6%) agreed with the assertion that CFOs are committed to promoting effective financial performance and financial accountability within their department. In Section 2.3.4, it was emphasised that the AO must ensure the effective, efficient, and economical use of the department's resources. In Section 4.5.2, it was further highlighted that the AO of a department must ensure the effective, efficient, and transparent use of financial management, financial risk management, and internal controls. The CFO is accountable to the AO for financial resources, the budgeting process, financial accounting and analysis, financial reporting, debt management, and overall financial management within a department (Thys and Wait, 2020:64-67).

#### **6.4.8 Supply Chain Management**

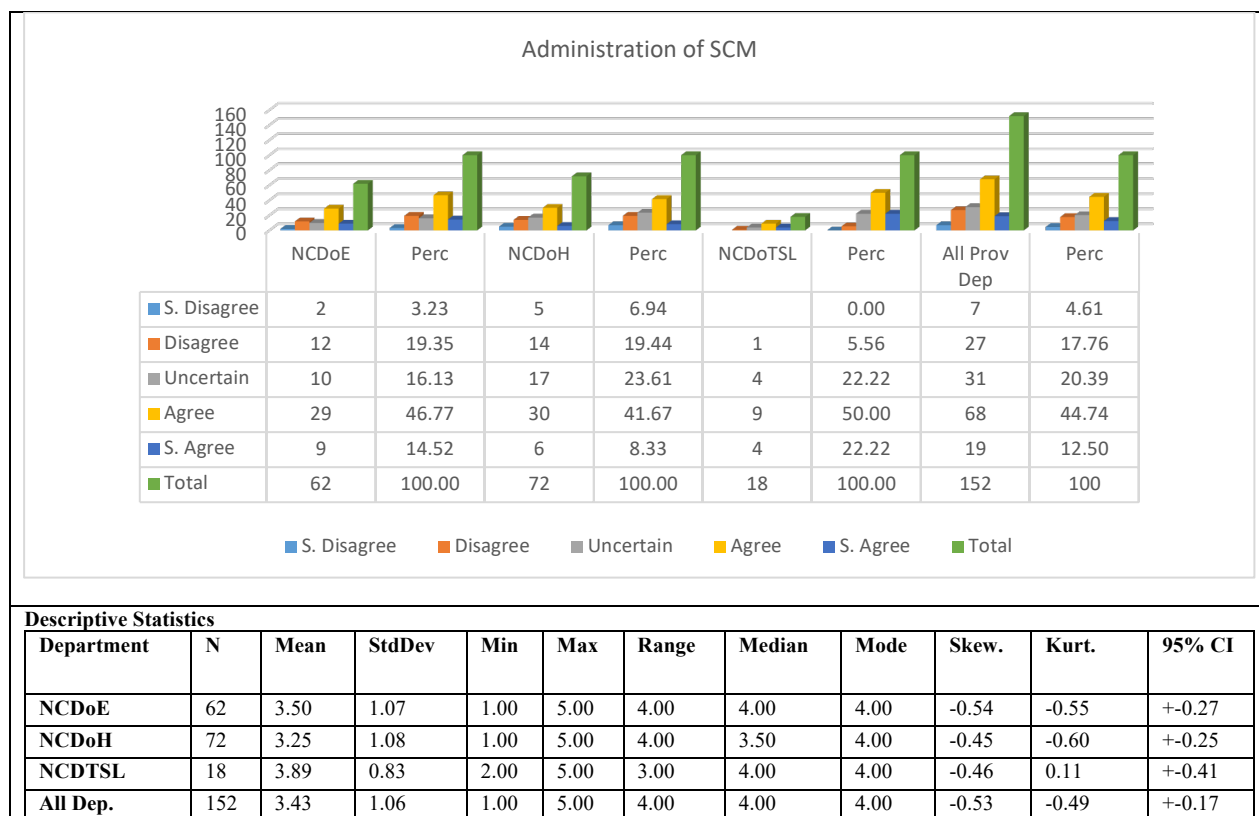
It was stated in Chapter Two, Section 2.6.1, that SCM is one of the key aspects of financial accountability, which is reflected in legislative frameworks enacted by the national government and is interrelated with provincial and local government bodies through specific legislation, policies, and regulations. The importance of effective SCM management was emphasised in various sections of the study, and a need for further investigation and analysis is identified in the succeeding related sections. The focus of this analysis was on the statements listed below:

- Supply chain management (SCM) in the department is administered according to legislative prescripts, SCM policies and treasury regulations.
- The bidding process in the department is fair, equitable, transparent, competitive and cost-effective.
- Contracts are always given to individuals who are close to politicians and state power.
- Suppliers are paid on time within the prescribed period of 30 days.
- There is a widespread view that SCM in the department is mismanaged, corrupt, and exploited by certain individuals to enrich themselves.

This section of the empirical study presents the results of the investigation and analysis of the above statements regarding SCM. How does financial accountability influence the implementation of key financial legislation as well as treasury and SCM regulations in provincial departments and municipalities in the NCP? The analysis of SCM began with a descriptive statistical approach, followed by an inferential statistical approach, as outlined in Section 6.5.3 of this study.

##### **6.4.8.1 SCM in the department is managed in accordance with legislative prescripts, policies, and treasury regulations**

Statement 6.4.8.1 investigated whether SCM in the department was conducted in accordance with legislative prescripts, SCM policies, and treasury regulations. The findings are illustrated in Figure 6.41 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.41: Administration of SCM in provincial departments**

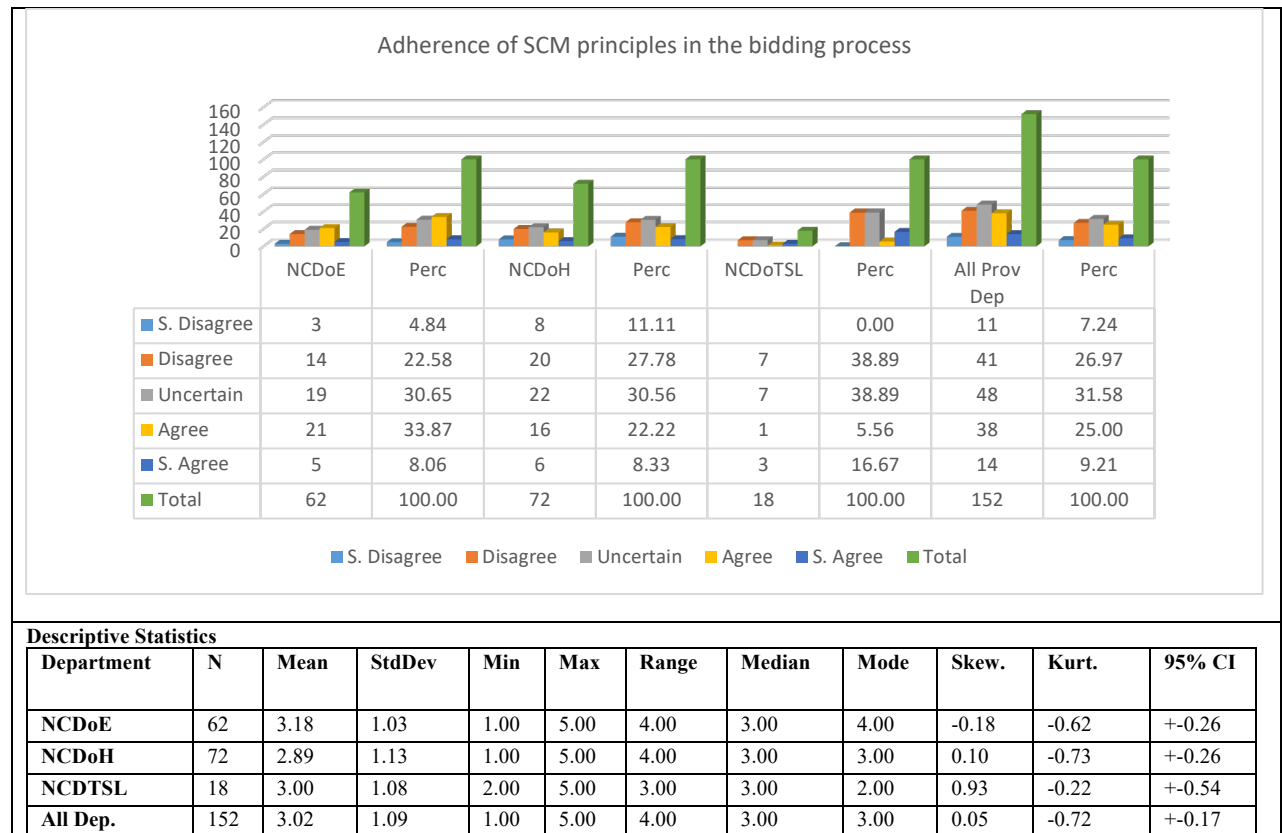
Figure 6.41 shows that 44.7% of respondents agreed, and a small fraction, 12.5%, strongly agreed with statement 6.4.81. This indicates that 57.4% of respondents supported the assertion that SCM in the department was managed in accordance with legislative prescripts, SCM policies, and treasury regulations. Conversely, 17.8% disagreed, and only 4.6% strongly disagreed. Those expressing uncertainty made up 20.4% of respondents. The conclusion from this investigation is that 57.4% of respondents affirmed that SCM in the department was administered following legislative prescripts, SCM policies, and treasury regulations.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.41.** The results indicated that a majority of respondents (57.4%) agreed (44.7%) or strongly agreed (12.5%) with the statement. However, 20.4% were uncertain. It is possible that some respondents did not fully understand the question, as the reliability test- Cronbach's Alpha (with a corrected item-total correlation of 0.56 and 0.85 when corrected) - raises concerns about data acceptability. Supporting the frequency scores, the data's negative skewness (-0.53), along with the mean (3.43), median (4.00), and mode (4.00), suggest acceptance of the statement. As discussed in Section 2.7.1, Ambe and Badenhorst-Weiss (2012:5) confirm that SCM functions in the RSA align with national legislation and are connected to provincial and local policies.

Section 2.6.2 references the 2018/19 Auditor-General Consolidated Report (AGSA, 2020:18), which highlights concerns about non-compliance and criticises the ongoing neglect by senior leadership to address transgressors of SCM rules. The 2023/24 report identified that the main non-compliance issues involved consequence management, prevention of irregular and wasteful expenditure, and procurement and contract management- areas where all six NCP departments had material findings (AGSA, 2025:164). Therefore, while most respondents believe SCM is administered in accordance with legislative and regulatory requirements, the Auditor-General's reports indicate that non-compliance remains a challenge across all six NCP departments.

#### 6.4.8.2 The bidding process in the department is fair, equitable, transparent, competitive, and cost-effective

This statement 6.4.8.2 was made to determine whether the bidding process in the provincial departments was fair, equitable, transparent, and cost-effective. The findings are shown in Figure 6.42 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.42: The SCM bidding process in provincial departments**



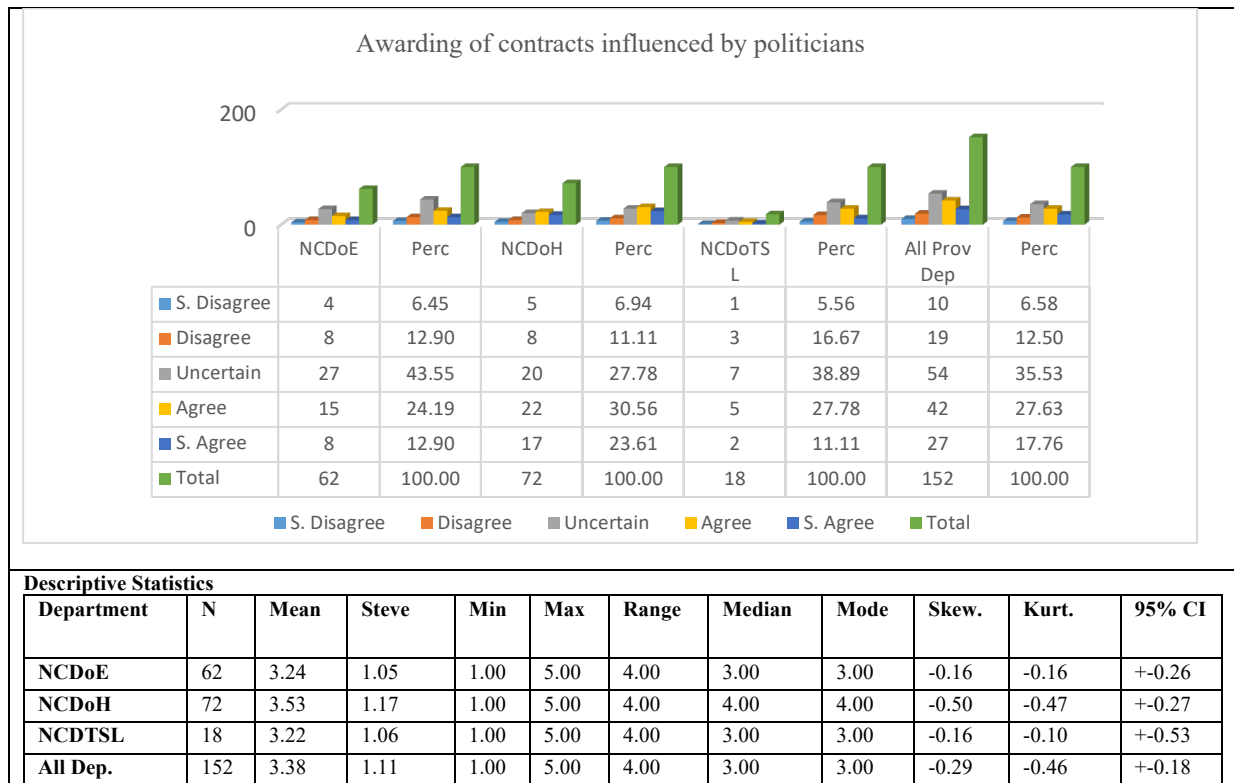
The statement indicates that out of 151 respondents who participated in the research, a combined rejection of 34.21% was made by 27.0% and 7.2% of the respondents who disagreed and strongly disagreed, respectively. An equal combined proportion of respondents (34.2%) agreed (25.0%) and strongly agreed (9.21%) with the statement. A large portion of respondents, 31.6%, were uncertain. The results of this investigation showed that approximately 34.2% of respondents rejected the claim that the bidding process in the provincial departments was fair, equitable, transparent, and cost-effective. The findings also suggest that a significant proportion of respondents (34.21%) who rejected the statement were unaware of the SCM bidding process, while 31.6% were uncertain about it.

#### **Summary of descriptive statistical analysis and interpretation of central tendency in**

**Figure 6.42.** The data shows that 34.21% of respondents disagreed (27.0%) or strongly disagreed (7.2%) with the statement, while an equal percentage (34.21%) agreed (25.00%) or strongly agreed (9.21%). A significant portion was uncertain (31.58%). With the mean (3.02), median (3.00), and mode (3.00) values being almost identical and a positively skewed distribution, it can be inferred that the graph was nearly symmetrical, with a slight tendency towards rejecting the statement 6.4.8.2. The central tendency figures suggest that most respondents (31.58%) were unsure whether the bidding process in provincial departments was fair, transparent, and cost-effective. In Section 2.6.1, the literature identified five key procurement principles: value for money, open and effective competition, ethics and fair dealings, accountability and reporting, and equity (Fourie and Malan, 2020:6). These findings correspond with Section 4.8.2 which noted that weaknesses in SCM and procurement processes led to the NCP losing considerable funds due to procurement flaws.

#### **6.4.8.3 Contracts are always given to individuals who are close to politicians and state power**

Statement 6.4.8.3 questioned whether contracts were always given to individuals close to politicians and state power. The findings are presented in Figure 6.43 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

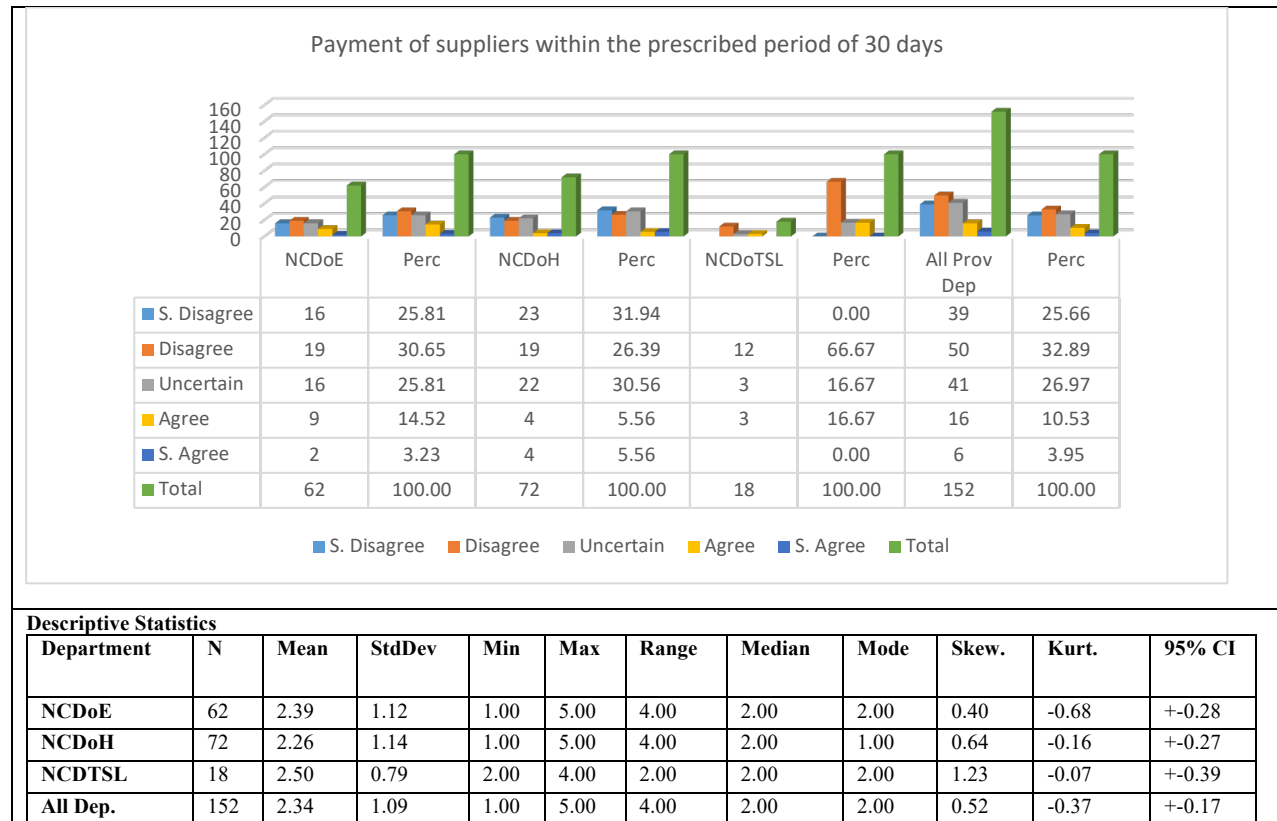
**Figure 6.43: Administration of contracts in provincial departments**

Figure 6.43 shows that a large proportion of respondents agreed (27.6%), while 17.8% strongly agreed that contracts were always awarded to individuals close to politicians and those in power. There was also a segment who rejected the statement, including respondents who disagreed (12.5%) and strongly disagreed (6.6%), whereas the largest group, comprising 35.5%, were unsure.

**Summary of descriptive statistical analysis interpretation of central tendency in Figure 6.43.** From the above findings, it is evident that the combined proportion of respondents who agreed (45.4%) and those who strongly agreed (27.6%) with the statement is notable. A large percentage of respondents (35.5%) were uncertain. Although a large percentage of respondents were uncertain (35.5%), the central tendency where the mean (3.38) is bigger than the median (3.00) and the negatively skewed (-0.29) distribution of data suggest that more respondents agreed with the assertion in 6.4.8.3. that contracts were always given to individuals who are close to politicians and state power. The findings align with the observations made in Section 2.9 where it was noted that numerous public servants, including politicians, are involved in corrupt activities and procurement irregularities to siphon money for self-enrichment and personal gain (Reddy, 2016:3).

#### 6.4.8.4 Suppliers are paid on time within the prescribed period of 30 days

Statement 6.4.8.4 determined whether suppliers were paid on time within the prescribed period of 30 days. The findings are presented below in Figure 6.44 as a graph, displaying descriptive statistics and frequencies.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.44: Prescribed time for the payment of suppliers in provincial departments**

The statement in 6.4.8.4 was rejected by 32.9% and 25.6% of respondents who disagreed and strongly disagreed, respectively. Acceptance of the statement came from smaller groups of respondents, with 4.0% strongly agreeing and 10.5% agreeing with the statement. A significant number of respondents, 27.0%, were uncertain. The results of this investigation showed that approximately 58.5% of respondents rejected the assertion that suppliers were paid on time within the prescribed 30-day period.

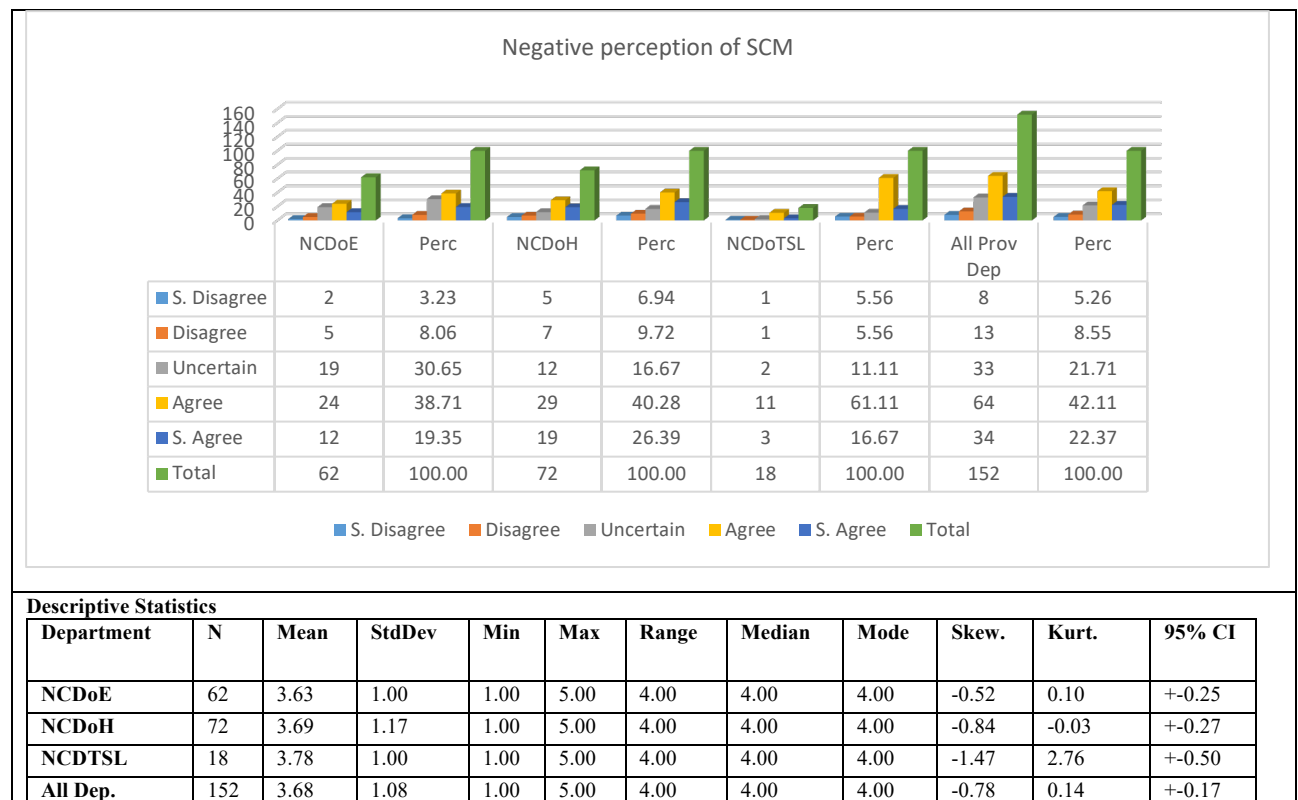
#### Descriptive statistical analysis and interpretation of central tendency in Figure 6.44.

From the above findings, it is evident that the combined proportion of respondents (58.5%) disagreed (32.9%) and strongly disagreed (25.6%) with the statement, while 27.0% were uncertain. The disapproval of statement 6.4.8.4 was also supported by the positively skewed data distribution and the central tendency measures, with the mean value of 2.34 exceeding the

median and mode, both of which are 2.00. It can therefore be deduced that a significant percentage of respondents rejected the assertion that the suppliers were paid on time within the prescribed 30-day period. These findings are also corroborated by the literature, as outlined in Section 4.8.3 which states that the creditor-payment period in the NCDoH, NCDoE, and NCDoPW increased from 67 days in the 2018/19 financial year to 11 days in the 2023/24 financial year (AGSA, 2025:164).

#### 6.4.8.5 There is a widespread belief that SCM in the department is poorly managed, corrupt, and exploited by some individuals for personal enrichment

Statement 6.4.8.4 examined the widespread view that SCM in provincial departments was poorly managed, corrupt, and exploited by some individuals to gain personal wealth. The findings are shown in Figure 6.45 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.45: SCM in provincial departments**

Figure 6.45 indicates that respondents largely agreed with the perception that SCM in provincial departments is mismanaged, corrupt, and exploited by some individuals for personal gain. The majority, 42.1%, agreed, and 22.4% strongly agreed with this view. Meanwhile, 21.7% were unsure, while others expressed disagreement [8.6% disagreed and 5.3% strongly]

disagreed]. From these results, it can be concluded that the prevailing view among respondents (64.5%) was that SCM in provincial departments suffered from mismanagement and corruption, which was exploited by some individuals for personal enrichment.

#### **Summary of descriptive statistical analysis and interpretation of central tendency in**

**Figure 6.45.** The above findings show that a significant proportion of the respondents (64.5%) agreed (42.1%) and strongly agreed (22.4%) with the statement. The negative skewness of the data distribution and the central tendency support the statement. Both the median and mode each carry a value of 4.00 (a coded measure of agreement), which is greater than the mean, whose value is 3.68. A deduction drawn from this investigation is that the combined proportion of respondents accepted the assertion that there was a general view that SCM in provincial departments was mismanaged, corrupt, and used by some individuals to enrich themselves. As mentioned in Section 6.4.8.3 above, it was confirmed in the literature in Section 2.9 that numerous public functionaries are involved in corrupt activities and procurement irregularities, thereby misusing public funds for personal gain and self-enrichment (Reddy, 2016:6).

#### **6.4.9 The Functionality of Financial Controls**

As stated in Section 1.8.4, financial controls are essential for maintaining proper levels of accountability within the government. They help ensure public funds are not misused and that monetary transactions are recorded transparently. The significance of financial control functionality was also identified as a key variable among the research objectives, as outlined in Section 1.4.3. The investigation of control functionality is based on the following statements:

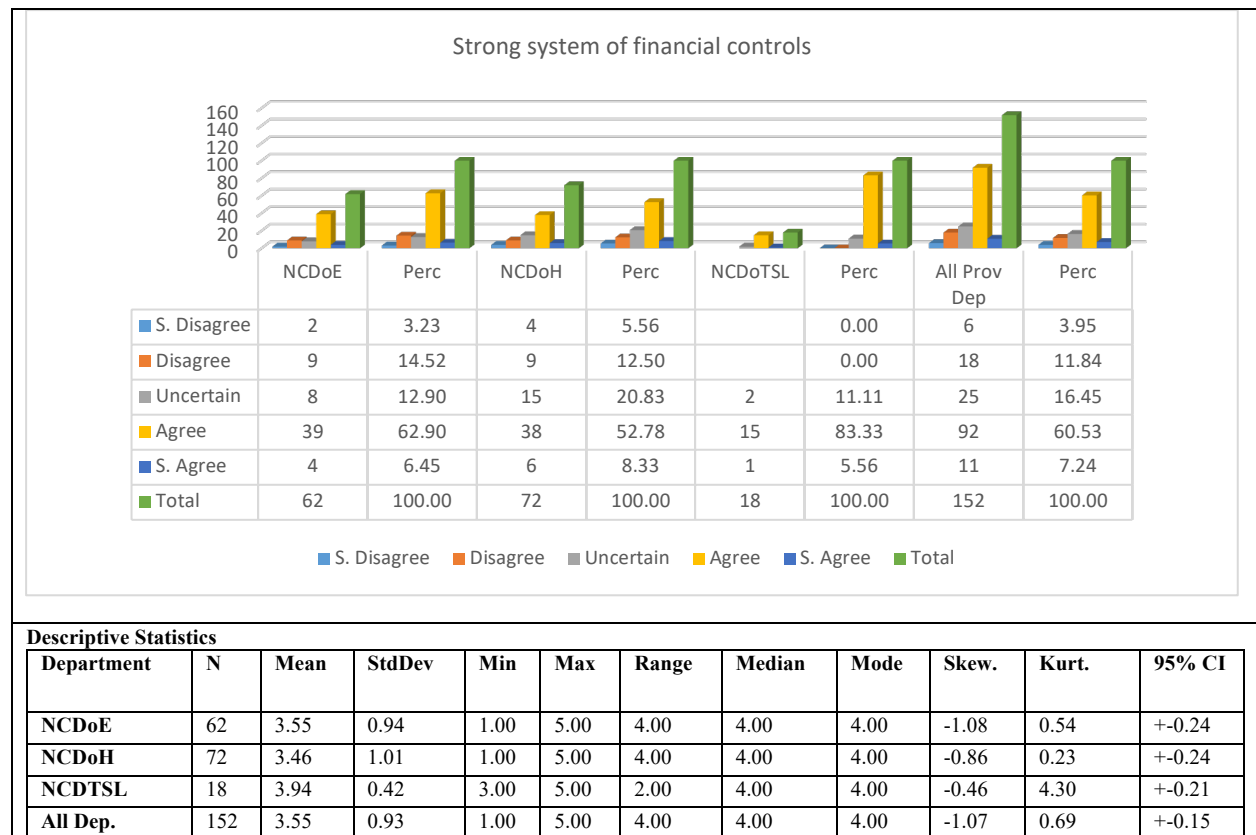
- The department has a strong system of financial controls, namely policies, procedures, reporting, auditing and audit reporting.
- Public officials are aware of the existing financial controls in the department, such as monthly, quarterly and annual reports.
- Financial controls are effectively applied to prevent the mismanagement of financial resources in the department.
- The application of financial controls is disregarded in the department.
- Public officials are not aware of or familiar with financial controls in the department.

This section of the study presents the findings based on a descriptive analysis conducted to answer the research question: “How does financial accountability influence the functionality

of financial controls in provincial departments in the NCP?” The analysis approach began with the presentation of the findings, which were then descriptively analysed.

#### 6.4.9.1 The department has a robust system of financial controls, including policies, procedures, reporting, auditing, and audit reporting processes.

Statement 6.4.9.1 aimed to determine whether the provincial departments possessed a robust system of financial controls. The results are shown in Figure 6.46 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.46: A system of financial controls in provincial departments**

Figure 6.46 indicates that respondents supported the claim that provincial departments had a robust system of financial controls. The majority agreed (60.5%), with those who strongly agreed (7.2%) also supporting the statement. The uncertain group accounted for 16.5%, while the remaining respondents disagreed (11.8%) or strongly disagreed (4.0%). From this, it can be inferred that 67.7% of respondents agreed that provincial departments had a robust system of financial controls.

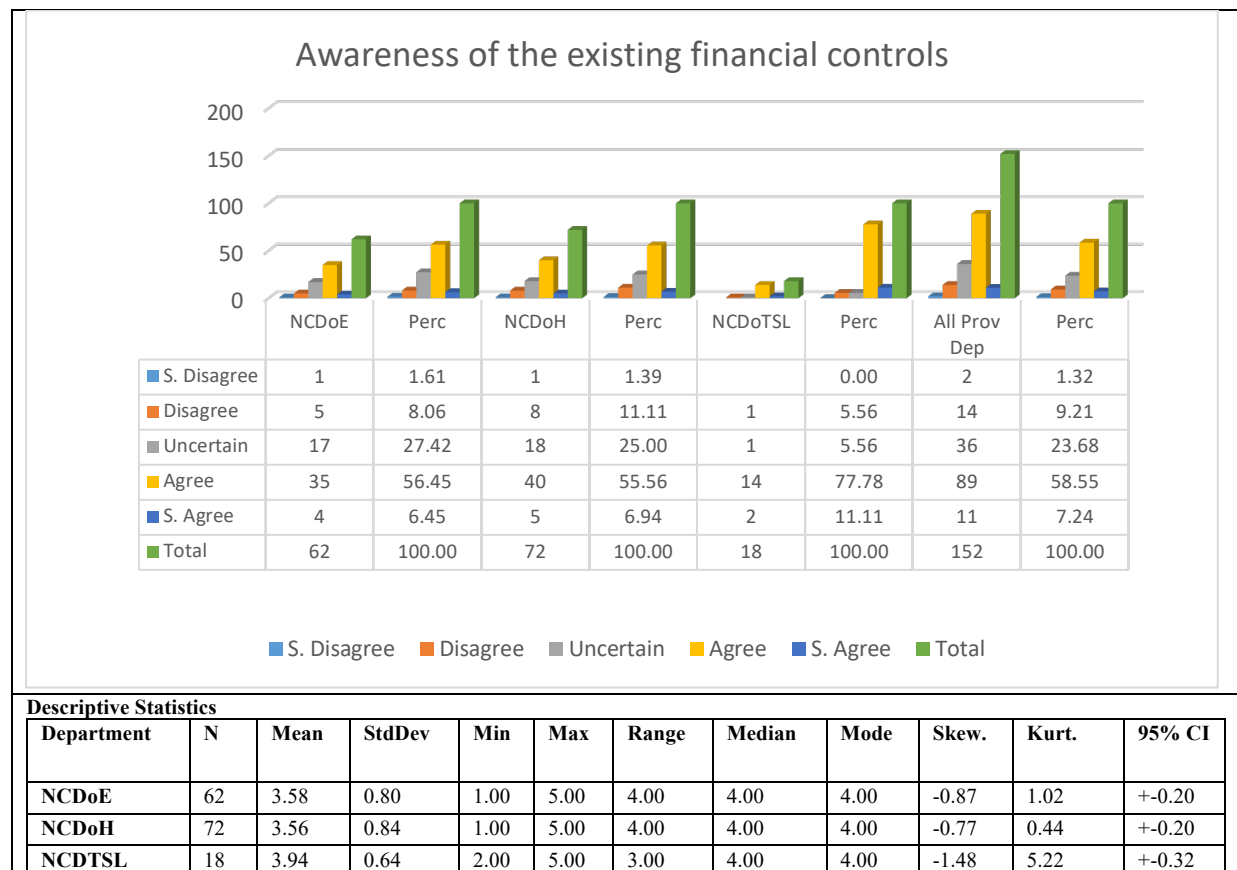
#### Descriptive statistical analysis and interpretation of central tendency in Figure 6.46.

The results show that a large majority of respondents (67.7%) agreed (60.5%) or strongly agreed (7.2%) with the statement. This approval aligns with the central tendency measures

[mean (3.55), median (4.00), and mode (4.00)] and reflects a negative skewness (- 1.07) in the data distribution concerning respondents' answers. The mean is 3.55, and both the median and mode are at 4.00, indicating that most respondents accepted the statement. Based on these findings, it can be concluded that a significant proportion of respondents confidently affirmed that provincial departments had a robust system of financial controls. These results are consistent with the literature cited in Section 2.6.2.1 which emphasises that proper internal controls are crucial for good governance as they serve to identify, mitigate, and manage control risks that could impede a department's objectives effectively, efficiently, and economically (Hayati and Aviana, 2021:90). Additionally, as discussed in Section 4.9, the Auditor-General identified widespread deficiencies in basic internal controls within the NCP departments, mainly due to poor quality in financial statements and performance reports submitted for auditing (AGSA, 2020:12).

#### 6.4.9.2 Public officials are aware of existing financial controls in the department, such as monthly, quarterly, and annual reports

This statement aims to determine whether public officials were aware of the existing financial controls in the provincial government departments. The findings are presented in Figure 6.47 using a graph, with descriptive statistics and frequencies shown below.



|          |     |      |      |      |      |      |      |      |       |      |         |
|----------|-----|------|------|------|------|------|------|------|-------|------|---------|
| All Dep. | 152 | 3.61 | 0.81 | 1.00 | 5.00 | 4.00 | 4.00 | 4.00 | -0.87 | 0.78 | + -0.13 |
|----------|-----|------|------|------|------|------|------|------|-------|------|---------|

(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

### Figure 6.47: Awareness of financial controls in provincial departments

Figure 6.47 illustrates that the respondents supported the assertion that public officials were aware of the existing financial controls in the provincial government departments. The largest proportion of respondents agreed (58.6%) and was complemented by those who strongly agreed (7.2%) with the statement 6.4.9.2. On the other hand, 23.7% of respondents were uncertain, whereas the different categories had rejected the assertion by disagreeing (9.2%) and strongly disagreeing (1.3%). With the above in mind, it can be deduced that 65.8% of the respondents accepted the assertion that public officials were aware of the existing financial controls in provincial government departments.

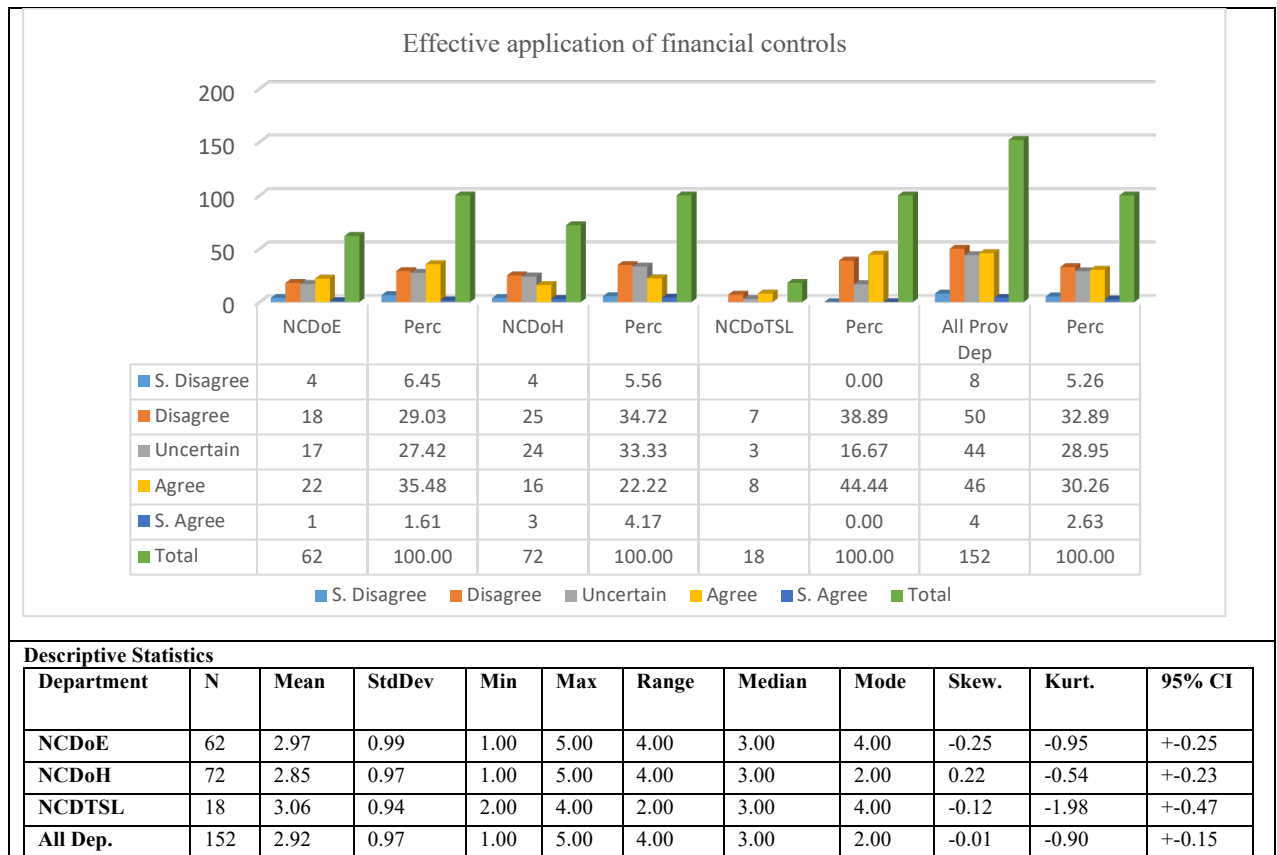
### Summary of descriptive statistical analysis and interpretation of central tendency in

**Figure 6.47.** The above figure illustrates that a significant percentage of the respondents (65.8%) agreed (58.6%) and strongly agreed (7.2%) with the statement. Agreeing with statement 6.4.9.2 was aligned with the central tendency and the negative skewness (-0.87) of the data distribution in terms of the direction of responses from the research respondents. The mean was 3.61, whereas the median and mode were both 4.00, suggesting that most respondents accepted the assertion in 6.4.9.2. It can therefore be deduced from the research findings that the combined proportion of respondents convincingly affirmed that public officials were aware of the existing financial controls in provincial government departments.

### 6.4.9.3 Financial controls are effectively applied to prevent the mismanagement of financial resources in the department

The statement aimed to assess whether financial controls were effectively implemented to prevent the mismanagement of financial resources in provincial departments. The findings are shown in Figure 6.48 below.





(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.48: Application of financial controls in provincial departments**

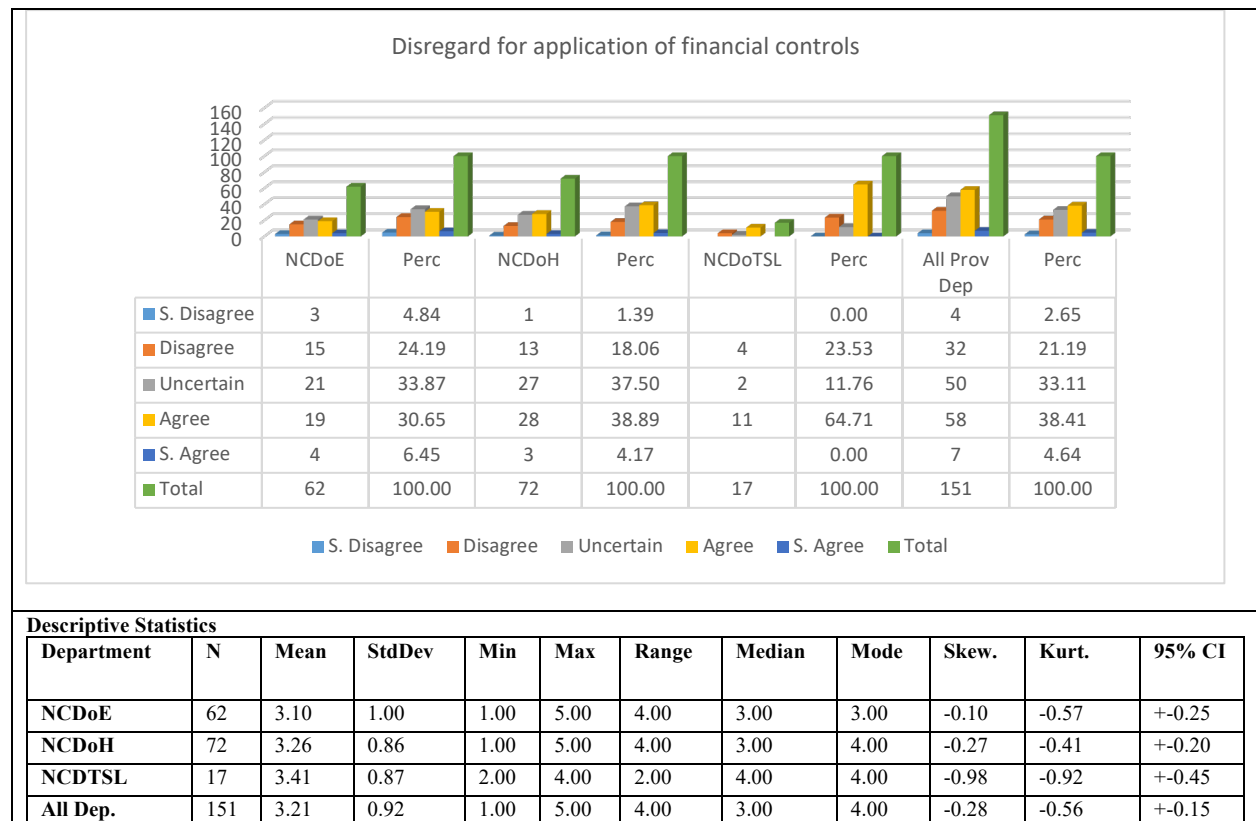
Figure 6.48 reveals that 32.9% of respondents and 5.3% strongly disagreed with the statement, indicating they believed financial controls were not effectively preventing mismanagement of resources in provincial departments. Meanwhile, 30.3% agreed with the statement, and 2.6% strongly agreed, while 29.0% were uncertain. The results suggest that roughly 38.2% of respondents rejected the idea that financial controls effectively prevent resource mismanagement in the provincial departments.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.48.** The above findings show that the combined percentage of respondents (38.2%) disagreed (32.9%) and strongly disagreed (5.3%) with the statement. The data was also supported by the central tendency of the data, with the mean value of 2.92 being lower than the median (3.00) and the mode (2.00). Although the results indicate that more respondents did not agree with the statement than those who did, it can also be argued that a significant number agreed with it. The findings further suggest that a large number of respondents were unsure whether financial controls were effectively used to prevent the mismanagement of financial resources in the provincial departments. The data in Figure 6.48 support Reszaee's (2019:6)

view, as noted in Section 2.5.2.1 that opportunities for fraud typically stem from inadequate internal controls, especially when financial controls are poorly enforced.

#### 6.4.9.4 The application of financial controls is disregarded in the department

The above statement explored whether financial controls were ignored in the provincial departments. The findings are presented in Figure 6.49, which includes the graph, descriptive statistics, and frequencies shown below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

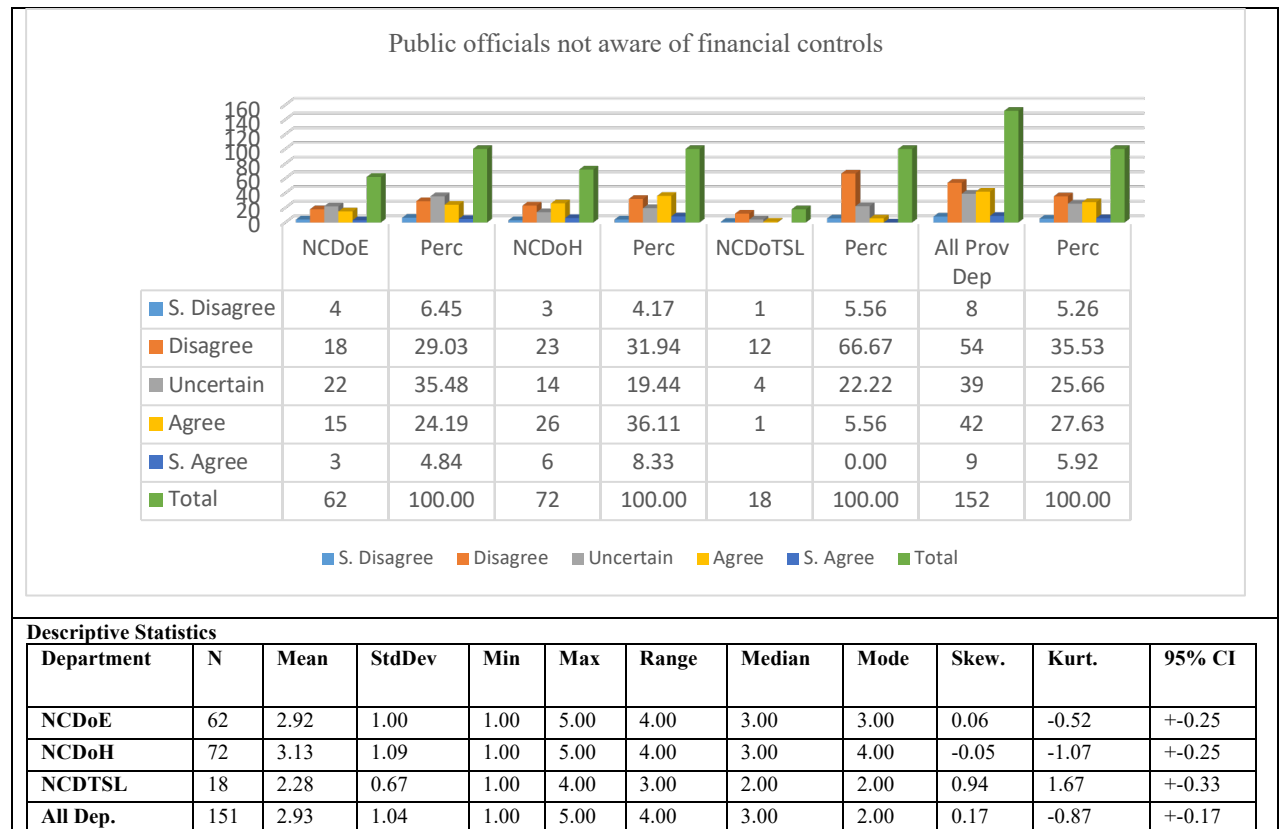
**Figure 6.49: The application of financial controls in provincial departments**

Figure 6.49 shows that the largest percentage of respondents agreed (38.4%) and a smaller proportion strongly agreed (4.6%) with the statement that financial controls were ignored in provincial government departments. The next highest category included those who were uncertain (33.1%). Respondents who disagreed accounted for 21.2%, while the smallest group strongly disagreed (2.7%). The results of this investigation indicate that approximately 38.4% of respondents accepted the assertion that financial controls were ignored in provincial government departments.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.49.** The above findings indicate that 43% of respondents agreed (38.4%) or strongly agreed (4.6%) with the statement. A significant portion (33.1%) was unsure if financial controls were ignored in provincial government departments. The central tendency measures support this, with a mean score of 3.21 surpassing the median of 3.00. The mode is 4.00, showing it was the most common response. The combined percentage of those who agreed or were uncertain raises concerns, especially given the known risks of financial mismanagement, as highlighted in Section 2.6.2, Chapter Two, by Avery and Obah (2018:38) who caution that ignoring financial controls can lead to incorrect financial statements, unreliable records, fraud, loss of government assets, and poor management.

#### 6.4.9.5 Public officials are not aware of or familiar with financial controls in the department

Statement 6.4.9.5 investigated whether public officials were unaware of or unfamiliar with financial controls within provincial government departments. The results are presented in Figure 6.50, which includes a graph, descriptive statistics, and frequency data.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.50 Public officials not aware of financial controls in provincial departments**

The results in Figure 6.50 reveal a narrow margin of contestation. The largest group of respondents who disagreed accounted for 35.5% of the sample, followed by those who agreed (27.6%) with the statement. The percentage of uncertain respondents was 25.7%, while smaller groups included those who strongly agreed (5.9%) and strongly disagreed (5.3%). The conclusion from this analysis is that more respondents rejected than agreed that public officials were either unaware of or unfamiliar with financial controls in the provincial government departments.

#### **Summary of descriptive statistical analysis and interpretation of central tendency in**

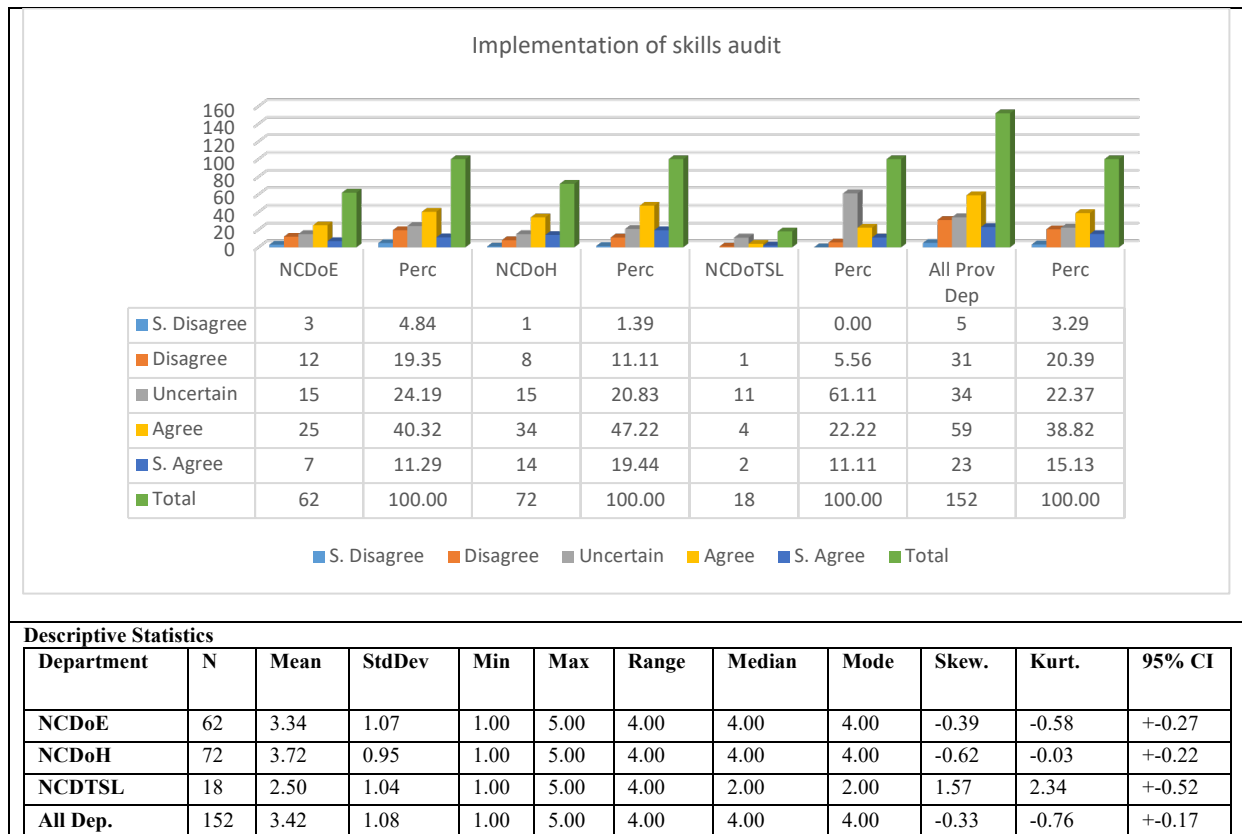
**Figure 6.50.** From the above findings, it is evident that the combined proportion of respondents (40.8%) disagreed (35.5%) and strongly disagreed (5.3%) with the statement. The disapproval of statement 6.4.9.5 was also supported by the central tendency of the data, with the mean value being 2.93, which is lower than the median (3.00). The mode is 2.00, indicating that this was the most frequently occurring response. This suggests that more respondents disagreed with the statement that public officials were not aware of or familiar with financial controls in the provincial government departments.

#### **6.4.10 Capacity of Staff Complement**

It was highlighted in Section 2.6 that ineffective and inefficient management of public funds can be traced to a general lack of capacity, skills, and internal financial control mechanisms (Fourie and Malan, 2020:14). It was on this basis that the limitations of staff capacity regarding financial management were identified as a priority for investigation and analysis.

##### **6.4.10.1 The department has not been implementing skills audits to measure the financial management competencies of officials**

The statement assessed whether provincial departments were not implementing skills audits to measure the financial management competencies of officials. The findings are presented in Figure 6.51 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.51: Implementation of skills audit in provincial departments**

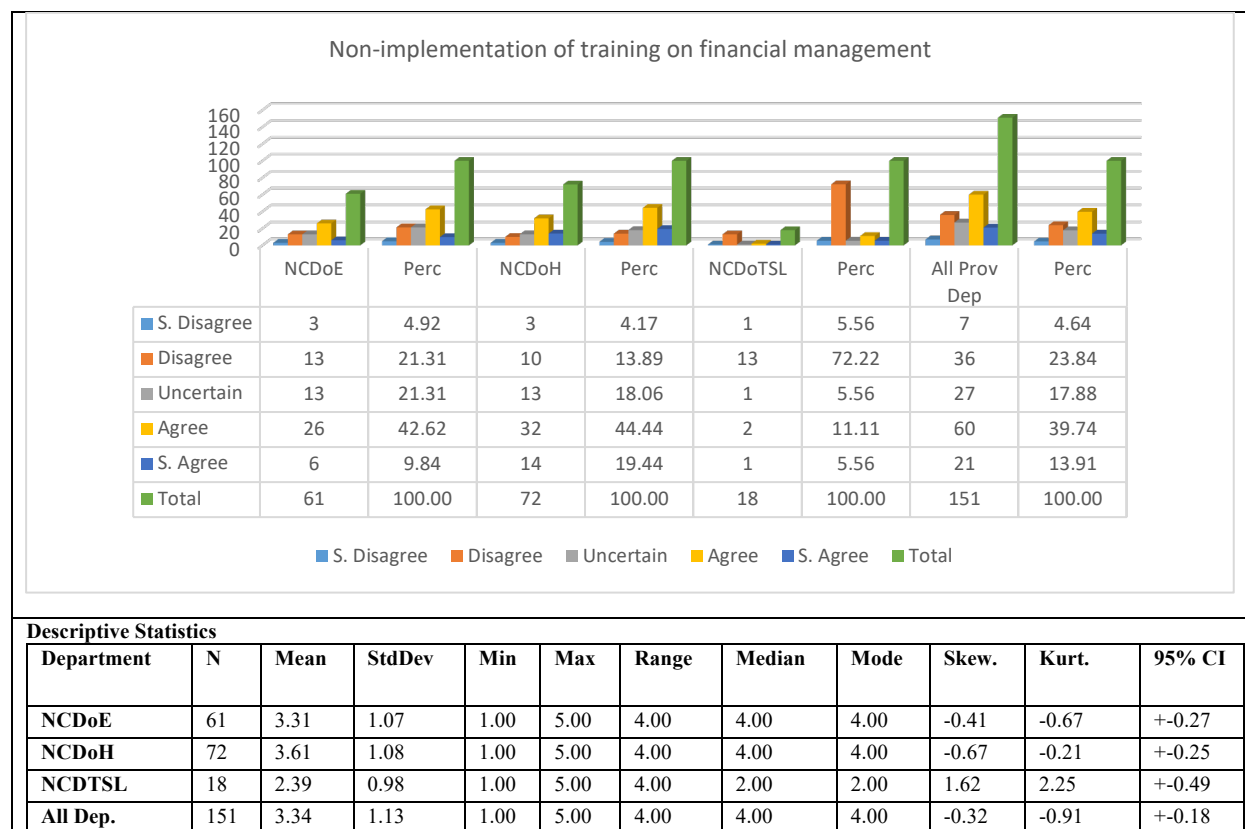
The findings in Figure 6.51 indicate that the largest proportion of respondents agreed (38.8%) with the statement. This was further supported by 15.1% who strongly agreed, while 22.4% remained uncertain. A smaller percentage disagreed (20.4%) and strongly disagreed (3.3%). Considering the combined total of those who agreed (38.8%) and strongly agreed (15.1%), which amounts to 53.9% of positive responses, these results suggest that the combined proportion of responses supports the notion that provincial government departments had not been implementing skills audits.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.51.** The above findings indicate that the combined proportion of respondents (53.9%) agreed (38.8%) and strongly agreed (15.1%) with the statement, while 22.4% were unsure. The central tendency of the data also aligned with the response frequencies shown in Figure 6.60. The median value is 4.00, which exceeds the mean of 3.42. This suggests that most respondents agreed with statement 6.4.10.1, as supported by the frequently repeated value of 4.00. In conclusion, the negatively skewed data and the distribution of responses imply that the combined proportion (53.95%) of respondents accepted the statement that provincial government departments had not been conducting skills audits. The failure to implement skills

audits was a shortcoming for government departments, especially considering the argument made in Section 2.4.1, that the public service faces a shortage of critical skills (primarily technical skills) ranging from civil engineers to medical doctors and capable managers (Gumede, 2021:20).

#### 6.4.10.2 The department has not been providing training on financial management to meet the financial skills needs within the department

Statement 6.4.10.2 was intended to determine if the provincial government departments had not been implementing training on financial management to address the financial skills needs in the department. The findings are presented in Figure 6.52.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.52: Training on financial management in provincial departments**

The findings in Figure 6.52 indicated that the largest proportion of the respondents agreed (39.7%) with the statement in 6.4.10.2 that the department had not been implementing training on financial management to address the skills needs of the department. This assertion was support by 13.9% of those that strongly agreed while 17.9% remained uncertain. There was also a significant percentage that disagreed (23.8%) and the smallest fraction that strongly disagreed (4.6%). With the combined categories of agreed (39.7%) and strongly agreed

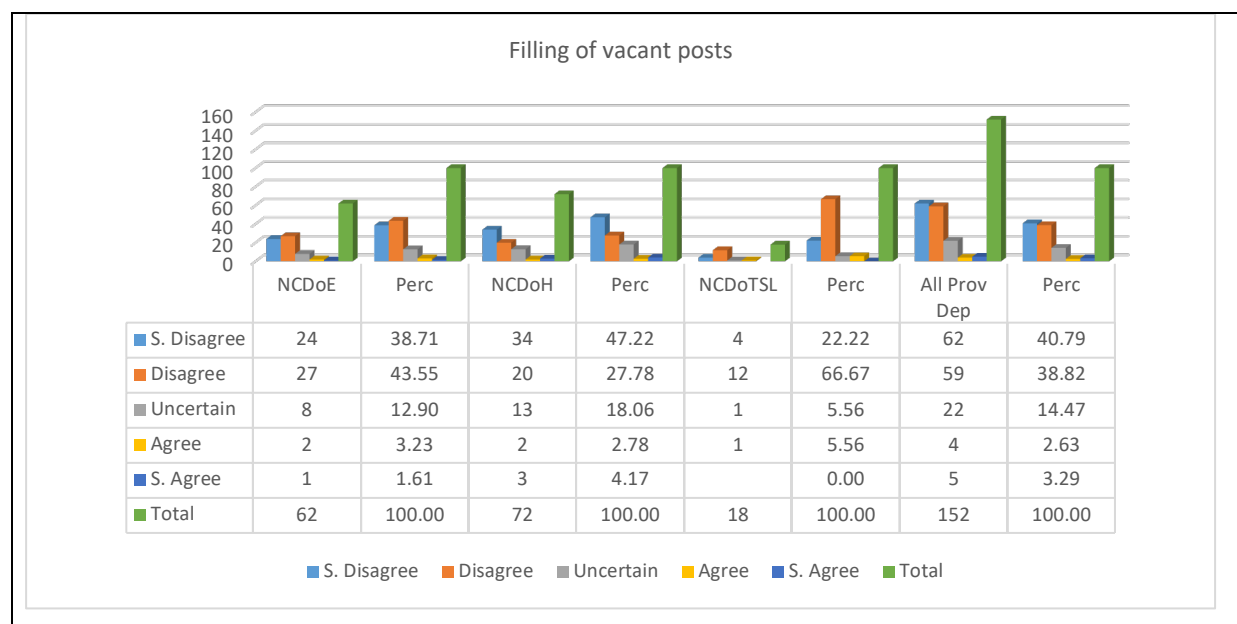
(13.9%) of responses constituting 53.6% of positive responses suggested that the combined proportion of provincial government departments had not been implementing training on financial management to address the skills needs of the department.

### Summary of descriptive statistical analysis and interpretation of central tendency in

**Figure 6.52.** The above findings show that the combined proportion of respondents (53.6%) either agreed (39.7%) or strongly agreed (13.9%) with the statement. To further verify, the statement was that the data distribution is negatively skewed (-0.32), and the mean, median, and mode values all exceed 3.00. The mean was 3.34, while both the median and mode are 4.00, indicating that more respondents agreed with statement 6.4.10.2. This suggests that the majority of respondents believed that provincial government departments had not been implementing training on financial management to meet the department's skills needs. This implies that if employees do not develop professionally through skills training, they would be deprived of essential financial management skills.

### 6.4.10.3 Funded vacant positions are advertised within six months and filled within the prescribed time of twelve months

Statement 6.4.10.3 examined whether funded vacant positions were advertised within six months and filled within the prescribed twelve months. The findings are shown in Figure 6.53 below.



| Descriptive Statistics |     |      |        |      |      |       |        |      |       |       |         |
|------------------------|-----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Department             | N   | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| NCDoe                  | 62  | 1.85 | 0.88   | 1.00 | 5.00 | 4.00  | 2.00   | 2.00 | 1.18  | 1.78  | +/-0.22 |
| NCDoeH                 | 72  | 1.89 | 1.07   | 1.00 | 5.00 | 4.00  | 2.00   | 1.00 | 1.22  | 1.22  | +/-0.25 |
| NCDTSL                 | 18  | 2.00 | 0.91   | 1.00 | 5.00 | 4.00  | 2.00   | 2.00 | 2.13  | 7.02  | +/-0.45 |
| All Dep.               | 152 | 1.89 | 0.97   | 1.00 | 5.00 | 4.00  | 2.00   | 1.00 | 1.27  | 1.70  | +/-0.15 |

(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.53: Advertisement of funded vacant positions in provincial departments**

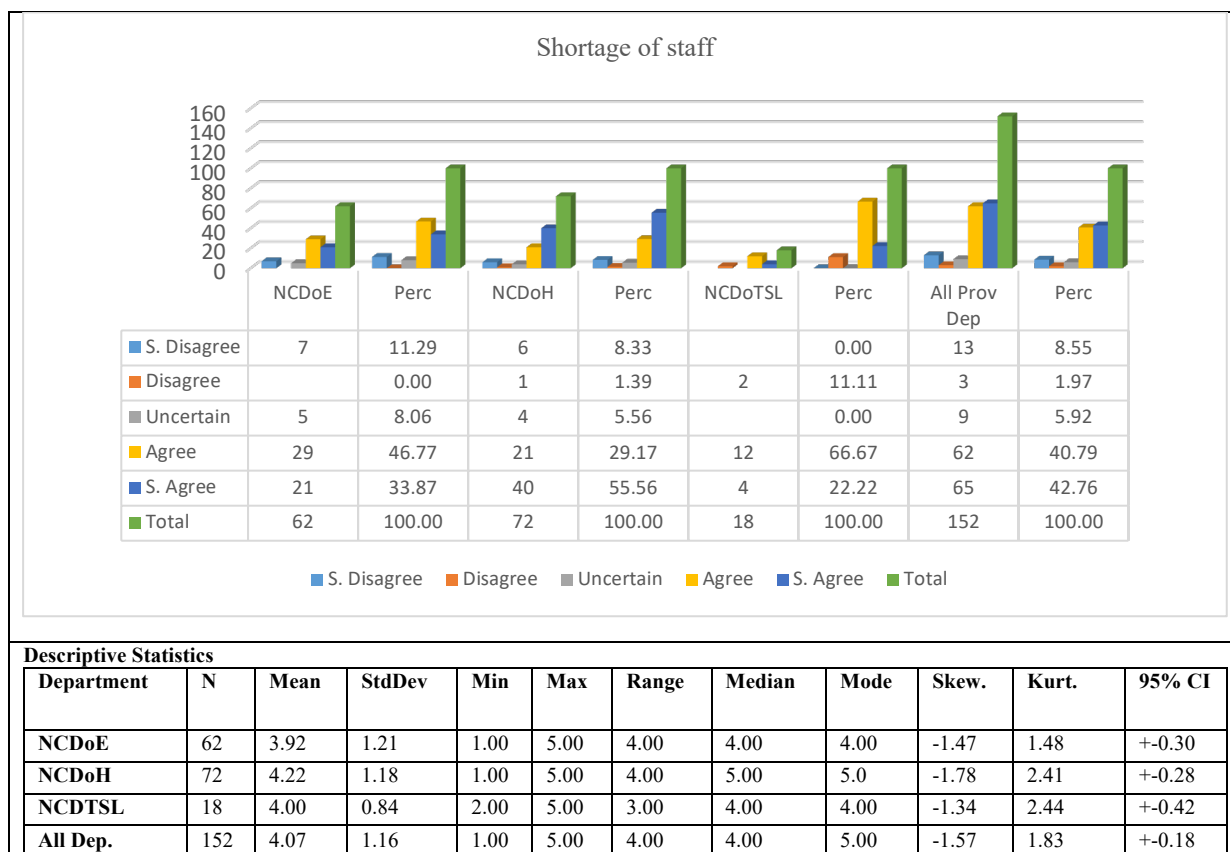
The statement that funded vacant positions were advertised within six months and filled within the required twelve months was largely rejected by respondents, with 40.8% strongly disagreeing and 38.8% disagreeing. Conversely, 14.7% were uncertain, while smaller groups included 3.3% who strongly agreed and 2.6% who agreed with the statement. Overall, about 79.6% of respondents rejected the claim, aligning with the data's skewness and central tendency.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.53.** The findings above show that a significant proportion of respondents (79.6%) disagreed (38.88%) and strongly disagreed (40.8%) with the statement. The data distribution is positively skewed (1.27), with a mean value of 1.89, a median of 2.00, and a mode of 1.00. This indicates a strong disapproval of the statement that funded vacant positions were advertised within six months and filled within the prescribed twelve months.

#### 6.4.10.4 There is a general staff shortage in the department

Statement 6.4.10.4 identified whether there was a general staff shortage in the department. The findings are shown in Figure 6.54 below.





(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.54: Shortage of staff in the department**

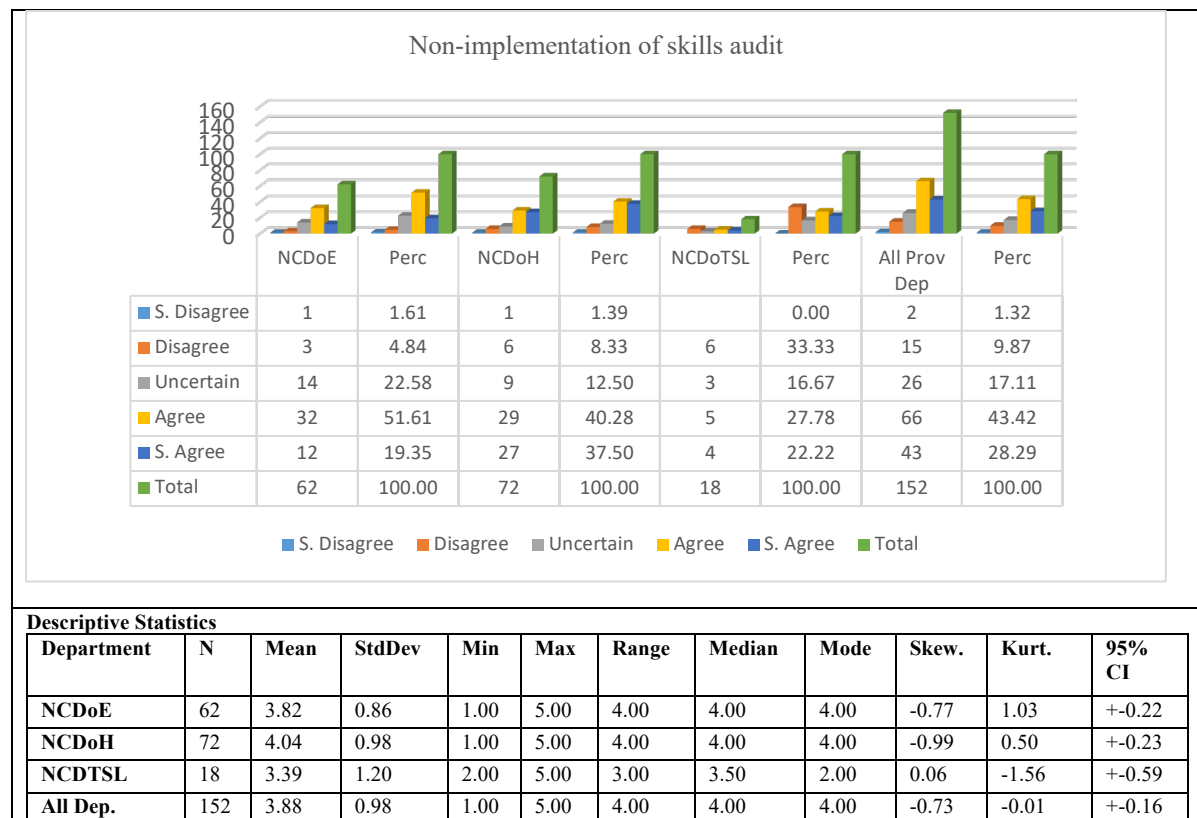
Figure 6.54 illustrates a strong consensus that there was a general staff shortage in provincial government departments. The majority of respondents either strongly agreed (42.8%) or agreed (40.8%) with this statement. A smaller percentage rejected it, with 2.0% disagreeing and 8.6% strongly disagreeing. Additionally, 5.9% of respondents were uncertain. Overall, the results indicate substantial support [both strongly agreed (42.8%) and agreed (40.8%)] for the assertion that staff shortages were indeed a significant issue in these departments.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.54.** The above findings illustrate that an overwhelming proportion of respondents (83.6%) agreed (40.8%) and strongly agreed (42.8%) with the statement. The acceptance of this assertion was in line with the orientation of the data, as indicated by its negative skewness (-1.57) and the positioning of the mean, which has a value of 4.03, slightly larger than the median value of 4.00. Additionally, with the most frequently repeated value of 4.00, it can be concluded that the overwhelming combined proportion of respondents agreed or strongly agreed with the statement that there was a general shortage of staff in provincial government

departments. These findings are consistent with Section 4.7 where Madumo (2021:585) noted a limited shortage of professionally skilled staff.

#### 6.4.10.5 The non-implementation of skills audits and training interventions contributes to financial mismanagement

This statement examined whether the lack of a skills audit and training contributed to financial mismanagement. The findings are shown in Figure 6.55.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.55: Non-implementation of skills audit and training**

Figure 6.55 shows that a significant percentage of respondents believed that the failure to implement skills audits and training contributed to financial mismanagement. The largest group agreed (43.4%) and was complemented by those who strongly agreed (28.3%) with the statement in 6.4.10.5. Smaller response categories included those who disagreed (9.9%) and those who strongly disagreed (1.3%), while 17.1% of respondents were unsure. The overall conclusion from these findings was that the majority accepted that the lack of skills audits and training contributed to financial mismanagement.

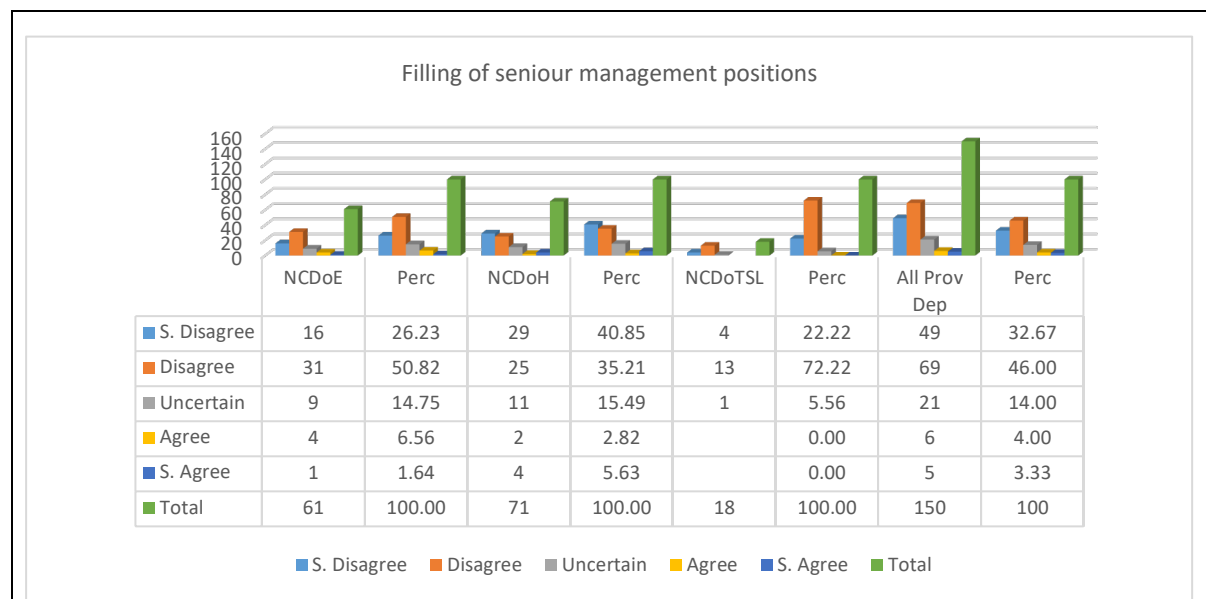
**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.55.** From the above findings, it can be inferred that a significant proportion of respondents (71.7%) agreed (43.4%) and strongly agreed (28.3%) with the statement. The skewness of the data distribution and the values of central tendency confirmed that more respondents supported the statement. The mean value is 3.88, slightly lower than the median and mode, both of which stand at 4.00. The negatively skewed (-0.73) distribution indicates that most respondents agreed that the lack of skills audit and training interventions contributed to financial mismanagement. Supporting these findings is the assertion made in Section 4.7, where Links and Draai (2023:1087) state that part of institutional incapacity manifests as unskilled and incompetent administrative staff lacking the necessary technical and analytical skills.

#### 6.4.11 Stability in senior management positions

As noted in Section 4.4.6, a key cause of insufficient financial accountability is the lack of stability in essential roles, particularly that of the accounting officer.

##### 6.4.11.1 Senior management positions are filled within the prescribed period of six months

This statement aimed to investigate whether senior management positions were filled within the prescribed period of six months. The findings are presented in Figure 6.56 below.



| Descriptive Statistics |     |      |        |      |      |       |        |      |       |       |         |
|------------------------|-----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Department             | N   | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| NCDDoE                 | 61  | 2.07 | 0.91   | 1.00 | 5.00 | 4.00  | 2.00   | 2.00 | 0.96  | 1.07  | +/-0.23 |
| NCDDoH                 | 71  | 1.97 | 1.10   | 1.00 | 5.00 | 4.00  | 2.00   | 1.00 | 1.27  | 1.29  | +/-0.26 |
| NCDTSL                 | 18  | 1.83 | 0.51   | 1.00 | 3.00 | 2.00  | 2.00   | 2.00 | -0.32 | 0.92  | +/-0.26 |
| All Dep.               | 150 | 1.99 | 0.97   | 1.00 | 5.00 | 4.00  | 2.00   | 2.00 | 1.19  | 1.156 | +/-0.15 |

(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.56: Filling of senior management positions in provincial departments**

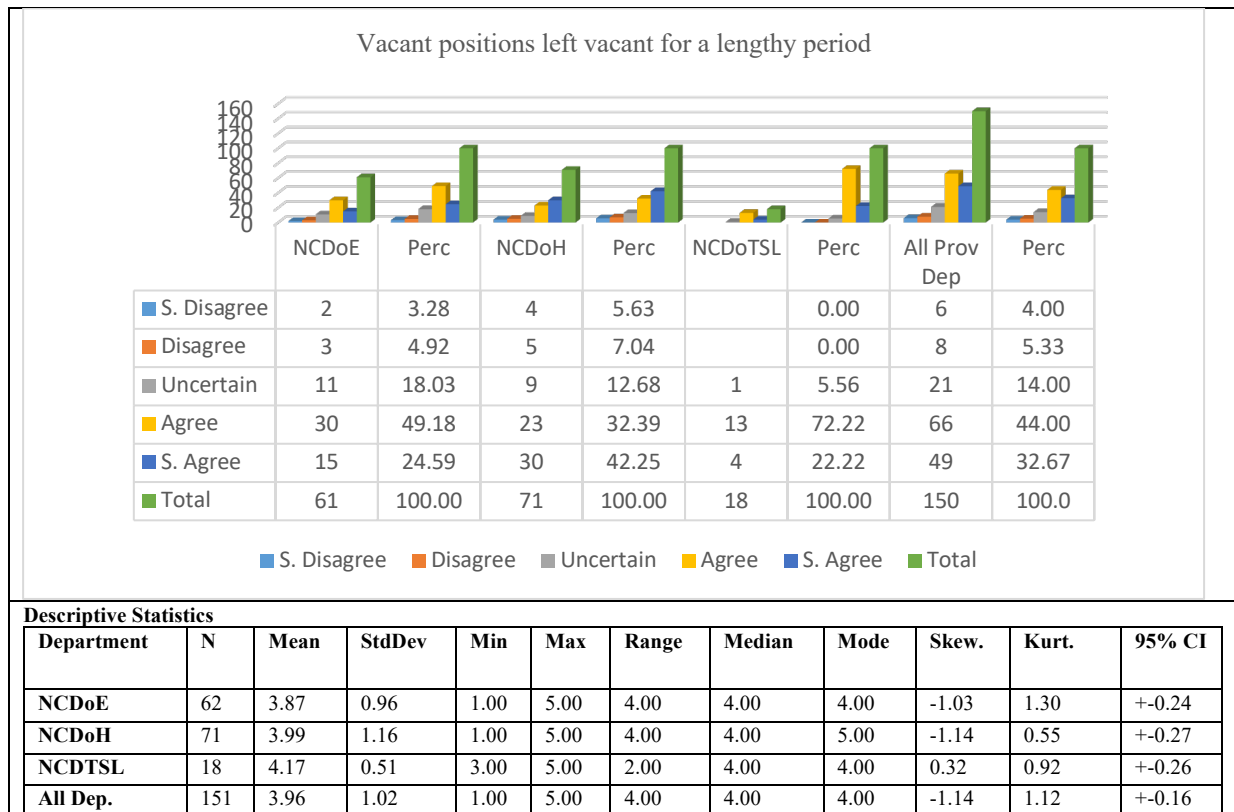
The assertion was rejected by 32.7% of respondents who strongly disagreed and 46.0% who disagreed. Meanwhile, 14.0% were unsure, and smaller groups included 3.3% who strongly agreed and 4.0% who agreed with the statement. The results show that approximately 78.7% of respondents rejected the notion that senior management positions are typically filled within six months.

#### Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.56.

The above findings indicate that a significant percentage of respondents (78.7%) disagreed, with 46.0% disagreeing and 32.7% strongly disagreeing, with the statement. The mean (1.99), median (2.00), and mode (2.00) values show that the combined proportion of respondents did not support the assertion that senior management positions were filled within the prescribed six-month period. Supporting this, the positively skewed (1.19) data distribution confirms the statement. The central tendency measures align with the frequency scores, reaffirming that 78.7% of respondents disagreed or strongly disagreed that senior management positions were filled within the six-month timeframe. These findings align with the literature outlined in Section 4.9 which states that one of the leading causes of a lack of financial accountability is the absence of stability in key positions (AGSA, 2018:191), while Mochoari (2023:1) contends that many senior positions in departments within the NCP had not been filled.

#### 6.4.11.2 Senior management positions are left vacant for a considerable period beyond six months

The statement aimed to determine whether senior management positions remained vacant for a period exceeding six months. The findings are shown in Figure 6.57 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

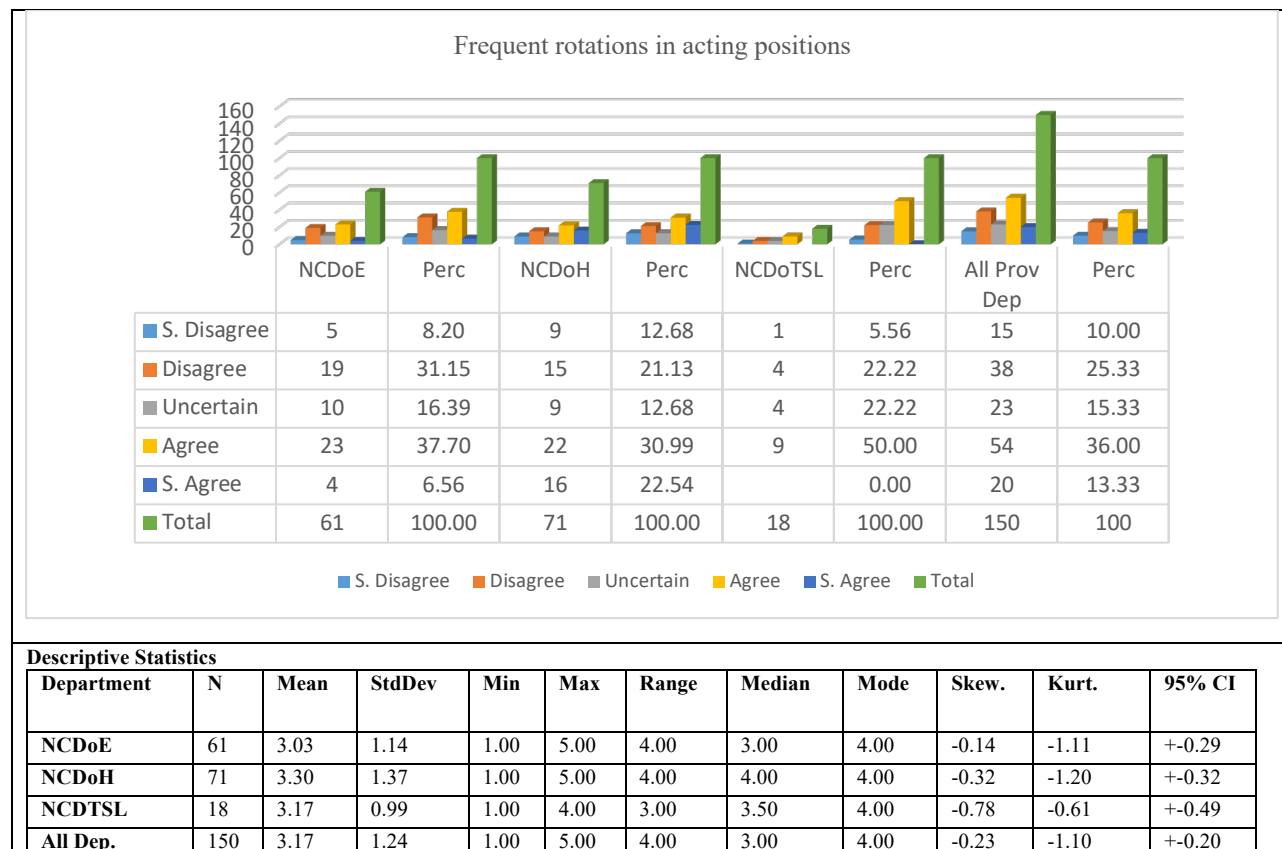
**Figure 6.57: Senior management positions left vacant beyond six months in provincial departments**

Figure 6.57 demonstrates that respondents supported the claim that senior management positions remained vacant for over six months. The largest group of respondents agreed (44.0%) or strongly agreed (32.7%) with the statement. While disapproval was shown by those who disagreed (5.3%) and strongly disagreed (4.0%), 14.0% expressed uncertainty. Overall, it can be concluded that 76.7% of respondents accepted the assertion that senior management positions were vacant for a considerable duration exceeding six months.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.57.** The above findings illustrated that a significant proportion of the respondents (76.7%) agreed (44%) and strongly agreed (32.7%) with the statement. The central tendency of the data distribution is consistent with the acceptance of statement 6.4.11.2. The negatively skewed (-1.14) distribution of the data, along with the values of the mean (3.96), median (4.00), and mode (4.00), suggests that the combined proportion of respondents supported the statement that senior management positions were left vacant for a considerable period, exceeding six months.

### 6.4.11.3 There are frequent rotations in acting positions at the senior management level

Statement 6.4.11.3 examined whether there were frequent rotations in senior management positions. The findings are shown in Figure 6.58 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.58: Acting positions at the senior management level in provincial departments**

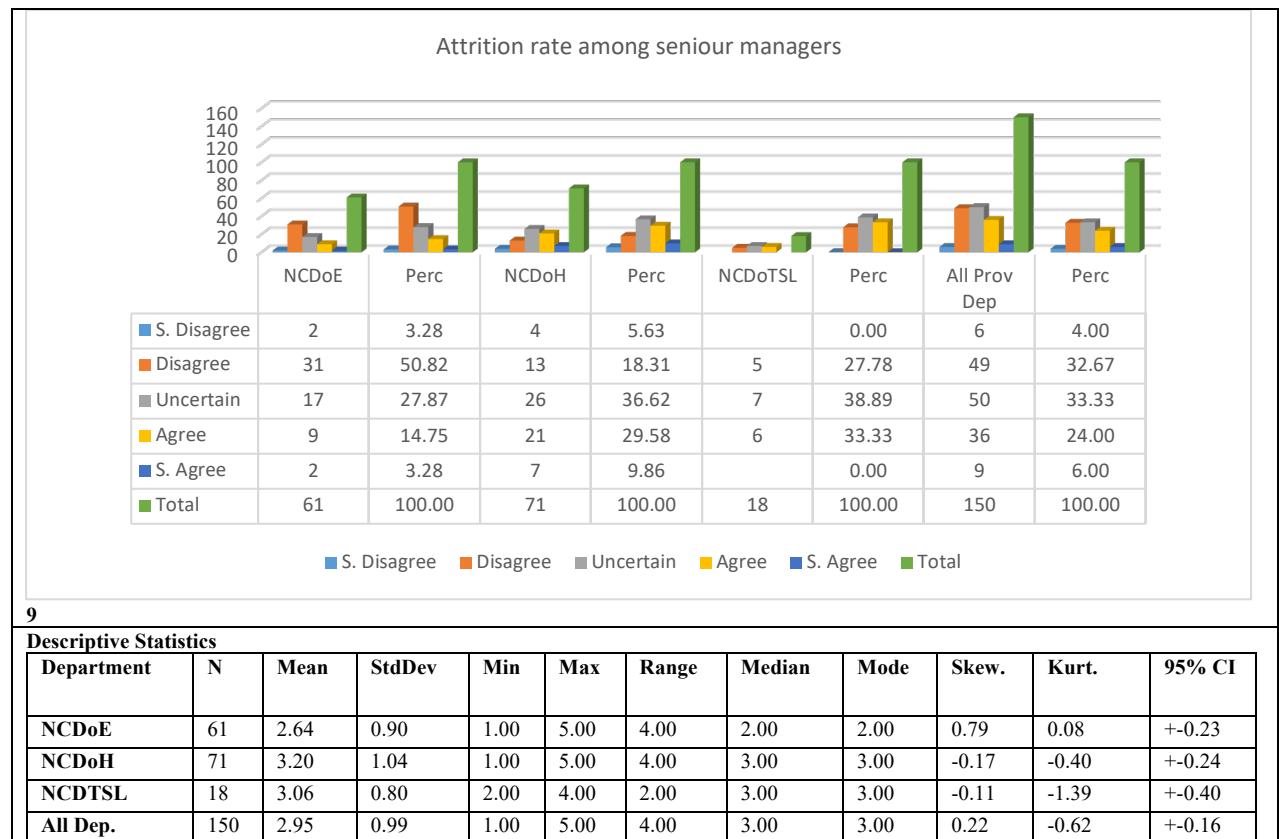
Figure 6.58 shows that the largest proportion of respondents agreed (36.0%) and were supported by those who strongly agreed (13.3%) with the statement 6.4.11.3. While 15.3% of respondents were uncertain, the other categories expressed disapproval by disagreeing (25.3%) and strongly disagreeing (10.0%). The findings presented in Figure 6.58 indicate that 53.5% of respondents agreed that there were frequent rotations in acting positions at the senior management level.

**Descriptive statistical analysis and interpretation of central tendency in Figure 6.58.** The above findings show that the combined proportion of respondents (49.3%) agreed (36.0%) and strongly agreed (13.3%) with the statement. The central tendency of the data distribution aligns with support for statement 6.4.11.3. The negatively skewed (-0.23) distribution, along with the mean (3.17), median (3.00), and mode (4.00), indicates that more respondents supported the

statement than those who did not. This suggests that senior management positions remained vacant for a considerable period, extending beyond six months.

#### 6.4.11.4 The attrition rate is high among senior managers

The statement in 6.4.11.4 examined whether the attrition rate was high among senior managers. The findings are presented in Figure 6.59, which includes a graph, descriptive statistics, and frequencies.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.59: The attrition rate among senior managers**

Figure 6.59 shows that a significant proportion of respondents were uncertain (33.3%) about whether the attrition rate among senior managers was high. The largest group of respondents who did not support the assertion consisted of those who disagreed (32.7%) and strongly disagreed (4.0%). Those who supported it did not even constitute half of the respondents, comprising those who agreed (24.0%) and strongly agreed (6.0%), who together accounted for only 30.0% of the respondents.

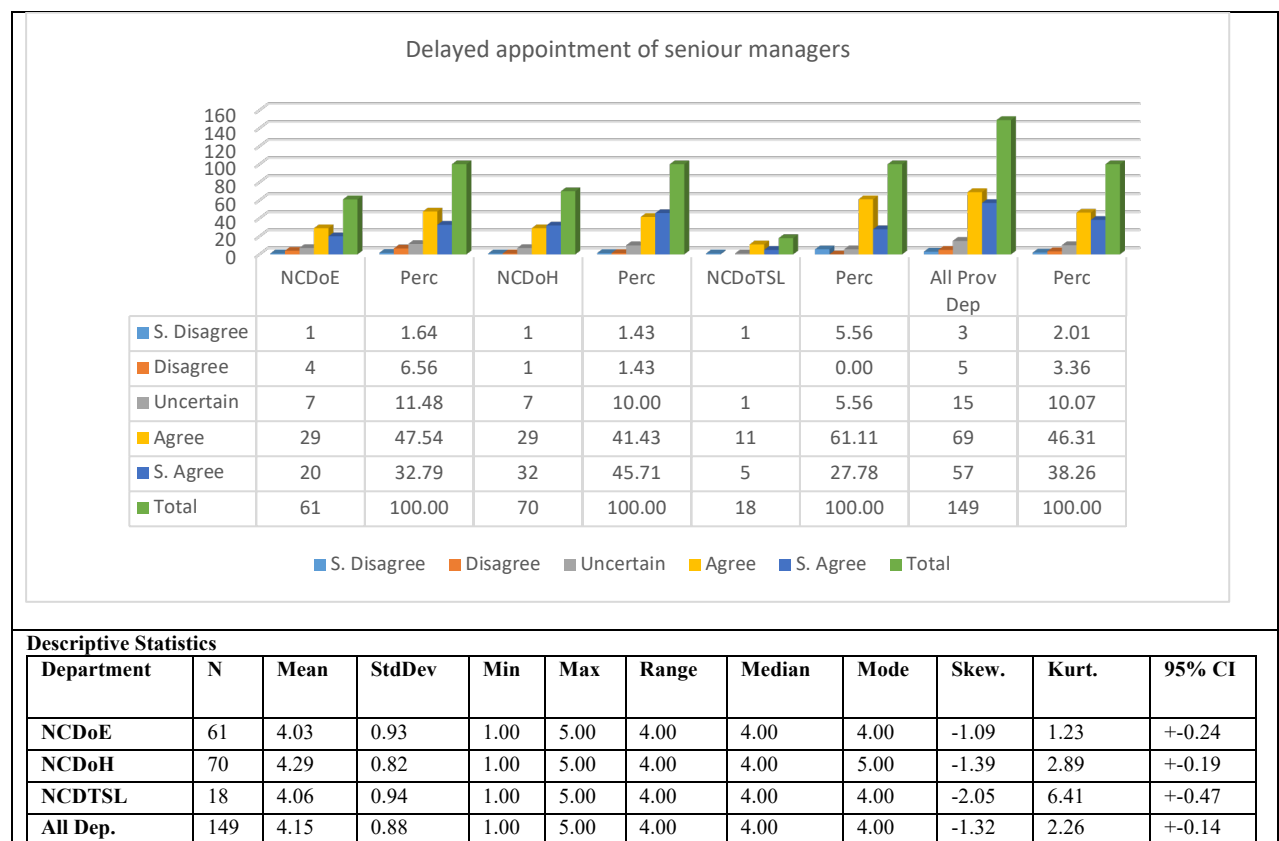
#### Summary of descriptive statistical analysis and interpretation of central tendency in

**Figure 6.59.** From the above findings, it is evident that the combined proportion of respondents

(36.7%) disagreeing (32.7%) and strongly disagreeing (4.0%) with the statement is notable. A large proportion of respondents (33.3%) were uncertain. The values of mean (2.95), median (3.00), and mode (3.00) illustrate that most respondents were unsure whether the attrition rate was high among senior managers. The respondents who did not support the assertion, however, outnumbered those who supported it, and this was confirmed by the positively skewed (0.22) distribution of the data.

#### 6.4.11.5 Delayed appointment of senior management destabilises the smooth administration of the department

Statement 6.4.11.5 examined whether delays in appointing senior management disrupted the smooth running of the department. The findings are shown in Figure 6.60 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.60: Delays in the appointment of senior management in provincial departments**

Figure 6.60 shows that the largest proportion of respondents agreed (46.3%) and strongly agreed (38.3%) with the statement that there were delays in appointing senior management, which destabilised the smooth running of the department. The group of respondents who were

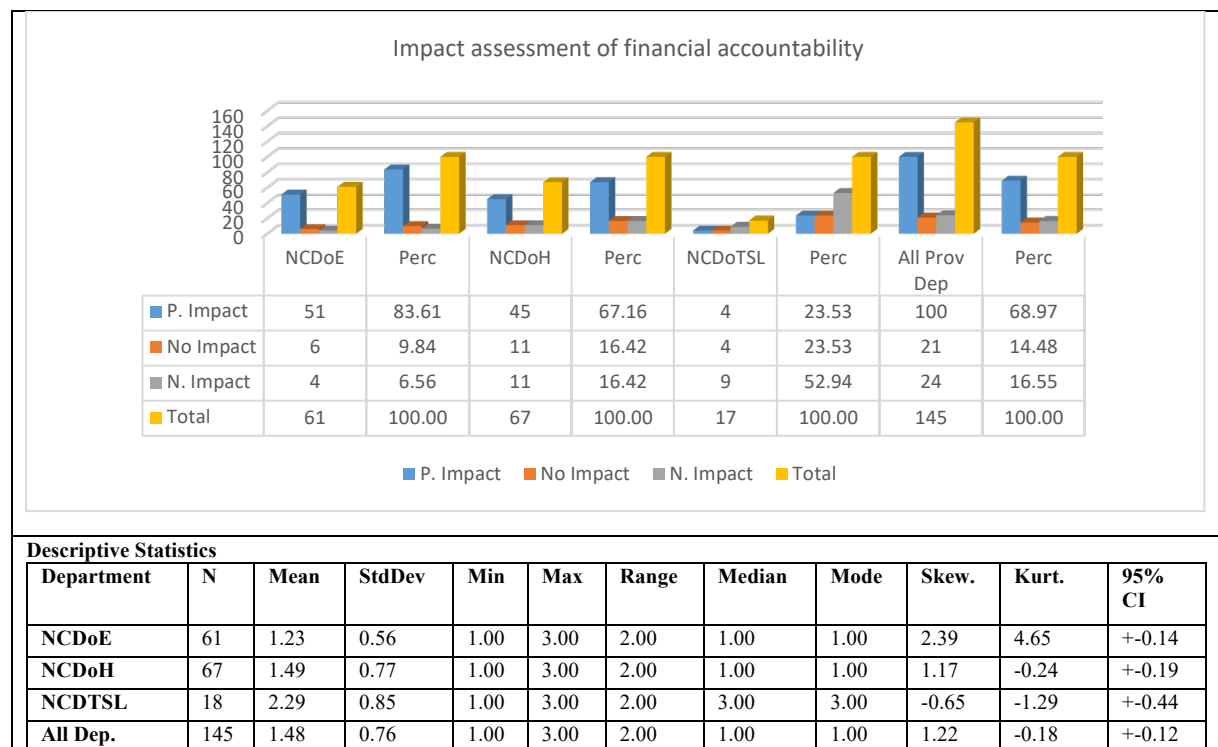


uncertain accounted for 10.1%, while those who rejected the statement were minimal, comprising 2.0% who strongly disagreed and 3.4% who disagreed.

**Summary of descriptive statistical analysis and interpretation of central tendency in Figure 6.60.** The above findings show that a vast proportion of respondents (84.6%) agreed (46.3%) and strongly agreed (38.3%) with the statement. The mean (4.15), median (4.00), and mode (4.00) values suggest that most respondents believed delays in appointing senior management disrupted the department's smooth operation. The negatively skewed (-0.67) distribution of the data indicates that the total proportion of respondents supporting the assertion was 0.74, which confirms that delays in the appointment of senior management destabilised the smooth administration of the department.

#### 6.4.12 Assessing the impact of financial accountability on good governance and service delivery efficiency in the provincial departments of the Northern Cape Province

Question 6.4.12 aimed to give a final evaluation of whether financial accountability influenced good governance and service delivery efficiency in the Northern Cape's provincial departments, as shown in Figure 6.61 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023)

**Figure 6.61: The impact of financial accountability on good governance and service delivery**

Figure 6.61 indicates that 68.9% of respondents agreed that financial accountability had a positive impact on good governance and service delivery efficiency. Meanwhile, respondents with opposing views were nearly evenly split, with 14.48% believing it had no effect and another 16.55% that it had a negative impact in the Northern Cape.

### **Summary of descriptive statistical analysis and interpretation of central tendency in**

**Figure 6.61.** The above findings indicate that a significant proportion of respondents (68.97%) confirmed that financial accountability had a positive impact on good governance and service delivery efficiency. A significantly smaller percentage of respondents stated that there was no impact (14.48%), and a slightly larger percentage confirmed that financial accountability had a negative effect (16.55%) on good governance and service delivery efficiency. The values of the mean (1.48), median (1.00), and mode (1.00) indicate that the majority of respondents (68.97%) believed that financial accountability had a positive impact on good governance and service delivery efficiency. Therefore, it can be concluded that financial accountability had a positive impact on good governance and the efficiency of service delivery.

## **6.5 INFERENCE STATISTICAL ANALYSIS**

This section presents an inferential statistical analysis based on the alternative hypotheses outlined in Section 5.2 of this study. The testing of these hypotheses was conducted using correlation analysis and the application of Pearson and Spearman inferential statistical methods derived from the SPSS software package Version 2.0, with assistance from an experienced statistician. Additionally, DATAtab statistical software and, to a lesser extent, MoonStats Statistical Software were used to supplement SPSS. According to MoonStats (2005) and DATAtab (2023), Pearson correlation measures the strength of the relationship between two interval or ratio variables. For this study, the interpretation of the analysis relied on Spearman's inferential statistical analysis due to its suitability for detecting simple linear relationships between two variables (Ali Abd Al-Hameed, 2021:3249). According to Ali Abd Al-Hameed (2021:3249, the value of the correlation ranges from -1 (simple and negative linear relationship) to +1 (simple and positive linear relationship). The parameters used to interpret the findings on the level of significance is anything between 0.01 and 0.05 whereas the null hypothesis is rejected when the value is closer to 0,000. Levels of correlation coefficient values are listed below:

- **Perfect correlation:** if the correlation coefficient value is near  $\pm 1$ .
- **High degree of correlation:** if the correlation coefficient value is between  $\pm 0,50$  and  $\pm 1$ .
- **Moderate degree of correlation:** if the correlation coefficient value is between  $\pm 0,30$  and  $\pm 0,50$ .
- **Low degree of correlation:** if the correlation coefficient value is between 0 and  $\pm 0,30$ .
- **No correlation:** if the correlation coefficient value is 0.

The correlation analysis was limited to the alternative hypotheses presented in Section 5.2.

This analysis focused on the relationships between financial accountability and outcomes, including financial performance, good governance, implementation of key financial legislation, treasury and SCM regulations, the effectiveness of financial controls, and the efficiency of public service delivery. It aimed to determine whether these relationships were positive or negative and whether they were statistically significant (Alternative hypotheses H1 to H5). According to Du Plooy-Cilliers *et al.* (2014:86), a null hypothesis suggests that there is no relationship or correlation between variables, while the alternative hypothesis predicts a specific outcome. In this study, a positive correlation is indicated if both variables increase together, and a negative correlation occurs when one variable decreases as the other increases. Therefore, in this study, if no correlation is found, the null hypothesis ( $H_0$ ) should be accepted. If a positive and significant correlation exists between the variables, then the first alternative hypothesis ( $H_{a1}$ ) should be accepted. Conversely, if a negative and significant correlation is observed, then the second alternative hypothesis ( $H_{a2}$ ) should be accepted.

This indicates that an inferential statistical analysis was performed to examine the relationships among financial accountability, financial performance outcomes, good governance, the implementation of key financial legislation, treasury and SCM regulations, the effectiveness of financial controls, and the efficiency of public service delivery. The purpose of this analysis was to assess whether these relationships were statistically significant.

#### **6.5.1 Hypothesis H1<sub>a1</sub>. There is a positive and statistically significant relationship between financial accountability and the financial performance outcomes of the selected provincial departments**

The evaluation of how financial accountability relates to improved financial performance involved analysing the cross-tabulation of its components or building blocks, as shown in

Q16.1, along with the elements of financial accountability from Q15 in the structured questionnaire, as detailed below.

#### 6.5.1.1 The strength of the correlations between Q16.1 and Q15.1

Q16.1 “Effective financial accountability improves the overall financial performance outcomes in the department.”

Q15.1 “The promotion of financial accountability leads to efficient service delivery.”

The table below focuses on the questions “Financial accountability boosts financial performance outcomes (Q16.1) and “Financial accountability leads to efficient service delivery” (Q15.1). Table 6.1 below outlines the Spearman correlation between financial accountability and improved financial performance outcomes, and financial accountability leads to efficient service delivery in provincial departments.

**Table 6.2: Spearman correlation on effective financial accountability boosts financial performance outcomes, and financial accountability leads to efficient service delivery in provincial departments**

|         |                      |                      | Value | Asymptotic<br>Standard<br>Error <sup>a</sup> | Approximate<br>T <sup>b</sup> | Approximate<br>Significance |
|---------|----------------------|----------------------|-------|----------------------------------------------|-------------------------------|-----------------------------|
| NCDoH   | Interval by Interval | Pearson's R          | .468  | .112                                         | 4.435                         | .000 <sup>c</sup>           |
|         | Ordinal by Ordinal   | Spearman Correlation | .502  | .100                                         | 4.850                         | .000 <sup>c</sup>           |
|         | N of Valid Cases     |                      | 72    |                                              |                               |                             |
| NCDoE   | Interval by Interval | Pearson's R          | .441  | .144                                         | 3.802                         | .000 <sup>c</sup>           |
|         | Ordinal by Ordinal   | Spearman Correlation | .338  | .145                                         | 2.785                         | .007 <sup>c</sup>           |
|         | N of Valid Cases     |                      | 62    |                                              |                               |                             |
| NCDoTSL | Interval by Interval | Pearson's R          | .459  | .141                                         | 2.064                         | .056 <sup>c</sup>           |
|         | Ordinal by Ordinal   | Spearman Correlation | .422  | .183                                         | 1.860                         | .081 <sup>c</sup>           |
|         | N of Valid Cases     |                      | 18    |                                              |                               |                             |
| Total   | Interval by Interval | Pearson's R          | .435  | .079                                         | 5.924                         | .000 <sup>c</sup>           |
|         | Ordinal by Ordinal   | Spearman Correlation | .423  | .075                                         | 5.723                         | .000 <sup>c</sup>           |
|         | N of Valid Cases     |                      | 152   |                                              |                               |                             |

(Source: SPSS Statistical Package)

Below is a summary of the Spearman correlation interpretations for each department:

**Northern Cape Department of Health.** Interpretation: The high degree positive correlation ( $r = 0.502$ ) is statistically significant ( $p = 0.000$ ), indicating a strong positive relationship between the variables.

**Northern Cape Department of Education.** Interpretation: The moderate positive correlation ( $r = 0.338$ ) is statistically significant ( $p = 0.007$ ), suggesting a moderate positive relationship between the variables.

**Northern Cape Department of Transport, Safety and Liaison.** Interpretation: The moderate positive correlation ( $r = 0.422$ ) is not statistically significant ( $p = 0.081$ ), suggesting that the relationship may not be strong or consistent in this context. A smaller sample could be a factor.

**Total of All Departments (NCDoH, NCDoE and NCDoTSL).**

Interpretation: The moderate positive correlation ( $r = 0.423$ ) is statistically significant ( $p = 0.000$ ), indicating a strong positive relationship between the variables when combining data from all departments.

**Summary of combined interpretations:** The NCDoH and NCDoE exhibited notable moderate positive correlations, indicating meaningful positive relationships between the variables in these departments. The NCDoTSL showed a positive correlation that was not statistically significant, suggesting a weaker or less consistent relationship. The analysis highlights that, although a strong positive relationship existed overall, it was most evident in the NCDoE. The NCDoTSL displayed a positive but non-significant relationship, signifying variability in this department's data. Overall, the total correlation across all departments was statistically significant and positive, indicating a moderate positive relationship when data from all departments are combined.

### 6.5.1.2 The strength of the correlations between Q16.1 and Q15.2

Q16.1 “Effective financial accountability improves the overall financial performance outcomes in the department”

Q15.2 “The lack of financial accountability impacts service delivery negatively.”

The table below focuses on the questions “Financial accountability boosts financial performance outcomes” and “The lack of financial accountability impairs service delivery.”

**Table 6.3: Spearman correlation on effective financial accountability improves financial performance outcomes, and a lack of financial accountability impairs service delivery in provincial departments**

| Department | Measurement          | Correlation          | Value | Asymptotic Standard Error <sup>a</sup> | Approximate T <sup>b</sup> | Approximate Significance |
|------------|----------------------|----------------------|-------|----------------------------------------|----------------------------|--------------------------|
| NCDoH      | Interval by Interval | Pearson's R          | .273  | .131                                   | 2.371                      | .020 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .198  | .124                                   | 1.690                      | .095 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 72    |                                        |                            |                          |

|         |                      |                      |      |      |       |                   |
|---------|----------------------|----------------------|------|------|-------|-------------------|
| NCDoE   | Interval by Interval | Pearson's R          | .261 | .113 | 2.092 | .041 <sup>c</sup> |
|         | Ordinal by Ordinal   | Spearman Correlation | .238 | .142 | 1.898 | .063 <sup>c</sup> |
|         | N of Valid Cases     |                      | 62   |      |       |                   |
| NCDoTSL | Interval by Interval | Pearson's R          | .215 | .219 | .883  | .391 <sup>c</sup> |
|         | Ordinal by Ordinal   | Spearman Correlation | .207 | .223 | .847  | .409 <sup>c</sup> |
|         | N of Valid Cases     |                      | 18   |      |       |                   |
| Total   | Interval by Interval | Pearson's R          | .245 | .084 | 3.094 | .002 <sup>c</sup> |
|         | Ordinal by Ordinal   | Spearman Correlation | .206 | .086 | 2.574 | .011 <sup>c</sup> |
|         | N of Valid Cases     |                      | 152  |      |       |                   |

(Source: SPSS Statistical Package)

The interpretations of the Spearman correlations for each department are summarised below:

#### **Northern Cape Department of Health.**

Interpretation: The correlation is low and positive ( $r = 0.198$ ) but not statistically significant at the 0.05, level ( $p = 0.095$ ). This suggests a weak positive relationship that might not be robust.

#### **Northern Cape Department of Education.**

Interpretation: The positive low correlation ( $r = 0.238$ ) and nearly statistically significant at the 0.05 level ( $p = 0.063$ ). This indicates low positive relationship that approaches significance but does not quite reach it.

#### **Northern Cape Department of Transport, Safety and Liaison**

Interpretation: The positive low correlation ( $r = 0.207$ ) but not statistically significant ( $p = 0.409$ ). This suggests a low degree positive relationship with high variability in the data, making the relationship less clear.

#### **Total of All Departments**

Interpretation: The positive correlation (0.206) is statistically significant ( $p = 0.011$ ), indicating a moderate positive relationship across all departments combined.

**Summary of combined interpretations:** The NCDoH and NCDoE exhibited positive correlations of varying degrees, with the latter nearly reaching significance. The NCDTSL showed a positive but not statistically significant correlation, implying a weak or inconsistent relationship in that area. Overall, the combined data from all departments revealed a statistically significant moderate positive correlation. This indicates that, despite the differing significance levels across individual departments, the aggregate data demonstrated a meaningful low degree positive relationship (0.206) is statistically significant ( $p = 0.011$ ).

#### **6.5.1.3 The strength of the correlations between Q16.1 and Q15.3**

Q16.1 “Effective financial accountability improves the overall financial performance outcomes in the department.”

Q15.3 “The legislative oversight bodies hold departmental officials to account (accountable) for poor service delivery.”

The table below focuses on “Financial accountability boosts financial performance outcomes” (Q16.1) and “Oversight bodies to hold officials accountable for poor service delivery” (Q15.3).

**Table 6.4 Spearman correlation on effective financial accountability improves financial performance, and legislative oversight bodies in holding officials to account for poor service delivery in provincial departments**

| What is the Department where you are currently employed?<br>(Q7)   |                      |                            | Value | Asymptotic<br>Standard<br>Error <sup>a</sup> | Approximate<br>T <sup>b</sup> | Approximate<br>Significance |
|--------------------------------------------------------------------|----------------------|----------------------------|-------|----------------------------------------------|-------------------------------|-----------------------------|
| Northern Cape<br>Department of Health                              | Interval<br>Interval | by Pearson's R             | .392  | .108                                         | 3.540                         | .001 <sup>c</sup>           |
|                                                                    | Ordinal<br>Ordinal   | by Spearman<br>Correlation | .404  | .108                                         | 3.674                         | .000 <sup>c</sup>           |
|                                                                    | N of Valid Cases     |                            | 71    |                                              |                               |                             |
| Northern Cape<br>Department of<br>Education                        | Interval<br>Interval | by Pearson's R             | .294  | .119                                         | 2.379                         | .021 <sup>c</sup>           |
|                                                                    | Ordinal<br>Ordinal   | by Spearman<br>Correlation | .350  | .110                                         | 2.890                         | .005 <sup>c</sup>           |
|                                                                    | N of Valid Cases     |                            | 62    |                                              |                               |                             |
| Northern Cape<br>Department of<br>Transport, Safety and<br>Liaison | Interval<br>Interval | by Pearson's R             | .052  | .260                                         | .208                          | .838 <sup>c</sup>           |
|                                                                    | Ordinal<br>Ordinal   | by Spearman<br>Correlation | .098  | .264                                         | .394                          | .698 <sup>c</sup>           |
|                                                                    | N of Valid Cases     |                            | 18    |                                              |                               |                             |
| Total                                                              | Interval<br>Interval | by Pearson's R             | .280  | .079                                         | 3.560                         | .000 <sup>c</sup>           |
|                                                                    | Ordinal<br>Ordinal   | by Spearman<br>Correlation | .320  | .076                                         | 4.119                         | .000 <sup>c</sup>           |
|                                                                    | N of Valid Cases     |                            | 151   |                                              |                               |                             |

(Source: SPSS Statistical Package)

The Spearman correlations for each department are interpreted below:

#### **Northern Cape Department of Health**

Interpretation: A significant moderate positive correlation ( $r = 0.404$ ) which is statistically significant at ( $p < 0.001$ ) is observed, indicating a moderate degree positive relationship between the variables.

#### **Northern Cape Department of Education**

Interpretation: A significant moderate positive correlation ( $r = 0.50$ ) is observed ( $p = 0.005$ ), indicating a moderate to strong positive relationship between the variables. This shows a clear and significant association in this department.

#### **Northern Cape Department of Transport, Safety and Liaison**

Interpretation: The correlation is low degree positive (0.098) but not statistically significant ( $p = 0.698$ ). This suggests a weak relationship or no significant association within the department.

### Total Across All Departments

Interpretation: The moderate positive correlation ( $r = 0.320$ ) is statistically significant ( $p < 0.001$ ) across all departments, indicating a moderate positive relationship overall.

**Summary of combined interpretations:** The NCDoH and NCDoE showed significant positive moderate correlations, indicating strong relationships within these departments. The NCDTSL demonstrated a low degree positive correlation that is not statistically significant, suggesting a weak or unclear relationship. The findings suggested that the departments generally exhibit positive correlations, with notable exceptions. Overall, the total correlation across all departments was significant, indicating a moderate positive relationship when combining data from all departments. The general trend across departments reflected a significant positive relationship.

#### 6.5.1.4 The strength of the correlation between Q16.1 and Q15.4

Q16.1 “Effective financial accountability improves the overall financial performance outcomes in the department.”

Q15.4 “Public officials are not held accountable for poor service delivery.”

The table below focuses on the questions “Financial accountability boosts financial performance outcomes” and “Failure to hold officials accountable for service delivery” (Q13.4).

**Table 6.5: Spearman correlation on effective financial accountability to improve financial performance outcomes, and failure to hold officials accountable for poor service delivery in provincial departments**

| What is the Department where you are currently employed?<br>(Q7) |                      |                            | Value | Asymptotic<br>Standard<br>Error <sup>a</sup> | Approximate<br>T <sup>b</sup> | Approximate<br>Significance |
|------------------------------------------------------------------|----------------------|----------------------------|-------|----------------------------------------------|-------------------------------|-----------------------------|
| Northern Cape<br>Department of Health                            | Interval<br>Interval | by Pearson's R             | -.365 | .092                                         | -3.257                        | .002 <sup>c</sup>           |
|                                                                  | Ordinal<br>Ordinal   | by Spearman<br>Correlation | -.327 | .107                                         | -2.875                        | .005 <sup>c</sup>           |
|                                                                  | N of Valid Cases     |                            | 71    |                                              |                               |                             |
| Northern Cape<br>Department of<br>Education                      | Interval<br>Interval | by Pearson's R             | -.260 | .109                                         | -2.085                        | .041 <sup>c</sup>           |
|                                                                  | Ordinal<br>Ordinal   | by Spearman<br>Correlation | -.245 | .127                                         | -1.956                        | .055 <sup>c</sup>           |
|                                                                  | N of Valid Cases     |                            | 62    |                                              |                               |                             |



|                                                                    |                      |                            |       |      |        |                   |
|--------------------------------------------------------------------|----------------------|----------------------------|-------|------|--------|-------------------|
| Northern Cape<br>Department of<br>Transport, Safety and<br>Liaison | Interval<br>Interval | by Pearson's R             | .049  | .243 | .197   | .847 <sup>c</sup> |
|                                                                    | Ordinal<br>Ordinal   | by Spearman<br>Correlation | .026  | .257 | .106   | .917 <sup>c</sup> |
|                                                                    | N of Valid Cases     |                            | 18    |      |        |                   |
| Total                                                              | Interval<br>Interval | by Pearson's R             | -.260 | .075 | -3.291 | .001 <sup>c</sup> |
|                                                                    | Ordinal<br>Ordinal   | by Spearman<br>Correlation | -.252 | .081 | -3.177 | .002 <sup>c</sup> |
|                                                                    | N of Valid Cases     |                            | 151   |      |        |                   |

(Source: SPSS Statistical Package)

A summary of the interpretations of the Spearman correlations for each department is outlined below:

#### **Northern Cape Department of Health**

Interpretation: A significant moderate negative correlation ( $r = -0.327$ ) is observed ( $p = 0.005$ ), indicating a moderate negative relationship between the variables. This suggests that as one variable increases, the other tends to decrease within this department.

#### **Northern Cape Department of Education**

Interpretation: The low negative correlation is ( $r = -0.245$ ) nearing significance ( $p = 0.055$ ). This indicates a weaker negative relationship, with a tendency for one variable to decrease as the other increases, though the result is just above the conventional significance threshold.

#### **Northern Cape Department of Transport, Safety and Liaison**

Interpretation: The correlation is positive and low ( $r = 0.026$ ) but not statistically significant ( $p = 0.917$ ). This indicated a very weak or no meaningful relationship between the variables in this department.

#### **Total of All Departments**

Interpretation: The overall negative correlation ( $r = -0.252$ ) is statistically significant ( $p = 0.002$ ), indicating a low negative relationship when combining data from all departments. This suggests that, generally, an increase in one variable is associated with a decrease in the other across departments.

**Summary of combined interpretations:** The NCDoH exhibited a notable low negative correlation. The NCDoE displayed a nearly significant negative correlation, indicating a weak negative association. The NCDTSL showed no significant relationship. Overall, a moderate negative correlation was observed across all departments, suggesting a general pattern in which increases in one variable are associated with decreases in another.

#### **6.5.1.5 The strength of the correlation between Q16.1 and Q15.5**

Q16.1 “Effective financial accountability improves the overall financial performance outcomes in the department.”

Q15.5 “The public receives quality service delivery because of effective financial accountability and sound financial management systems in the department.”

The table below focuses on the questions “Financial accountability boosts financial performance outcomes” and “Financial accountability promotes service delivery.”

**Table 6.6: Spearman correlation on financial accountability boosts financial performance outcomes, and financial accountability promotes service delivery in provincial departments**

| Symmetric Measures (Exclude Pearson)                               |                      |                            |       |                                              |                               |                             |
|--------------------------------------------------------------------|----------------------|----------------------------|-------|----------------------------------------------|-------------------------------|-----------------------------|
| What is the Department where you are currently employed?<br>(Q7)   |                      |                            | Value | Asymptotic<br>Standard<br>Error <sup>a</sup> | Approximate<br>T <sup>b</sup> | Approximate<br>Significance |
| Northern Cape<br>Department of Health                              | Interval<br>Interval | by Pearson's R             | .303  | .109                                         | 2.645                         | .010 <sup>c</sup>           |
|                                                                    | Ordinal<br>Ordinal   | by Spearman<br>Correlation | .236  | .128                                         | 2.019                         | .047 <sup>c</sup>           |
|                                                                    | N of Valid Cases     |                            | 71    |                                              |                               |                             |
| Northern Cape<br>Department of<br>Education                        | Interval<br>Interval | by Pearson's R             | .241  | .131                                         | 1.908                         | .061 <sup>c</sup>           |
|                                                                    | Ordinal<br>Ordinal   | by Spearman<br>Correlation | .270  | .129                                         | 2.154                         | .035 <sup>c</sup>           |
|                                                                    | N of Valid Cases     |                            | 61    |                                              |                               |                             |
| Northern Cape<br>Department of<br>Transport, Safety and<br>Liaison | Interval<br>Interval | by Pearson's R             | .044  | .188                                         | .176                          | .863 <sup>c</sup>           |
|                                                                    | Ordinal<br>Ordinal   | by Spearman<br>Correlation | .044  | .236                                         | .177                          | .862 <sup>c</sup>           |
|                                                                    | N of Valid Cases     |                            | 18    |                                              |                               |                             |
| Total                                                              | Interval<br>Interval | by Pearson's R             | .240  | .078                                         | 3.010                         | .003 <sup>c</sup>           |
|                                                                    | Ordinal<br>Ordinal   | by Spearman<br>Correlation | .220  | .085                                         | 2.739                         | .007 <sup>c</sup>           |
|                                                                    | N of Valid Cases     |                            | 150   |                                              |                               |                             |

(Source: SPSS Statistical Package)

A summary of the interpretations of the Spearman correlations for each department is presented below:

#### **Northern Cape Department of Health**

Interpretation: The positive correlation ( $r = 0.236$ ), statistically significant at ( $p = 0.047$ ), indicating a low positive relationship. This implies that when one variable rises, the other typically tends to rise as well within this department.

#### **Northern Cape Department of Education**

Interpretation: There is a significant positive correlation ( $r = .270$ ) which is statistically significant at ( $p = 0.035$ ), suggesting a moderate positive relationship. As one variable increases, the other tends to increase in this department.

#### **Northern Cape Department of Transport, Safety and Liaison**

Spearman Correlation: 0.044

Interpretation: The correlation is positive and low 0.044 and not significant ( $p = 0.862$ ), indicating a very weak or no meaningful relationship between the variables in this department.

### **Total of All Departments**

Spearman Correlation: 0.220

Interpretation: The overall correlation is low ( $r = 0.220$ ) and is significant ( $p = 0.007$ ), indicating a moderate positive relationship when combining data from all departments. This suggests that generally, as one variable increases, the other tends to increase across departments.

**Summary of combined interpretations:** The NCDoH and NCDoE both showed significant positive correlations, indicating that increases in one variable tended to be linked with increases in another. The NCDTSL showed no significant relationship. The analysis highlights that, although individual departments displayed varying levels of significance, the overall data indicated a low positive relationship across all departments, suggesting a general trend where increases in one variable are associated with increases in another.

**Summary of the findings of the alternative hypothesis H1<sub>a1</sub>.** From the above inferential analysis (Spearman correlation) of the five statements, the findings show that while some individual departments displayed varying levels of significance, the overall data across departments indicates a significant moderate positive correlation with the statements. Therefore, the alternative hypothesis H1<sub>a1</sub> was accepted. The comprehensive correlation across all departments suggests a moderate to strong, significant positive relationship when combining data from all departments; hence, the first alternative hypothesis (H1<sub>a1</sub>) was accepted.

### **6.5.2 Hypothesis H2<sub>a1</sub>. There is a positive and statistically significant relationship between financial accountability and good governance in selected provincial departments**

The relationship between financial accountability and good governance was evaluated through cross-tabulation of the components of financial accountability from Q11 and the elements of good governance from Q14 of the structured questionnaire. The results and interpretation of the Pearson correlation analysis are summarised in the table below. This table specifically highlights the questions regarding "Strength of associations between budget-driven fund allocation (Q11.1) and 'public participation' (Q14.1). "

### 6.5.2.1 The strength of the correlation between Q11.1 and Q14.1

Q11.1, associated with financial accountability, refers to “Public officials in the department use public funds according to the budget to prioritise the basic needs of the community”

Q14.1, associated with good governance, refers to “The department promotes public participation through various methods such as road shows, advocacy programmes and community meetings.”

The table below focuses on the questions “Strength of associations between budget-driven fund allocation (Q11.1) and “Active public participation” (Q14.1).

**Table 6.7: Spearman correlation between budget-driven fund allocation and active public participation in provincial departments**

| Department | Measurement          | Correlation          | Value | Asymptotic Standard Error <sup>a</sup> | Approximate T <sup>b</sup> | Approximate Significance |
|------------|----------------------|----------------------|-------|----------------------------------------|----------------------------|--------------------------|
| NCDoH      | Interval by Interval | Pearson's R          | .268  | .115                                   | 2.314                      | .024 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .261  | .118                                   | 2.247                      | .028 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 71    |                                        |                            |                          |
| NCDoE      | Interval by Interval | Pearson's R          | .527  | .098                                   | 4.809                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .516  | .101                                   | 4.662                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 62    |                                        |                            |                          |
| NCDoTSL    | Interval by Interval | Pearson's R          | .684  | .224                                   | 3.753                      | .002 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .389  | .260                                   | 1.691                      | .110 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 18    |                                        |                            |                          |
| Total      | Interval by Interval | Pearson's R          | .421  | .073                                   | 5.672                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .407  | .073                                   | 5.438                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 151   |                                        |                            |                          |

(Source: SPSS Statistical Package)

Below is a summary of the interpretations of the Spearman correlations for each department:

#### **Northern Cape Department of Health**

Interpretation for NCDoH: There is a positive, though low ( $r=0.261$ ), correlation between the variables. The relationship is statistically significant at the 0.05 level.

#### **Northern Cape Department of Education**

Interpretation NCDoe: There is a high positive correlation ( $r = 0.516$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

### **Northern Cape Department of Transport, Safety and Liaison**

Interpretation DoTSL: The correlation is moderate and positive ( $r = 0.407$ ) but not statistically significant at the 0.05 level. The relationship is weaker and less reliable due to the small sample size.

### **Summary of combined interpretation: Total (All Departments Combined)**

Interpretation for Selected Provincial Departments: There is a moderate positive correlation overall, and the relationship is statistically significant at the 0.001 level. Thus, overall, across all departments, there is a significant, moderate positive correlation, suggesting a general trend in which increases in one variable are associated with increases in another.

#### **6.5.2.2 The strength of the correlation between Q11.1 and Q14.2**

Q11.1, associated with financial accountability, refers to “Public officials in the department use public funds according to the budget to prioritise the basic needs of the community.”

Q14.2, associated with good governance, refers to “Financial information and reports are readily accessible through departmental websites.”

The table below focuses on the questions “Budget-driven fund allocation” (Q11.1) and “Transparent financial reporting” (Q14.2).

**Table 6.8: Spearman correlation between budget-driven fund allocation and transparent financial reporting in provincial departments**

|         |                      |                      | Value | Asymptotic<br>Standard<br>Error <sup>a</sup> | Approximate<br>T <sup>b</sup> | Approximate<br>Significance |
|---------|----------------------|----------------------|-------|----------------------------------------------|-------------------------------|-----------------------------|
| NCDoH   | Interval by Interval | Pearson's R          | .376  | .108                                         | 3.376                         | .001 <sup>c</sup>           |
|         | Ordinal by Ordinal   | Spearman Correlation | .372  | .109                                         | 3.330                         | .001 <sup>c</sup>           |
|         | N of Valid Cases     |                      | 71    |                                              |                               |                             |
| NCDoe   | Interval by Interval | Pearson's R          | .468  | .095                                         | 4.100                         | .000 <sup>c</sup>           |
|         | Ordinal by Ordinal   | Spearman Correlation | .465  | .101                                         | 4.064                         | .000 <sup>c</sup>           |
|         | N of Valid Cases     |                      | 62    |                                              |                               |                             |
| NCDoTSL | Interval by Interval | Pearson's R          | .221  | .156                                         | .905                          | .379 <sup>c</sup>           |
|         | Ordinal by Ordinal   | Spearman Correlation | .213  | .203                                         | .873                          | .396 <sup>c</sup>           |
|         | N of Valid Cases     |                      | 18    |                                              |                               |                             |
| Total   | Interval by Interval | Pearson's R          | .388  | .070                                         | 5.144                         | .000 <sup>c</sup>           |
|         | Ordinal by Ordinal   | Spearman Correlation | .375  | .072                                         | 4.941                         | .000 <sup>c</sup>           |
|         | N of Valid Cases     |                      | 151   |                                              |                               |                             |

(Source: SPSS Statistical Package)

Below is a summary of the interpretations of the Spearman correlations for each department:

### Northern Cape Department of Health

Interpretation: There is a moderate positive correlation ( $r = 0.372$ ) between the variables, and the relationship is statistically significant at the 0.01 level.

### Northern Cape Department of Education

Interpretation: There is a high positive correlation (0.465) between the variables, and the relationship is statistically significant at the 0.001 level.

### Northern Cape Department of Transport, Safety and Liaison

Interpretation: The correlation is low ( $r = 0.213$ ) and not statistically significant, likely due to the small sample size.

### Total (All Departments Combined)

Interpretation: There is an overall moderate positive correlation ( $r = 0.375$ ), and the relationship is statistically significant at the 0.001 level.

**Summary of combined interpretations:** The correlation is strongest in the NCDoE and weakest in the NCDTSL, due to sample size constraints. The overall correlation across all departments suggested a moderate positive relationship between the variables.

### 6.5.2.3 The strength of the correlation between Q11.1 and Q14.3

Q11.1, associated with financial accountability, refers to “Public officials in the department use public funds according to the budget to prioritise the basic needs of the community.”

Q14.3, associated with good governance, refers to “There are systems that track and report on the use of public funds and hold public officials accountable for their actions.”

The table below focuses on the questions “Budget-driven fund allocation” (Q11.1) and “Clear accountable systems” (Q14.3).

**Table 6.9: Spearman correlation between budget-driven fund allocation and clear accountability systems in provincial departments**

| Department | Measurement          | Correlation          | Value | Asymptotic Standard Error <sup>a</sup> | Approximate T <sup>b</sup> | Approximate Significance |
|------------|----------------------|----------------------|-------|----------------------------------------|----------------------------|--------------------------|
| NCDoH      | Interval by Interval | Pearson's R          | .496  | .097                                   | 4.742                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .480  | .103                                   | 4.551                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 71    |                                        |                            |                          |
| NCDoE      | Interval by Interval | Pearson's R          | .289  | .115                                   | 2.342                      | .023 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .279  | .120                                   | 2.253                      | .028 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 62    |                                        |                            |                          |
| NCDoTSL    | Interval by Interval | Pearson's R          | .734  | .197                                   | 4.320                      | .001 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .725  | .187                                   | 4.214                      | .001 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 18    |                                        |                            |                          |

|       |                      |                      |      |      |       |                   |
|-------|----------------------|----------------------|------|------|-------|-------------------|
| Total | Interval by Interval | Pearson's R          | .436 | .070 | 5.905 | .000 <sup>c</sup> |
|       | Ordinal by Ordinal   | Spearman Correlation | .437 | .073 | 5.932 | .000 <sup>c</sup> |
|       | N of Valid Cases     |                      | 151  |      |       |                   |

(Source: SPSS Statistical Package)

Below is a summary of the interpretations of the Spearman correlations for each department:

#### **Northern Cape Department of Health**

Interpretation: There is a high degree positive correlation (0.480) between the variables, and the relationship is statistically significant at the 0.001 level.

#### **Northern Cape Department of Education**

Interpretation: There is a low positive correlation ( $r = 0.279$ ), and the relationship is statistically significant at the 0.05 level.

#### **Northern Cape Department of Transport, Safety and Liaison**

Interpretation: A very high degree of positive correlation ( $r = 0.725$ ) exists between the variables, and the relationship is statistically significant at the  $p < 0.001$  level.

#### **Total of all selected departments**

Interpretation: Overall, there is a moderate positive correlation ( $r = 0.437$ ) across all departments, with the relationship being statistically significant at the 0.001 level.

**Summary of combined interpretations:** The strongest positive correlation is observed in the NCDTSL, while the weakest is in the NCDoE. Overall, the correlations across departments indicated a moderate to strong positive relationship.

#### **6.5.2.4 The strength of the correlation between Q11.1 and Q14.4**

Q11.1, associated with financial accountability, refers to “Public officials in the department use public funds according to the budget to prioritise the basic needs of the community.”

Q14.4, associated with good governance, refers to “Administrative and executive staff are continuously trained and educated on relevant legislative frameworks, policies and regulations to ensure compliance.”

The table below focuses on the questions “Budget-driven fund allocation” (Q11.1) and “Continuous compliance education” (Q14.4).”

**Table 6.10: Spearman correlation between budget-driven fund allocation and continuous professional development on pertinent legislative prescripts to enhance compliance in provincial departments**

| Department | Measurement          | Correlation          | Value | Asymptotic<br>Standard<br>Error <sup>a</sup> | Approximate<br>T <sup>b</sup> | Approximate<br>Significance |
|------------|----------------------|----------------------|-------|----------------------------------------------|-------------------------------|-----------------------------|
| NCDoH      | Interval by Interval | Pearson's R          | .416  | .110                                         | 3.795                         | .000 <sup>c</sup>           |
|            | Ordinal by Ordinal   | Spearman Correlation | .404  | .108                                         | 3.672                         | .000 <sup>c</sup>           |
|            | N of Valid Cases     |                      | 71    |                                              |                               |                             |
| NCDoE      | Interval by Interval | Pearson's R          | .469  | .108                                         | 4.108                         | .000 <sup>c</sup>           |
|            | Ordinal by Ordinal   | Spearman Correlation | .481  | .108                                         | 4.245                         | .000 <sup>c</sup>           |
|            | N of Valid Cases     |                      | 62    |                                              |                               |                             |
| NCDoE      | Interval by Interval | Pearson's R          | -.060 | .170                                         | -.239                         | .814 <sup>c</sup>           |
|            | Ordinal by Ordinal   | Spearman Correlation | -.082 | .221                                         | -.329                         | .747 <sup>c</sup>           |
|            | N of Valid Cases     |                      | 18    |                                              |                               |                             |
| Total      | Interval by Interval | Pearson's R          | .434  | .074                                         | 5.873                         | .000 <sup>c</sup>           |
|            | Ordinal by Ordinal   | Spearman Correlation | .431  | .073                                         | 5.830                         | .000 <sup>c</sup>           |
|            | N of Valid Cases     |                      | 151   |                                              |                               |                             |

(Source: SPSS Statistical Package)

Below is a summary of the interpretations of the Spearman correlations for each department:

#### **Northern Cape Department of Health**

Interpretation: There is a moderate to strong positive ( $r = .404$ ) correlation between the variables, and the relationship is statistically significant at the 0.001 level.

#### **Northern Cape Department of Education**

Interpretation: There is a strong positive correlation ( $r = 0.481$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

#### **Northern Cape Department of Transport, Safety and Liaison**

Interpretation: There is a very low negative correlation ( $r = -0.082$ ) between the variables, and the relationship is not statistically significant.

#### **All selected departments**

Interpretation: Overall, there is a moderate positive correlation ( $r = 0.431$ ) across all departments, with the relationship being statistically significant at the 0.001 level.

**Summary of combined interpretations:** The NCDoE has the strongest positive correlation, while the NCDoTSL presented a weak and statistically insignificant correlation. Overall, the combined data across all departments indicated a moderate positive relationship.

#### **6.5.2.5 The strength of the correlation between Q11.1 and Q14.5**

Q11.1, associated with financial accountability, refers to “Public officials in the department use public funds according to the budget to prioritise the basic needs of the community.”

Q14.5, associated with good governance, refers to “There is an effective risk management framework that enables the department to identify, assess, and mitigate the potential risks to safeguard the public resources effectively.”



The table below focuses on the questions “Budget-driven fund allocation (Q11.1) and “Effective risk management framework” (Q14.5).

**Table 6.11: Spearman correlation between budget-driven fund allocation and effective risk management framework in provincial departments**

| Department | Measurement          | Correlation          | Value | Asymptotic Standard Error <sup>a</sup> | Approximate T <sup>b</sup> | Approximate Significance |
|------------|----------------------|----------------------|-------|----------------------------------------|----------------------------|--------------------------|
| NCDoH      | Interval by Interval | Pearson's R          | .360  | .119                                   | 3.207                      | .002 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .342  | .118                                   | 3.024                      | .004 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 71    |                                        |                            |                          |
| NCDoE      | Interval by Interval | Pearson's R          | .441  | .106                                   | 3.779                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .447  | .110                                   | 3.838                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 61    |                                        |                            |                          |
| NCDoTSL    | Interval by Interval | Pearson's R          | .200  | .087                                   | .816                       | .426 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .308  | .123                                   | 1.297                      | .213 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 18    |                                        |                            |                          |
| Total      | Interval by Interval | Pearson's R          | .407  | .077                                   | 5.428                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .401  | .077                                   | 5.326                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 150   |                                        |                            |                          |

(Source: SPSS Statistical Package)

Below is a summary of the interpretations of the Spearman correlations for each department:

#### **Northern Cape Department of Health**

Interpretation: There is a moderate positive correlation ( $r = 0.342$ ) between the variables, and the relationship is statistically significant at the 0.01 level.

#### **Northern Cape Department of Education**

Interpretation: There is a strong positive correlation ( $r = 0.447$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

#### **Northern Cape Department of Transport, Safety and Liaison**

Interpretation: A moderate positive correlation ( $r = 0.308$ ) exists, but the relationship is not statistically significant, likely because of the small sample size.

#### **All selected departments**

Interpretation: Overall, there is a moderate positive correlation ( $r = .401$ ) across all departments, and the relationship is statistically significant at the 0.001 level.

**Summary of combined interpretations:** The NCDoE presented the strongest positive correlation, while the NCDoTSL presented a weaker, non-significant correlation. The overall correlation across all departments indicated a moderate positive relationship.

### 6.5.2.6 The strength of the correlation between Q11.1 and Q14.6

Q11.1, associated with financial accountability, refers to “Public officials in the department use public funds according to the budget to prioritise the basic needs of the community.”

Q14.6, associated with good governance, refers to “Effective internal controls (policies, procedures and processes) are enforced to prevent fraud and corruption in the department.”

The table below focuses on the questions “Budget-driven fund allocation (Q11.1) and “Strong fraud prevention controls” (Q14.6).

**Table 6.12: Spearman correlation between budget-driven fund allocation and strong fraud prevention controls in provincial departments**

| Department | Measurement          | Correlation          | Value | Asymptotic Standard Error <sup>a</sup> | Approximate T <sup>b</sup> | Approximate Significance |
|------------|----------------------|----------------------|-------|----------------------------------------|----------------------------|--------------------------|
| NCDoH      | Interval by Interval | Pearson's R          | .532  | .104                                   | 5.218                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .533  | .101                                   | 5.231                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 71    |                                        |                            |                          |
| NCDoE      | Interval by Interval | Pearson's R          | .537  | .107                                   | 4.927                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .531  | .106                                   | 4.851                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 62    |                                        |                            |                          |
| NCDoTSL    | Interval by Interval | Pearson's R          | .573  | .199                                   | 2.800                      | .013 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .433  | .232                                   | 1.924                      | .072 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 18    |                                        |                            |                          |
| Total      | Interval by Interval | Pearson's R          | .543  | .070                                   | 7.899                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .536  | .068                                   | 7.745                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 151   |                                        |                            |                          |

(Source: SPSS Statistical Package)

Below is a summary of the interpretations of the Spearman correlations for each department:

#### **Northern Cape Department of Health**

Interpretation: There is a high degree of positive correlation ( $r = 0.533$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

#### **Northern Cape Department of Education**

Interpretation: There is a high positive correlation ( $r = 0.531$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

### Northern Cape Department of Transport, Safety and Liaison

Interpretation: There is a moderate positive correlation ( $r = 0.433$ ) but it is not statistically significant at the 0.05 level due to a larger standard error and a smaller sample size.

### All selected departments

Interpretation: Overall, there is a high degree of positive correlation ( $r = 0.536$ ) across all departments, with the relationship being statistically significant at the 0.001 level.

**Summary of combined interpretations:** The NCDoH and the NCDoE both show strong positive correlations. The NCDTSL presented a moderate positive correlation that is not statistically significant. Overall, the data across all departments indicated a high degree of positive relationship.

### 6.5.2.7 The strength of the correlation between Q11.1 and Q14.7

Q11.1, associated with financial accountability, refers to “Public officials in the department use public funds according to the budget to prioritise the basic needs of the community.”

Q14.7, associated with good governance, refers to “Service delivery processes are streamlined to make them more efficient and responsive to citizen needs.”

The table below focussed on the questions “Budget-driven fund allocation” (Q11.1) and “Efficient service delivery” (Q14.7).

**Table 6.13: Spearman correlation between budget-driven fund allocation and efficient service delivery in provincial departments**

| Department | Measurement          | Correlation          | Value | Asymptotic Standard Error <sup>a</sup> | Approximate T <sup>b</sup> | Approximate Significance |
|------------|----------------------|----------------------|-------|----------------------------------------|----------------------------|--------------------------|
| NCDoH      | Interval by Interval | Pearson's R          | .595  | .083                                   | 6.142                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .572  | .090                                   | 5.795                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 71    |                                        |                            |                          |
| NCDoE      | Interval by Interval | Pearson's R          | .654  | .089                                   | 6.698                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .644  | .091                                   | 6.512                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 62    |                                        |                            |                          |
| NCDoTSL    | Interval by Interval | Pearson's R          | .679  | .129                                   | 3.698                      | .002 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .686  | .139                                   | 3.774                      | .002 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 18    |                                        |                            |                          |
| Total      | Interval by Interval | Pearson's R          | .624  | .058                                   | 9.737                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .604  | .061                                   | 9.249                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 151   |                                        |                            |                          |

(Source: SPSS Statistical Package)

Below is a summary of the interpretations of the Spearman correlations for each department:

### Northern Cape Department of Health

Interpretation: There is a high degree of positive correlation ( $r = 0.572$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

### Northern Cape Department of Education

Interpretation: There is a high degree positive correlation ( $r = 0.644$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

### Northern Cape Department of Transport, Safety and Liaison

Interpretation: There is a high degree positive correlation ( $r = 0.686$ ) between the variables, and the relationship is statistically significant at the 0.01 level.

### All selected departments

Interpretation: Overall, there is a high positive correlation ( $r = 0.604$ ) across all departments, with the relationship being statistically significant at the 0.001 level.

**Summary of combined interpretations:** The strongest positive correlation is observed in the NCDTSL, followed by the NCDoE and the NCDoH. The overall correlation indicated a high degree of positive relationship across all departments.

## 6.5.2.8 The strength of the correlation between Q11.1 and Q14.8

Q11.1, associated with financial accountability, refers to “Public officials in the department use public funds according to the budget to prioritise the basic needs of the community.”

Q14.8, associated with good governance, refers to “The provision of services is distributed equitably to redress the socio-economic imbalances of the past.”

The table below focuses on the questions “Budget-Driven Fund Allocation” (Q11.1) and “Equitable Service Provision” (Q14.8).

**Table 6.14: Spearman correlation between budget-driven fund allocation and equitable service provision in provincial departments**

| Department | Measurement          | Correlation          | Value | Asymptotic Standard Error <sup>a</sup> | Approximate T <sup>b</sup> | Approximate Significance |
|------------|----------------------|----------------------|-------|----------------------------------------|----------------------------|--------------------------|
| NCDoH      | Interval by Interval | Pearson's R          | .485  | .101                                   | 4.605                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .467  | .104                                   | 4.389                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 71    |                                        |                            |                          |
| NCDoE      | Interval by Interval | Pearson's R          | .584  | .089                                   | 5.575                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .575  | .096                                   | 5.446                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 62    |                                        |                            |                          |
| NCDoTSL    | Interval by Interval | Pearson's R          | .556  | .143                                   | 2.674                      | .017 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .545  | .165                                   | 2.599                      | .019 <sup>c</sup>        |

|       |                      |                      |      |      |       |                   |
|-------|----------------------|----------------------|------|------|-------|-------------------|
|       | N of Valid Cases     |                      | 18   |      |       |                   |
| Total | Interval by Interval | Pearson's R          | .532 | .064 | 7.673 | .000 <sup>c</sup> |
|       | Ordinal by Ordinal   | Spearman Correlation | .521 | .067 | 7.457 | .000 <sup>c</sup> |
|       | N of Valid Cases     |                      | 151  |      |       |                   |

(Source: SPSS Statistical Package)

Below is a summary of the interpretations of the Spearman correlations for each department:

#### **Northern Cape Department of Health**

Interpretation: There is a moderate to strong positive correlation ( $r = 0.467$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

#### **Northern Cape Department of Education**

Interpretation: There is a high positive correlation ( $r = 0.575$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

#### **Northern Cape Department of Transport, Safety and Liaison**

Interpretation: There is a moderate positive correlation ( $r = 0.545$ ) between the variables, and the relationship is statistically significant at the 0.05 level.

#### **All selected departments**

Interpretation: Overall, there is a high degree of positive correlation ( $r = 0.521$ ) across all departments, with the relationship being statistically significant at the 0.001 level.

**Summary of combined interpretations:** The NCDofE presented the strongest positive correlation, followed by the NCDTSL and the NCDofH. The overall correlation across all departments indicated a moderate to strong positive relationship.

### **6.5.2.9 The strength of the correlation between Q11.1 and Q14.9**

Q11.1, associated with financial accountability, refers to “Public officials in the department use public funds according to the budget to prioritise the basic needs of the community.”

Q14.9, associated with good governance, refers to “The department promotes the involvement of a diverse group of stakeholders in the financial decision-making process.”

The table below focuses on the questions “Budget-Driven Fund Allocation” (Q11.1) and “Diverse Stakeholder Involvement” (Q14.9).

**Table 6.15: Spearman correlation between budget-driven fund allocation and diverse stakeholder involvement in provincial departments**

| Department | Measurement | Correlation | Value | Asymptotic<br>Standard<br>Error <sup>a</sup> | Approximate<br>T <sup>b</sup> | Approximate<br>Significance |
|------------|-------------|-------------|-------|----------------------------------------------|-------------------------------|-----------------------------|
|------------|-------------|-------------|-------|----------------------------------------------|-------------------------------|-----------------------------|

|         |                      |                      |      |      |       |                   |
|---------|----------------------|----------------------|------|------|-------|-------------------|
| NCDoH   | Interval by Interval | Pearson's R          | .295 | .129 | 2.565 | .012 <sup>c</sup> |
|         | Ordinal by Ordinal   | Spearman Correlation | .300 | .121 | 2.612 | .011 <sup>c</sup> |
|         | N of Valid Cases     |                      | 71   |      |       |                   |
| NCDoE   | Interval by Interval | Pearson's R          | .507 | .105 | 4.523 | .000 <sup>c</sup> |
|         | Ordinal by Ordinal   | Spearman Correlation | .491 | .106 | 4.329 | .000 <sup>c</sup> |
|         | N of Valid Cases     |                      | 61   |      |       |                   |
| NCDoTSL | Interval by Interval | Pearson's R          | .214 | .149 | .875  | .395 <sup>c</sup> |
|         | Ordinal by Ordinal   | Spearman Correlation | .243 | .201 | 1.003 | .331 <sup>c</sup> |
|         | N of Valid Cases     |                      | 18   |      |       |                   |
| Total   | Interval by Interval | Pearson's R          | .359 | .081 | 4.679 | .000 <sup>c</sup> |
|         | Ordinal by Ordinal   | Spearman Correlation | .350 | .078 | 4.544 | .000 <sup>c</sup> |
|         | N of Valid Cases     |                      | 150  |      |       |                   |

(Source: SPSS Statistical Package)

Below is a summary of the interpretations of the Spearman correlations for each department:

#### **Northern Cape Department of Health**

Interpretation: There is a weak to moderate positive correlation ( $r = 0.300$ ) between the variables, and the relationship is statistically significant at the 0.01 level.

#### **Northern Cape Department of Education**

Interpretation: There is a moderate to strong positive correlation ( $r = 0.491$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

#### **Northern Cape Department of Transport, Safety and Liaison**

Interpretation: A very weak positive correlation ( $r = 0.243$ ) exists, but the relationship is not statistically significant, likely due to the small sample size.

#### **All selected departments**

Interpretation: Overall, there is a moderate positive correlation ( $r = 0.350$ ) across all departments, with the relationship being statistically significant at the 0.001 level.

**Summary of combined interpretations:** The NCDoE has the strongest positive correlation, followed by the NCDoH. The NCDTSL presented a weak and non-significant correlation. The overall data across all departments indicated a moderate positive relationship.

#### **6.5.2.10 The strength of the correlation between Q11.1 and Q14.10**

Q11.1, associated with financial accountability, refers to “Public officials in the department use public funds according to the budget to prioritise the basic needs of the community.”

Q14.10, associated with good governance, refers to “The use of public funds is in line with the long-term strategic vision and goals of the department.”

The table below outlines the findings of the Spearman correlation of the questions “Budget-driven fund allocation” (Q11.1) and “Alignment with strategic vision” (Q14.10).

**Table 6.16: Spearman correlation between budget-driven fund allocation and alignment with strategic vision in provincial departments**

| Department | Measurement          | Correlation          | Value | Asymptotic Standard Error <sup>a</sup> | Approximate T <sup>b</sup> | Approximate Significance |
|------------|----------------------|----------------------|-------|----------------------------------------|----------------------------|--------------------------|
| NCDoH      | Interval by Interval | Pearson's R          | .456  | .102                                   | 4.255                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .466  | .101                                   | 4.375                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 71    |                                        |                            |                          |
| NCDoE      | Interval by Interval | Pearson's R          | .516  | .108                                   | 4.662                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .514  | .108                                   | 4.642                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 62    |                                        |                            |                          |
| NCDoTSL    | Interval by Interval | Pearson's R          | .202  | .142                                   | .824                       | .422 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .212  | .199                                   | .867                       | .399 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 18    |                                        |                            |                          |
| Total      | Interval by Interval | Pearson's R          | .471  | .069                                   | 6.510                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .478  | .069                                   | 6.651                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 151   |                                        |                            |                          |

(Source: SPSS Statistical Package)

Below is a summary of the interpretations of the Spearman correlations for each department:

#### **Northern Cape Department of Health**

Interpretation: There is a moderate to strong positive correlation ( $r = 0.466$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

#### **Northern Cape Department of Education**

Interpretation: There is a moderate to strong positive correlation ( $r = 0.514$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

#### **Northern Cape Department of Transport, Safety and Liaison**

Interpretation: There is a very weak positive correlation ( $r = 0.212$ ) and the relationship is not statistically significant, likely due to the small sample size.

#### **All selected departments**

Interpretation: Overall, there is a moderate to strong positive correlation ( $r = 0.478$ ) across all departments, with the relationship being statistically significant at the 0.001 level.

**Summary of combined interpretations:** The NCDoE presented the strongest positive correlation, followed closely by the NCDoH. The NCDoTSL present a weak and non-significant correlation. The overall data indicated a moderate to strong positive relationship across all departments.

**Summary of the findings of the alternative hypothesis (H<sub>2a1</sub>):** The overall combined data across all departments for the ten statements relating to the alternative (H<sub>2a1</sub>) show a strong to moderate positive relationship across all departments, and this relationship is statistically significant at the 0.001 level; therefore, the first alternative hypothesis, H<sub>2a1</sub>, was accepted.

### 6.5.3 Hypothesis H<sub>3a1</sub>. There is a positive and statistically significant relationship between financial accountability and the implementation of key financial legislation and treasury and SCM regulations in the selected provincial department in the NCP

The discussion below provided the inferential statistical findings related to the first alternative hypothesis (H<sub>3a1</sub>). The table below illustrates the findings of the questions “Budget-driven fund allocation” (Q11.1) and “Compliance with legislative prescripts” (Q14.4).

**Table 6.17: Spearman correlation between budget-driven fund allocation and compliance with legislative prescripts in provincial departments**

| Department | Measurement          | Correlation          | Value | Asymptotic Standard Error <sup>a</sup> | Approximate T <sup>b</sup> | Approximate Significance |
|------------|----------------------|----------------------|-------|----------------------------------------|----------------------------|--------------------------|
| NCDoH      | Interval by Interval | Pearson's R          | .416  | .110                                   | 3.795                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .404  | .108                                   | 3.672                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 71    |                                        |                            |                          |
| NCDoE      | Interval by Interval | Pearson's R          | .469  | .108                                   | 4.108                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .481  | .108                                   | 4.245                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 62    |                                        |                            |                          |
| NCDoTSL    | Interval by Interval | Pearson's R          | -.060 | .170                                   | -.239                      | .814 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | -.082 | .221                                   | -.329                      | .747 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 18    |                                        |                            |                          |
| Total      | Interval by Interval | Pearson's R          | .434  | .074                                   | 5.873                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .431  | .073                                   | 5.830                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 151   |                                        |                            |                          |

(Source: SPSS Statistical Package)

Below is a summary of the interpretations of the Spearman correlations for each department:

#### **Northern Cape Department of Health**

Interpretation: There is a moderate to strong positive correlation ( $r = 0.404$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

#### **Northern Cape Department of Education**

Interpretation: There is a strong positive correlation ( $r = 0.481$ ) between the variables, and the relationship is statistically significant at the 0.001 level.



## Northern Cape Department of Transport, Safety and Liaison

Interpretation: There is a very weak negative correlation ( $r = -0.082$ ) between the variables, and the relationship is not statistically significant.

### All selected departments

Interpretation: Overall, there is a moderate positive correlation ( $r = 0.431$ ) across all departments, with the relationship being statistically significant at the 0.001 level.

**Summary of combined interpretations:** The NCDDoE has the strongest positive correlation, while the NCDTSL presented a weak and statistically insignificant correlation. Overall, the combined data across all departments indicated a moderate positive relationship.

**Summary of the findings of the alternative hypothesis  $H_{3a1}$ .** Overall, the findings of the one statement relating to the first alternative hypothesis ( $H_{3a1}$ ) indicate a moderate positive correlation across all departments, with the relationship being statistically significant at the 0.001 level. Therefore, the first alternative hypothesis ( $H_{3a1}$ ) is accepted.

### 6.5.4 Hypothesis $H_{4a1}$ . There is a positive and statistically significant relationship between financial accountability and the functionality of financial controls in selected provincial departments in the NCP

The discussion below provides the inferential statistical findings related to the alternative  $H_4$ . The table below focuses on “financial accountability” in the questions “Budget-driven fund allocations” (Q11.1) and “Internal prevention controls” (Q14.6).”

**Table 6.18: Financial accountability, budget-driven fund allocation and internal prevention controls in provincial departments**

| Department | Measurement          | Correlation          | Value | Asymptotic Standard Error <sup>a</sup> | Approximate T <sup>b</sup> | Approximate Significance |
|------------|----------------------|----------------------|-------|----------------------------------------|----------------------------|--------------------------|
| NCDDoH     | Interval by Interval | Pearson's R          | .532  | .104                                   | 5.218                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .533  | .101                                   | 5.231                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 71    |                                        |                            |                          |
| NCDDoE     | Interval by Interval | Pearson's R          | .537  | .107                                   | 4.927                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .531  | .106                                   | 4.851                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 62    |                                        |                            |                          |
| NCDDoTSL   | Interval by Interval | Pearson's R          | .573  | .199                                   | 2.800                      | .013 <sup>c</sup>        |

|       |                      |                      |      |      |       |                   |
|-------|----------------------|----------------------|------|------|-------|-------------------|
|       | Ordinal by Ordinal   | Spearman Correlation | .433 | .232 | 1.924 | .072 <sup>c</sup> |
|       | N of Valid Cases     |                      | 18   |      |       |                   |
| Total | Interval by Interval | Pearson's R          | .543 | .070 | 7.899 | .000 <sup>c</sup> |
|       | Ordinal by Ordinal   | Spearman Correlation | .536 | .068 | 7.745 | .000 <sup>c</sup> |
|       | N of Valid Cases     |                      | 151  |      |       |                   |

(Source: SPSS Statistical Package)

Below is a summary of the interpretations of the Spearman correlations for each department:

### **Northern Cape Department of Health**

Interpretation: There is a high degree of positive correlation ( $r = 0.533$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

### **Northern Cape Department of Education**

Interpretation: There is a high degree of positive correlation ( $r = 0.531$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

### **Northern Cape Department of Transport, Safety and Liaison**

Interpretation: A moderate positive correlation ( $r = 0.433$ ) exists, but it is not statistically significant at the 0.05 level due to a larger standard error and a smaller sample size.

### **All selected departments**

Interpretation: Overall, there is a strong positive correlation ( $r = 0.536$ ) across all departments, with the relationship being statistically significant at the 0.001 level.

**Summary of the combined interpretations:** The NCDoh and the NCDoe both show strong positive correlations. The NCDTSL presented a moderate positive correlation that is not statistically significant. Overall, the data across all departments indicated a strong positive relationship.

The table below focuses on the questions “Effective financial accountability improves the overall financial performance outcomes” (Q16.1) and “Strong internal oversight bodies such as internal audit units and the internal audit committee” (Q13.1).

**Table 6.19 Spearman correlation between effective financial accountability and effective oversight bodies in provincial departments**

|       |                      |                      | Value | Asymptotic Standard Error <sup>a</sup> | Approximate T <sup>b</sup> | Approximate Significance |
|-------|----------------------|----------------------|-------|----------------------------------------|----------------------------|--------------------------|
| NCDoh | Interval by Interval | Pearson's R          | .264  | .106                                   | 2.289                      | .025 <sup>c</sup>        |
|       | Ordinal by Ordinal   | Spearman Correlation | .319  | .107                                   | 2.819                      | .006 <sup>c</sup>        |
|       | N of Valid Cases     |                      | 72    |                                        |                            |                          |
| NCDoe | Interval by Interval | Pearson's R          | .319  | .115                                   | 2.611                      | .011 <sup>c</sup>        |
|       | Ordinal by Ordinal   | Spearman Correlation | .338  | .123                                   | 2.786                      | .007 <sup>c</sup>        |
|       | N of Valid Cases     |                      | 62    |                                        |                            |                          |

|         |                      |                      |      |      |       |                   |
|---------|----------------------|----------------------|------|------|-------|-------------------|
| NCDoTSL | Interval by Interval | Pearson's R          | .531 | .130 | 2.505 | .023 <sup>c</sup> |
|         | Ordinal by Ordinal   | Spearman Correlation | .525 | .142 | 2.465 | .025 <sup>c</sup> |
|         | N of Valid Cases     |                      | 18   |      |       |                   |
| Total   | Interval by Interval | Pearson's R          | .264 | .071 | 3.348 | .001 <sup>c</sup> |
|         | Ordinal by Ordinal   | Spearman Correlation | .318 | .074 | 4.107 | .000 <sup>c</sup> |
|         | N of Valid Cases     |                      | 152  |      |       |                   |

(Source: SPSS Statistical Package)

Below is a summary of the interpretations of the Spearman correlations for each department:

#### **Northern Cape Department of Health**

Interpretation: There is a moderate positive correlation ( $r = 0.319$ ) between the variables. The relationship is statistically significant ( $p = 0.006$ ), indicating a meaningful association in this department's data.

#### **Northern Cape Department of Education**

Interpretation: This department also presented a moderate positive correlation, ( $r = 0.338$ ) slightly stronger than in the Department of Health. The correlation is statistically significant ( $p = 0.007$ ), suggesting a reliable association between the variables.

#### **Northern Cape Department of Transport, Safety and Liaison**

Interpretation: The high degree of correlation ( $r = 0.525$ ) is observed here, indicating a substantial positive relationship between the variables. This correlation is statistically significant ( $p = 0.025$ ), confirming the strength of the association in this smaller sample.

#### **All selected departments**

Interpretation: The overall correlation across all departments presented a moderate positive relationship ( $r = 0.318$ ) consistent with the individual department results. The correlation is highly significant ( $p = 0.000$ ), reinforcing the presence of a meaningful association in the combined data.

**Summary of combined interpretations:** These summaries reflect the strength and significance of the positive relationships in each department, with the NCDoTSL shown in general as the most substantial correlation. The total summary highlights the consistent patterns across the departments. Overall, across all departments, a moderate positive relationship was observed.

**Summary of the findings of the alternative hypothesis  $H_{4a1}$ .** The correlations with the two statements show that overall, there is a moderate to strong positive correlation across all departments, reinforcing the presence of a meaningful association in the combined data. Therefore, the first alternative hypothesis ( $H_{4a1}$ ) was accepted.

### 6.5.5 Hypothesis H5<sub>a1</sub>. There is a positive and statistically significant relationship between financial accountability and public service delivery efficiency in the selected provincial departments in the NCP

The discussion below provided the inferential statistical findings related to the first alternative hypothesis, H5<sub>a1</sub>. The table below focuses on the questions “Budget-driven fund allocation” (Q11.1) and “efficient service delivery” (Q14.7).

**Table 6.20: Spearman correlation between budget-driven fund allocation and efficient service delivery in provincial departments**

| Department | Measurement          | Correlation          | Value | Asymptotic Standard Error <sup>a</sup> | Approximate T <sup>b</sup> | Approximate Significance |
|------------|----------------------|----------------------|-------|----------------------------------------|----------------------------|--------------------------|
| NCDoH      | Interval by Interval | Pearson's R          | .595  | .083                                   | 6.142                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .572  | .090                                   | 5.795                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 71    |                                        |                            |                          |
| NCDoE      | Interval by Interval | Pearson's R          | .654  | .089                                   | 6.698                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .644  | .091                                   | 6.512                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 62    |                                        |                            |                          |
| NCDoTSL    | Interval by Interval | Pearson's R          | .679  | .129                                   | 3.698                      | .002 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .686  | .139                                   | 3.774                      | .002 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 18    |                                        |                            |                          |
| Total      | Interval by Interval | Pearson's R          | .624  | .058                                   | 9.737                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .604  | .061                                   | 9.249                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 151   |                                        |                            |                          |

(Source: SPSS Statistical Package)

A summary of the Spearman correlations for each department is provided below:

#### **Northern Cape Department of Health**

Interpretation: There is a strong positive correlation ( $r = 0.572$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

#### **Northern Cape Department of Education**

Interpretation: There is a very strong high degree of positive correlation ( $r = 0.644$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

#### **Northern Cape Department of Transport, Safety and Liaison**

Interpretation: There is a strong high degree of positive correlation ( $r = 0.686$ ) between the variables, and the relationship is statistically significant at the 0.01 level.

#### **All selected departments**

Interpretation: Overall, there is a high degree of positive correlation ( $r = 0.604$ ) across all departments, with the relationship being statistically significant at the 0.001 level.

**Summary of combined interpretations:** The strongest positive correlation is observed in the NCDTSL, followed by the NCDoE and NCDoH. The overall correlation revealed a strong, a degree of positive correlation, and significant relationship across all departments.

The table below focuses on the questions “Budget-driven fund allocation” (Q11.1) and “The provision of services is distributed equitably to redress the socio-economic imbalances in the past” (Q14.8).

**Table 6.21: Spearman correlation between budget-driven fund allocation and equitable service provision**

| Department | Measurement          | Correlation          | Value | Asymptotic Standard Error <sup>a</sup> | Approximate T <sup>b</sup> | Approximate Significance |
|------------|----------------------|----------------------|-------|----------------------------------------|----------------------------|--------------------------|
| NCDoH      | Interval by Interval | Pearson's R          | .485  | .101                                   | 4.605                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .467  | .104                                   | 4.389                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 71    |                                        |                            |                          |
| NCDoE      | Interval by Interval | Pearson's R          | .584  | .089                                   | 5.575                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .575  | .096                                   | 5.446                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 62    |                                        |                            |                          |
| NCDoTSL    | Interval by Interval | Pearson's R          | .556  | .143                                   | 2.674                      | .017 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .545  | .165                                   | 2.599                      | .019 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 18    |                                        |                            |                          |
| Total      | Interval by Interval | Pearson's R          | .532  | .064                                   | 7.673                      | .000 <sup>c</sup>        |
|            | Ordinal by Ordinal   | Spearman Correlation | .521  | .067                                   | 7.457                      | .000 <sup>c</sup>        |
|            | N of Valid Cases     |                      | 151   |                                        |                            |                          |

(Source: SPSS Statistical Package)

Below is a summary of the interpretations of the Spearman correlations for each department:

#### **Northern Cape Department of Health**

Interpretation: There is a moderate to strong positive correlation ( $r = 0.467$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

#### **Northern Cape Department of Education**

Interpretation: There is a high degree of positive correlation ( $r = 0.575$ ) between the variables, and the relationship is statistically significant at the 0.001 level.

#### **Northern Cape Department of Transport, Safety and Liaison**

Interpretation: A moderate positive correlation ( $r = 0.545$ ) exists between the variables, and the relationship is statistically significant at the 0.05 level.

#### **All selected departments**

Interpretation: Overall, a high degree of positive correlation ( $r = 0.521$ ) exists across all departments, with the relationship being statistically significant at the  $p < 0.001$  level.

**Summary of combined interpretation:** The NCDoE presented the strongest positive correlation, followed by the NCDTSL and the NCDoH. The overall correlation across all departments indicated a moderate to strong positive relationship.

**Summary of the findings of the first alternative hypothesis  $H_{5a1}$ :** The correlations with the two statements show that overall; there is a high degree of positive correlation across all departments, with the relationship being statistically significant at the 0.001 level. Therefore, the first alternative hypothesis ( $H_{5a1}$ ) was accepted.

## 6.6 SUMMARY

The chapter summarised the findings from the biographical data, covering variables such as race, gender, disability, age, occupation, department of employment, length of service, and highest education level. It highlighted that a univariate instrument was used for descriptive analysis, while a bivariate instrument was employed for inferential statistical analysis. The results were presented using descriptive statistical methods, including charts, along with the calculation of mean, median, mode, and standard deviation for each item. Additionally, for Section B of the structured questionnaire, which focused on variables like financial accountability, good governance, and service delivery efficiency in selected provincial departments of the NCP, similar descriptive techniques were used to determine and illustrate the mean, mode, median, and standard deviation through bar charts and tables. An inferential statistical method, such as Spearman's correlation coefficient, a non-parametric alternative to Pearson's, was employed to test the five alternative hypotheses of the study. The analysis of the 20 statements using Spearman correlations revealed that, although individual departments sometimes showed varying levels of significance, the overall data demonstrated a moderate to strong significant positive relationship. The primary rationale for selecting 20 survey items was because these were the core variables that informed the conceptual framework depicted in Section 1.8 of this study. Consequently, the alternative hypotheses  $H_{1a1}$  to  $H_{5a1}$  were accepted. The following chapter presents the empirical findings and results from the selected local municipalities.

## **CHAPTER SEVEN**

### **EMPIRICAL STUDY OF FINDINGS AND RESULTS IN LOCAL MUNICIPALITIES**

#### **7.1 INTRODUCTION**

The purpose of this chapter is to present the empirical findings and results from the selected local municipalities in the NCP. The key variables that framed the analysis were financial accountability, good governance, and service delivery efficiency in selected local municipalities in the NCP. The analysis of the findings was based on descriptive and inferential statistical analysis. The descriptive statistical analysis was presented graphically using frequencies depicted in vertical and horizontal bar graphs, with a specific focus on central tendency, including the mean, median, and mode. The inferential analysis was based on the Spearman cross-tabulation between the independent variable and dependent variables as presented in the research questionnaire to test the hypotheses. This means that financial accountability, as an independent variable, was cross-tabulated with dependent variables, namely good governance, financial performance outcomes, the functionality of financial controls, and public service delivery efficiency. The approach to data analysis is highlighted in Section 7.2 below.

#### **7.2 DATA ANALYSIS APPROACH**

To produce findings, the researcher collected data through a structured questionnaire divided into Sections A and B. While Section A aimed to gather respondents' biographical details, Section B contained statements measured on a five-point Likert Scale. In Section A, questions covered biographical data, such as race, gender, disability, home language, age, place of work (municipality), work experience, and education level. Section B included statements designed to gather information on key aspects of financial accountability as an independent variable, along with related dependent variables, focusing on:

- Legislative provisions to promote accountable and effective financial management,
- Financial accountability,
- Public expenditure and financial accountability,
- Oversight bodies that promote financial accountability,
- Principles of good governance,

- Public service efficiency,
- Impact of financial accountability on financial performance outcomes,
- Supply chain management (SCM),
- Functionality of financial controls,
- Capacity of staff complement,
- Stability in senior management positions, and
- Assessment of the impact of financial accountability on whether it had a positive, no positive, or negative effect on good governance and the efficiency of service delivery.

The variables listed above pertain to provincial government departments, with minimal exceptions for additional statements specific to local municipalities. These statements are based on the oversight role of the mayor and the mayoral committee in relation to financial accountability.

### 7.3 FINDINGS AND DESCRIPTIVE ANALYSIS OF SECTION A: BIOGRAPHICAL DATA

The findings are presented in Table 7.1, showing the frequencies in numerical values and percentages.

**Table 7.1: Biographical data of respondents**

| Category              | Joe Morolong |        | Renoster Berg |        | Sol Plaatje |        | Thembelihle |        | Total |        |
|-----------------------|--------------|--------|---------------|--------|-------------|--------|-------------|--------|-------|--------|
|                       | f            | %      | F             | %      | f           | %      | f           | %      | f     | %      |
| <b>Race:</b>          |              |        |               |        |             |        |             |        |       |        |
| African               | 15           | 93.75  | 13            | 81.25  | 20          | 74.07  | 10          | 50.00  | 58    | 73.42  |
| Asian                 | 0            | 0.00   | 0             | 0.00   | 0           | 0.00   | 0           | 0.00   | 0     | 0.00   |
| Coloured              | 0            | 0.00   | 3             | 18.75  | 4           | 14.81  | 9           | 45     | 16    | 20.25  |
| White                 | 1            | 6.25   | 0             | 0.00   | 3           | 11.11  | 1           | 5.00   | 5     | 6.33   |
| Total                 | 16           | 100.00 | 16            | 100.00 | 27          | 100.00 | 20          | 100.00 | 79    | 100.00 |
| <b>Gender:</b>        |              |        |               |        |             |        |             |        |       |        |
| Male                  | 8            | 50.00  | 8             | 50.00  | 10          | 37.04  | 10          | 47.62  | 36    | 45.00  |
| Female                | 8            | 50.00  | 8             | 50.00  | 17          | 62.96  | 11          | 52.38  | 44    | 55.00  |
| Total                 | 16           | 100.00 | 16            | 100.00 | 27          | 100.00 | 21          | 100.00 | 80    | 100.00 |
| <b>Disability:</b>    |              |        |               |        |             |        |             |        |       |        |
| Yes                   | 1            | 6.25   | 0             | 0.00   | 1           | 3.85   | 1           | 4.76   | 3     | 3.85   |
| No                    | 15           | 93.75  | 15            | 100.00 | 25          | 96.15  | 20          | 95.24  | 75    | 96.15  |
| Total                 | 16           | 100.00 | 15            | 100.00 | 26          | 100.00 | 21          | 100.00 | 78    | 100.00 |
| <b>Home Language:</b> |              |        |               |        |             |        |             |        |       |        |
| English               | 0            | 0.00   | 2             | 12.50  | 6           | 22.22  | 0           | 0.00   | 8     | 10.00  |
| Afrikaans             | 1            | 6.25   | 3             | 18.75  | 3           | 11.11  | 18          | 85.71  | 25    | 31.25  |
| Setswana              | 12           | 75.00  | 0             | 0.00   | 12          | 44.44  | 1           | 4.76   | 25    | 31.25  |
| IsiXhosa              | 0            | 0.00   | 11            | 68.75  | 5           | 18.52  | 1           | 4.76   | 17    | 21.25  |
| IsiZulu               | 0            | 0.00   | 0             | 0.00   | 1           | 3.70   | 0           | 0.00   | 1     | 1.235  |



|                                     |    |        |    |        |    |        |    |        |    |        |
|-------------------------------------|----|--------|----|--------|----|--------|----|--------|----|--------|
| Other                               | 3  | 18.75  | 0  | 0.00   | 0  | 0.00   | 1  | 4.76   | 4  | 5.00   |
| Total                               | 16 | 100.00 | 16 | 100.00 | 27 | 100.00 | 21 | 100.00 | 80 | 100.00 |
| <b>Age:</b>                         |    |        |    |        |    |        |    |        |    |        |
| 18 to 25 years                      | 0  | 0.00   | 0  | 0.00   | 0  | 0.00   | 1  | 5.56   | 1  | 1.43   |
| 26 to 35 years                      | 8  | 66.67  | 3  | 18.75  | 7  | 29.16  | 4  | 22.22  | 22 | 31.43  |
| 36 to 45 years                      | 4  | 33.33  | 10 | 62.50  | 11 | 45.83  | 10 | 55.56  | 35 | 50.00  |
| 45 to 55 years                      | 0  | 0.00   | 2  | 12.50  | 4  | 16.67  | 2  | 11.11  | 8  | 11.43  |
| 56 and above                        | 0  | 0.00   | 1  | 6.25   | 2  | 8.33   | 1  | 5.56   | 4  | 5.71   |
| <b>Occupation:</b>                  |    |        |    |        |    |        |    |        |    |        |
| Admin Clerk                         | 1  | 6.67   | 2  | 13.33  | 1  | 4.35   | 1  | 8.33   | 5  | 7.69   |
| Admin and Senior Officer            | 7  | 45.67  | 5  | 33.33  | 10 | 43.48  | 5  | 41.67  | 27 | 41.54  |
| Mid-level Manager                   | 6  | 40.00  | 3  | 20.00  | 8  | 34.78  | 4  | 33.33  | 21 | 32.31  |
| Senior Manager                      | 1  | 6.67   | 5  | 33.33  | 4  | 17.39  | 2  | 16.67  | 12 | 18.46  |
| Total                               | 15 | 100.00 | 15 | 100.00 | 23 | 100.00 | 12 | 100.00 | 65 | 100.00 |
| <b>Municipality of respondents:</b> |    |        |    |        |    |        |    |        |    |        |
| Joe Morolong Local Municipality     | 16 | 19.75  | 0  | 0.00   | 0  | 0.00   | 0  | 0.00   | 16 | 19.75  |
| Renosterberg Local Municipality     | 0  | 0      | 16 | 19.75  | 0  | 0.00   | 0  | 0.00   | 16 | 19.75  |
| Sol Plaatje Local Municipality      | 0  | 0.00   | 0  | 0.00   | 28 | 34.56  | 0  | 0.00   | 28 | 34.56  |
| Thembelihle Local Municipality      | 0  | 0.00   | 0  | 0.00   | 0  | 0.00   | 21 | 25.9   | 21 | 25.9   |
| Total                               | 16 | 19.75  | 16 | 19.75  | 28 | 23.56  | 21 | 25.9   | 81 | 100.00 |
| <b>Length of Service:</b>           |    |        |    |        |    |        |    |        |    |        |
| 1 to 5 years                        | 9  | 56.25  | 6  | 37.50  | 8  | 29.63  | 9  | 45.00  | 32 | 40.51  |
| 6 to 10 years                       | 5  | 31.25  | 3  | 18.75  | 6  | 22.22  | 4  | 20.00  | 18 | 22.78  |
| 11 to 20 years                      | 1  | 6.25   | 7  | 43.75  | 7  | 25.93  | 6  | 30.00  | 21 | 26.58  |
| 22 years and more                   | 1  | 6.25   | 0  | 0.00   | 6  | 22.22  | 1  | 5.00   | 8  | 10.13  |
| Total                               | 16 | 100.00 | 16 | 100.00 | 27 | 100.00 | 20 | 100.00 | 79 | 100.00 |
| <b>Highest Level of Education:</b>  |    |        |    |        |    |        |    |        |    |        |
| Without Senior Certificate          | 0  | 0.00   | 0  | 0.00   | 1  | 3.70   | 2  | 10.00  | 3  | 3.80   |
| Senior Certificate                  | 0  | 0.00   | 4  | 25.00  | 4  | 14.81  | 4  | 10.00  | 12 | 15.19  |
| Post Senior Certificate             | 0  | 0.00   | 5  | 31.25  | 2  | 7.41   | 2  | 20.00  | 9  | 11.39  |
| Diploma                             | 5  | 31.25  | 5  | 31.25  | 6  | 22.22  | 7  | 10.00  | 23 | 29.11  |
| Degree                              | 6  | 37.50  | 2  | 12.50  | 5  | 18.52  | 4  | 30.00  | 17 | 21.52  |
| Honours/Postgraduate Diploma        | 4  | 25.00  | 0  | 0.00   | 7  | 25.93  | 1  | 20.00  | 12 | 15.19  |
| Masters/MBA                         | 1  | 6.25   | 0  | 0.00   | 2  | 7.41   | 0  | 0.00   | 3  | 3.80   |
| Doctorate/PhD                       | 0  | 0.00   | 0  | 0.00   | 0  | 0.00   | 0  | 0.00   | 0  | 0.00   |
| Total                               | 16 | 100.00 | 16 | 100.00 | 27 | 100.00 | 20 | 100.00 | 79 | 100.00 |

### 7.3.1 Summary of the biographical data

Based on the biographical data above, the majority of respondents were African (73.4%), female (55%), and without disabilities (96.2%). Regarding home language, 31.3% spoke Setswana, with an equal percentage speaking Afrikaans. Most respondents were between 36 and 45 years old. In terms of job roles, 41.5% held administrative and senior positions, while 32.3% were middle managers. The majority hailed from the Sol Plaatje District Municipality. Approximately 40.5% had 1 to 5 years of experience, indicating they were relatively

inexperienced, while 26.6% had 11 to 12 years of experience, and 22.8% had 6 to 10 years of experience. Regarding education, 39.1% held a diploma, and 25.5% had a degree.

#### **7.4 DESCRIPTIVE PRESENTATION OF FINDINGS AND RESULTS OF SELECTED MUNICIPALITIES FROM SECTION B OF THE STRUCTURED QUESTIONNAIRE**

This section contains statements or questions aimed at gathering information on financial accountability, good governance, and service delivery. The researcher aimed to address the research questions outlined in Section 1.4.1, which are as follows:

- What are the theoretical and legislative regulatory principles, standards and requirements of financial accountability and good governance to promote public service delivery efficiency?
- How does financial accountability influence the financial performance outcomes of provincial departments and municipalities in the NCP?
- How does financial accountability influence the implementation of key financial legislation and treasury and SCM regulations in provincial departments and municipalities in the NCP?
- How does financial accountability influence the functionality of financial controls in provincial departments and municipalities in the NCP?
- How does financial accountability influence good governance in provincial departments and municipalities in the NCP?
- How does financial accountability influence the delivery of public service efficiency in provincial departments and municipalities in the NCP?
- What lessons can be learned from the international and national perspectives, regarding financial accountability, good governance and service delivery efficiency?

Responding to the above, a descriptive statistical analysis was presented in the order as captured in the structured questionnaire. The inferential statistical analysis and testing of the hypotheses are addressed in Section 7.5.

### 7.4.1 Legislative provisions to promote accountable and effective financial management

The following statements are related to the category “legislative provision to promote accountability and effective financial management”.

#### 7.4.1.1 Public officials in the municipality are familiar with the constitutional requirements provided in Section 195 of the *Constitution* to promote financially accountable governance

The statement yielded the findings shown in Table 7.2 below. It displays the frequencies of responses and the central tendency regarding whether public officials in the municipality are familiar with the constitutional requirements outlined in Section 195 of the *Constitution*, to promote financially accountable governance.

**Table 7.2: Familiarity with the requirements of the *Constitution* in local municipalities**

| Descriptive Statistics for 10.1 |    |      |        |      |      |       |        |      |       |       |         |
|---------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Municipality                    | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| Joe Morolong                    | 16 | 3.31 | 1.08   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -.35  | 0.12  | +/-0.57 |
| Renosterberg                    | 16 | 4.00 | 0.73   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | 0.00  | -0.91 | +/-0.39 |
| Sol Plaatje                     | 27 | 3.44 | 0.75   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.38 | -0.25 | +/-0.30 |
| Thembelihle                     | 21 | 3.52 | 1.12   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.07 | -1.33 | +/-0.51 |
| Total – SMs                     | 80 | 3.55 | 0.94   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.29 | -0.38 | +/-0.21 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The above findings illustrated in Table 7.2 show that the mean (3.55), median (4.00), and mode (4.00) suggest that the combined proportion of respondents supported the assertion that public officials were familiar with the constitutional principles outlined in Section 195 of the *Constitution*. The central tendency indicates that the distribution of responses was negatively skewed (-0.29). This suggests affirmation of the assertion in 7.4.1.1. With the median (4.00) higher than the mean (3.55), the negative skewness (-0.29) indicates that more respondents agreed than disagreed with the statement.

#### 7.4.1.2 Public officials in the municipality attend training programmes on financial management and legislative requirements to promote effective financial management

The statement in 7.4.1.2 established whether public officials participated in training programmes on financial management and legislative prescripts aimed at promoting effective financial management. The findings are illustrated in Table 7.3 below.

**Table 7.3: Attend training programmes on financial management and legislative prescripts in local municipalities**

| Descriptive Statistics for Q10.2 |    |      |        |      |      |       |        |      |       |       |        |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|--------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI |
| Joe Morolong                     | 16 | 3.69 | 1.01   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.59 | -0.53 | +0.54  |
| Renosterberg                     | 16 | 4.50 | 0.63   | 3.00 | 5.00 | 2.00  | 5.00   | 5.00 | -0.90 | 0.03  | +0.34  |
| Sol Plaatje                      | 27 | 3.59 | 0.84   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.73 | -0.07 | +0.33  |
| Thembelihle                      | 21 | 3.67 | 1.15   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.77 | -0.08 | +0.53  |
| Total – SMs                      | 80 | 3.81 | 0.98   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.76 | 0.01  | +0.22  |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The central tendency (mean, mode, and median) in Table 7.3 affirmed the assertion that public officials in the municipality attend training programmes on financial management and legislative prescripts for promoting effective financial management. The median (4.00) is higher than the mean (3.81), and with the mode being 4.00, it further supports the affirmation of the statement 7.4.1.2. The data distribution was negatively skewed, suggesting that more responses were above the mean; this implies that respondents who supported the assertion in 7.4.1.2 were more numerous than those who did not.

#### 7.4.1.3 Public officials in the municipality always comply with financial legislative prescripts of the *MFMA*, supply chain, and Treasury regulations when discharging their duties

The statement in 7.4.1.3 assessed whether public officials in the municipality always adhere to financial legislative requirements of the *MFMA*, supply chain, and treasury regulations when fulfilling their duties. The findings are shown in Table 7.4 below.

**Table 7.4: Compliance with financial legislative prescripts of the *MFMA*, supply chain, and treasury regulations in local municipalities**

| Descriptive Statistics for Q10.3 |    |      |        |      |      |       |        |      |       |       |        |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|--------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI |
| Joe Morolong                     | 16 | 3.13 | 1.09   | 2.00 | 5.00 | 3.00  | 3.00   | 2.00 | 0.43  | -1.10 | +0.58  |
| Renosterberg                     | 16 | 4.38 | 0.50   | 4.00 | 5.00 | 1.00  | 4.00   | 4.00 | 0.57  | -1.93 | +0.27  |
| Sol Plaatje                      | 27 | 3.19 | 1.11   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.03 | -0.99 | +0.44  |
| Thembelihle                      | 21 | 2.95 | 1.20   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.09 | -0.67 | +0.55  |

|                    |    |      |      |      |      |      |      |      |       |       |       |
|--------------------|----|------|------|------|------|------|------|------|-------|-------|-------|
| <b>Total – SMs</b> | 80 | 3.35 | 1.15 | 1.00 | 5.00 | 4.00 | 4.00 | 4.00 | -0.26 | -0.89 | +0.25 |
|--------------------|----|------|------|------|------|------|------|------|-------|-------|-------|

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The central tendency in Table 7.4 suggests that the mean (3.35) is lower than the median (4.0) and the mode (4.0), indicating support for the assertion in statement 7.4.1.3 that public official in the municipality complied with financial legislative prescripts of the *MFMA*, *SCM*, and treasury regulations when discharging their duties. The data distribution was negatively skewed (-0.26), suggesting that more responses were above the mean, and that respondents supporting the assertion in 7.4.1.3 outnumbered those who did not. Contrary to these findings, the literature outlined in Section 2.6.1 states that non-compliance with *SCM* legislation remains widespread in municipalities in the NCP, contributing to irregular expenditure in those municipalities (AGSA, 2024:133).

#### 7.4.1.4 Public officials in the municipality disregard rules, policies, and legislation when implementing the budget

The statement in 7.4.1.4 determined whether public officials in the municipality disregard rules, policies, and legislation when implementing the budget. The findings are shown in Table 7.5.

**Table 7.5: Flouting of rules, policies, and legislation when implementing the budget in local municipalities**

| Descriptive Statistics for Q10.4 |    |      |        |      |      |       |        |      |       |       |        |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|--------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI |
| <b>Joe Morolong</b>              | 16 | 2.81 | 1.28   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | 0.18  | -0.58 | +0.68  |
| <b>Renosterberg</b>              | 16 | 2.81 | 1.64   | 1.00 | 5.00 | 4.00  | 3.00   | 1.00 | 0.03  | -1.76 | +0.87  |
| <b>Sol Plaatje</b>               | 27 | 2.67 | 1.04   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | 0.07  | -0.26 | +0.41  |
| <b>Thembelihle</b>               | 20 | 2.75 | 1.37   | 1.00 | 5.00 | 4.00  | 2.50   | 2.00 | 0.37  | -1.02 | +0.64  |
| <b>Total – SMs</b>               | 79 | 2.75 | 1.29   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | 0.19  | -0.95 | +0.29  |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The above findings show in Table 7.5 indicate that public officials rejected the idea that they disregarded rules, policies, and legislation when implementing the budget. The median (3.00) and mean (2.75) suggest that most respondents (43.0%) did not support the assertion that public officials often disregard rules, policies, and legislation when implementing the budget. The positive skewness of the graph indicated that responses were concentrated among those rejecting the statement. These findings align with the discussion in the literature in Section 4.12 where poor budgeting led most municipalities in the NCP to prepare unfunded budgets and rely on available cash to pay salaries, leaving little for service delivery (AGSA, 2024:132). The

latter is not in line with the requirements of Section 62(1) of the *MFMA*, which stipulates that municipalities should use their resources effectively, efficiently, and economically.

#### 7.4.1.5 Disciplinary steps are taken against public officials in the municipality who contravened legislative prescripts such as the *MFMA*, SCM policies, and Treasury regulations

The statement above aimed to evaluate whether disciplinary measures were taken against public officials in the municipality who violated legislative mandates such as the *MFMA*, SCM policies, and Treasury regulations. The findings are presented in Table 7.6 below.

**Table 7.6: Disciplinary steps are taken against public officials who contravene legislative prescripts in local municipalities**

| Descriptive Statistics for Q10.5 |    |      |        |      |      |       |        |      |       |       |        |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|--------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI |
| Joe Morolong                     | 16 | 2.50 | 1.15   | 1.00 | 5.00 | 4.00  | 2.00   | 2.00 | 0.59  | -0.07 | +-0.62 |
| Renosterberg                     | 16 | 4.50 | 0.63   | 3.00 | 5.00 | 2.00  | 5.00   | 5.00 | -0.90 | 0.03  | +-0.34 |
| Sol Plaatje                      | 27 | 2.74 | 1.13   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | 0.21  | -0.37 | +-0.45 |
| Thembelihle                      | 19 | 2.21 | 1.13   | 1.00 | 4.00 | 3.00  | 2.00   | 1.00 | 0.31  | -1.33 | +-0.55 |
| Total – SMs                      | 78 | 2.92 | 1.33   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | 0.08  | -1.09 | +-0.30 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the central tendency in Table 7.6 suggested that there were slightly more public officials who rejected the assertion that disciplinary steps are taken against public officials who contravene legislative prescripts in local municipalities. The value of the median (3.00) and mean (2.92) suggested that there were more respondents (39,4%) who did not support the assertion than those who agreed with the statement. The positive skewness of the graph meant that the distribution of responses was concentrated towards those who rejected the assertion in statement 7.4.1.4. The above findings align with Section 2.9 where Baloyi and Beyers (2019:1) note that management fails to take the required disciplinary steps against officials who contravene key financial prescripts, resulting in financial mismanagement.

## 7.4.2 Financial accountability

### 7.4.2.1 The municipality uses the public funds according to the budget to prioritise the basic needs of the community

The statement in 7.4.2.1 was investigated to determine if the municipality was using public funds according to the budget to prioritise the basic needs of the community. The findings are shown in Table 7.7 below.

**Table 7.7: Local municipalities use public funds according to the budget to prioritise the basic needs of the community**

| Descriptive Statistics for Q11.1 |    |      |        |      |      |       |        |      |       |       |         |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| Joe Morolong                     | 16 | 3.21 | 0.95   | 2.00 | 5.00 | 3.00  | 3.50   | 4.00 | -0.19 | -1.03 | +/-0.50 |
| Renosterberg                     | 16 | 4.38 | 0.72   | 3.00 | 5.00 | 2.00  | 4.50   | 5.00 | -0.73 | -0.54 | +/-0.38 |
| Sol Plaatje                      | 26 | 3.15 | 0.88   | 1.00 | 4.00 | 3.00  | 3.00   | 4.00 | -0.70 | -0.35 | +/-0.36 |
| Thembelihle                      | 21 | 2.81 | 1.21   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | 0.03  | -0.47 | +/-0.55 |
| Total – SMs                      | 79 | 3.34 | 1.10   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.36 | -0.46 | +/-0.24 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The central tendency measures indicated in Table 7.7 show that the support for statement 7.4.2.1 exceeds disagreement. The mean (3.34) and negative skewness (-0.36) suggest the data favour the statement. Consequently, Table 7.7 shows that the selected municipalities were using public funds in line with their budgets. Section 4.13 emphasises that municipal councils must ensure their budgets and service plans align with community needs. However, it is reported in Section 4.13, in recent audits, the Auditor-General has warned that over half of the municipalities in the NCP faced financial distress, often due to poor budgeting processes leading to unfunded budgets that hinder service delivery (AGSA, 2024:132). Krishnan and Subban (2022:145) highlights that poor financial governance inclusive of poor budgeting is endemic in South Africa.

### 7.4.2.2 The municipal budget and the implementation of the Integrated Development Plan (IDP) are consistently aligned with each other

The statement in 7.4.2.2 focused on assessing whether municipal budgets aligned with the implementation of Integrated Development Plans (IDPs). The results are presented in Table 7.8.

**Table 7.8: The alignment between municipal budgets and the implementation of Integrated Development Plans (IDPs)**

| Descriptive Statistics for Q11.2 |    |      |        |      |      |       |        |      |       |       |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. |
| Joe Morolong                     | 16 | 3.56 | 1.15   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.77 | 0.15  |
| Renosterberg                     | 16 | 4.31 | 0.70   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | -0.54 | -0.64 |
| Sol Plaatje                      | 26 | 3.19 | 0.94   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.41 | -0.24 |
| Thembelihle                      | 21 | 3.38 | 0.97   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.19  | -0.79 |
| Total – SMs                      | 79 | 3.54 | 1.02   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.38 | -0.43 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.54), median (4.00) and mode (4.00) in Table 7.8 suggested that more respondents affirmed the statement in 7.4.2.2 than those who held an opposite view. The distribution of data is negatively skewed (-0.38), which further suggests that most respondents believed there was an alignment between municipal budgets and the implementation of Integrated Development Plans (IDPs) by the municipalities.

#### 7.4.2.3 The municipality makes financial reports easily accessible to oversight bodies, such as the internal audit committee, the portfolio committee, and the Auditor-General

Statement 7.4.2.3 elicited data to determine if the municipalities made financial reports easily accessible to oversight bodies, namely the internal audit committee, the portfolio committee, and the Auditor-General. The results are illustrated in Table 7.9 below.

**Table 7.9: Municipalities made financial reports easily accessible to oversight bodies**

| Descriptive Statistics for 11.3 |    |      |        |      |      |       |        |      |       |       |          |
|---------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                    | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                    | 16 | 3.75 | 0.58   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | 0.00  | -0.07 | +/- 0.31 |
| Renosterberg                    | 16 | 4.25 | 0.68   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | -0.36 | -0.59 | +/- 0.36 |
| Sol Plaatje                     | 26 | 3.69 | 0.84   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -1.55 | 3.62  | +/- 0.34 |
| Thembelihle                     | 21 | 3.62 | 1.20   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.88 | 0.36  | +/- 0.55 |
| Total – SMs                     | 79 | 3.80 | 0.90   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -1.12 | 2.03  | +/- 0.20 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The central tendency values of the mean (3.80), median (4.00) and mode (4.00) in Table 7.9 suggest that more respondents supported the assertion in statement 7.4.2.3 than those who opposed it. The negatively skewed (-1.12) distribution of data indicates that the responses were



oriented towards those that affirmed or supported the assertion that financial reports were made easily accessible to oversight bodies, namely the internal audit committees, the portfolio committees, and the Auditor-General. The researcher presented in Section 2.5 and states that the AO must make information available to the internal audit committee, council and Auditor General as required (Dzomira, 2017:205).

#### 7.4.2.4 Municipal officials are always made to account for the use of public funds

This statement aimed to assess whether municipal officials were consistently held accountable for the use of public funds. The findings are presented in Table 7.10 below.

**Table 7.10: Financial accountability of municipal officials for the use of public funds**

| Descriptive Statistics for Q11.4 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.31 | 0.79   | 2.00 | 4.00 | 2.00  | 3.50   | 4.00 | -0.66 | -1.01 | +/- 0.42 |
| Renosterberg                     | 16 | 4.56 | 0.63   | 3.00 | 5.00 | 2.00  | 5.00   | 5.00 | -1.18 | 0.63  | +/- 0.34 |
| Sol Plaatje                      | 26 | 3.00 | 0.98   | 2.00 | 5.00 | 3.00  | 3.00   | 2.00 | 0.55  | -0.75 | +/- 0.40 |
| Thembelihle                      | 20 | 2.65 | 1.23   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.01 | -0.93 | +/- 0.57 |
| Total – SMs                      | 78 | 3.29 | 1.16   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.20 | -0.83 | +/- 0.26 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The mean (3.29), median (3.00), and mode (4.00) in Table 7.10 suggest that more respondents supported the statement than opposed it. The data distribution is slightly negatively skewed (-0.20), suggesting that although most respondents supported the statement, a significant proportion opposed the statement. Contradicting these findings, Section 4.12 reports that the Auditor-General identified irregular expenditure of R3.43 billion in the 2022/23 financial year among municipalities in the NCP. This was attributed to slow consequence management, as disciplinary actions were not taken against responsible officials to hold them to account for the use of public funds.

#### 7.4.2.5 Acts of financial misconduct are thoroughly investigated, and those found guilty face disciplinary procedures

Statement 7.4.2.5 aimed to assess whether acts of financial misconduct were properly investigated and if those found guilty faced disciplinary procedures. The findings are shown in Table 7.11 below.

**Table 7.11: Financial misconduct in local municipalities is effectively investigated**

| Descriptive Statistics for Q11.5 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 2.75 | 1.00   | 1.00 | 4.00 | 3.00  | 2.50   | 2.00 | 0.11  | -1.34 | +/- 0.53 |
| Renosterberg                     | 16 | 4.63 | 0.50   | 4.00 | 5.00 | 1.00  | 5.00   | 5.00 | -0.57 | -1.93 | +/- 0.27 |
| Sol Plaatje                      | 26 | 3.08 | 1.16   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.16 | -0.44 | +/- 0.47 |
| Thembelihle                      | 21 | 2.57 | 1.03   | 1.00 | 4.00 | 3.00  | 3.00   | 3.00 | -0.21 | -0.98 | +/- 0.47 |
| Total – SMs                      | 79 | 3.19 | 1.23   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.16 | -0.92 | +/- 0.27 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The mean (3.19), median (3.00), and mode (3.0) central tendency values in Table 7.11 propose a general sense of uncertainty regarding whether financial misconduct was effectively investigated in the municipalities and whether those found guilty were subjected to disciplinary processes. The data distribution was slightly negatively skewed (-0.16), indicating a marginal tendency towards agreement with the assertion in 7.4.2.5. Despite this slight support for the statement in 7.4.2.5, there remains a general uncertainty about whether financial misconduct was thoroughly investigated and whether disciplinary actions were taken against guilty parties. These findings align with the literature presented in Section 2.9, which indicates that management often fails to pursue disciplinary measures against officials involved in the mismanagement of public funds (Baloyi and Beyers, 2019:1).

### 7.4.3 Public expenditure and financial accountability

#### 7.4.3.1 Public officials in the municipality are familiar with public expenditure and financial accountability assessment tools, such as the Public Expenditure and Financial Accountability (PEFA)

The statement in 7.4.3.1 aimed to determine whether municipal officials in the municipality are familiar with public expenditure and financial accountability assessment tools, such as the Public Expenditure and Financial Accountability (PEFA) framework. The results are shown in Table 7.12 below.

**Table 7.12: Familiarity with the PEFA assessment tool**

| Descriptive Statistics for Q12.1 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.13 | 0.72   | 2.00 | 4.00 | 2.00  | 3.00   | 3.00 | -0.19 | -0.82 | +/- 0.38 |
| Renosterberg                     | 16 | 4.13 | 0.89   | 3.00 | 5.00 | 2.00  | 4.00   | 5.00 | -0.27 | -1.74 | +/- 0.47 |
| Sol Plaatje                      | 26 | 3.38 | 0.70   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.06  | 0.02  | +/- 0.28 |
| Thembelihle                      | 21 | 3.33 | 1.02   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.44 | 0.05  | +/- 0.46 |
| Total – SMs                      | 79 | 3.47 | 0.89   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.07 | -0.17 | +/- 0.20 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The mean (3.47), median (3.00), and mode (3.0) values in Table 7.12 indicate a general level of uncertainty about whether public officials in the department were familiar with the PEFA assessment tool. The data distribution was slightly negatively skewed (-0.07), suggesting a slight tendency towards agreement with the assertion in 7.4.3.1. Although there was some support for the statement in 7.4.3.1, a general uncertainty remained about whether public officials in the department are familiar with the PEFA assessment tool.

#### 7.4.3.2 The CFO or the Internal Audit Unit utilises public financial expenditure and financial accountability assessment tools, such as the PEFA, to evaluate the municipality's financial management/accountability.

The statement in 7.4.3.2 examined whether the CFO or the Internal Audit Unit utilised public financial expenditure and financial accountability assessment tools, such as PEFA, to evaluate the municipality's financial management/accountability. The findings are shown in Table 7.13 below.

**Table 7.13: Use of PEFA in assessing financial management in the municipalities**

| Descriptive Statistics for Q12.2 |    |      |        |      |      |       |        |      |       |       |         |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| Joe Morolong                     | 16 | 3.44 | 0.63   | 2.00 | 4.00 | 2.00  | 3.50   | 4.00 | -0.65 | -0.32 | +/-0.34 |
| Renosterberg                     | 16 | 3.81 | 0.75   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | 0.33  | -1.00 | +/-0.40 |
| Sol Plaatje                      | 26 | 3.31 | 0.62   | 2.00 | 4.00 | 2.00  | 3.00   | 3.00 | -0.29 | -0.51 | +/-0.25 |
| Thembelihle                      | 21 | 3.43 | 0.81   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.25  | -0.13 | +/-0.37 |
| Total – SMs                      | 79 | 3.47 | 0.71   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.11  | -0.17 | +/-0.16 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.47), median (3.00) and mode (3.00) in Table 7.13 imply most values were smaller than the mean. Thus, the values of the central tendency (mean, median, and mode) suggest that a substantial proportion of the respondents were uncertain about whether to agree

or disagree with the statement in 7.4.3.2. The distribution of data is positively skewed (0.11), indicating that there were more responses below the mean. From the values of the central tendency described above, it can be inferred that there was some uncertainty about whether public officials were familiar with aspects of public expenditure, the financial accountability assessment tool (such as budgeting, asset management, and liability management), as well as financial accountability.

#### **7.4.3.3 Public officials' familiarity with aspects of public expenditure and the financial accountability assessment tools (budgeting, asset and liability management), and financial accountability**

The statement in 7.4.3.3 was examined to determine if municipal officials were familiar with aspects of public expenditure and the financial accountability assessment tool (budgeting, management of assets and liabilities) and financial accountability. The findings are presented in Table 7.14 below.

**Table 7.14: Familiarity with aspects of public expenditure and the financial accountability assessment tools**

| Descriptive Statistics for Q12.3 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.50 | 0.82   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.42 | -0.12 | +/- 0.43 |
| Renosterberg                     | 15 | 4.20 | 0.41   | 4.00 | 5.00 | 1.00  | 4.00   | 4.00 | 1.67  | 0.90  | +/- 0.23 |
| Sol Plaatje                      | 26 | 3.38 | 0.64   | 2.00 | 4.00 | 2.00  | 3.00   | 3.00 | -0.53 | -0.52 | +/- 0.26 |
| Thembelihle                      | 21 | 3.43 | 0.93   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.19 | -0.75 | +/- 0.42 |
| Total - SMs                      | 78 | 3.58 | 0.78   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.43 | -0.19 | +/- 0.18 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The central tendency values of the mean (3.58), median (4.00) and mode (4.00) in Table 7.14 suggested that a substantial proportion of the respondents supported the statement in 7.4.3.3. The distribution of the data is negatively skewed (-0.43), indicating that there were more responses above the mean. Based on the values of central tendency as described above, it can be inferred that public officials were familiar with aspects of public expenditure, including the financial accountability assessment tool (budgeting, asset and liability management), as well as financial accountability.

#### 7.4.3.4 Public officials in the municipality always promote sound public financial management and financial accountability

Statement 7.4.3.4 aimed to assess whether municipal officials in the municipality consistently promoted sound public financial management and financial accountability. The findings are shown in Table 7.15 below.

**Table 7.15: Promotion of sound public financial management and accountability in local municipalities**

| Descriptive Statistics for 12.4 |    |      |        |      |      |       |        |      |       |       |         |
|---------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Municipality                    | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| Joe Morolong                    | 16 | 3.13 | 0.96   | 1.00 | 4.00 | 3.00  | 3.00   | 4.00 | -0.80 | -0.23 | +/-0.51 |
| Renosterberg                    | 16 | 4.13 | 0.34   | 4.00 | 5.00 | 1.00  | 4.00   | 4.00 | 2.51  | 4.90  | +/-0.18 |
| Sol Plaatje                     | 26 | 3.23 | 0.76   | 2.00 | 4.00 | 2.00  | 3.00   | 4.00 | -0.43 | -1.11 | +/-0.31 |
| Thembelihle                     | 20 | 3.30 | 0.98   | 1.00 | 5.00 | 4.00  | 3.50   | 4.00 | -0.68 | 0.17  | +/-0.46 |
| Total – SMs                     | 78 | 3.41 | 0.87   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.79 | 0.14  | +/-0.20 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The central tendency values of the median (3.41), median (4.00) and mode (4.00) in Table 7.15 suggested that more respondents supported the statement in 7.4.3.4 than those who did not support it. The negatively skewed (-0.79) distribution of data implies that the orientation of responses was skewed towards supporting the assertion that public officials in municipalities always promote sound public financial management and financial accountability. This does represent a skewed viewpoint of the officials given the current status quo in municipalities across the spectrum in various provinces. The literature provided in Section 2.3.4 states that, in terms of Section 62(1) of the *MFMA*, the AO must ensure that the resources of municipalities are used effectively, efficiently, and economically. The latter is an indication of a lack of financial accountability in municipalities in the NCP.

#### 7.4.3.5 Poor financial management and a lack of financial accountability in the municipality contribute to unauthorised, irregular, fruitless, and wasteful expenditure

The statement in 7.4.3.5 was analysed to determine whether poor financial management and a lack of financial accountability in the municipalities contributed to unauthorised, irregular, and wasteful expenditure. The results are shown in Table 7.16 below.

**Table 7.16: Poor financial management and a lack of financial accountability in the municipalities contributed to unauthorised, irregular, and wasteful expenditure**

| Descriptive Statistics for Q12.5 |    |      |        |      |      |       |        |      |       |       |         |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|---------|
|                                  | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| Joe Morolong                     | 16 | 3.75 | 1.24   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.90 | 0.05  | +/-0.66 |
| Renosterberg                     | 16 | 4.13 | 1.02   | 2.00 | 5.00 | 3.00  | 4.00   | 5.00 | -1.13 | 0.49  | +/-0.55 |
| Sol Plaatje                      | 26 | 3.81 | 1.17   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -1.07 | 0.81  | +/-0.47 |
| Thembelihle                      | 19 | 4.00 | 0.82   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.68 | 0.62  | +/-0.39 |
| Total – SMs                      | 77 | 3.91 | 1.07   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -1.02 | 0.60  | +/-0.24 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.91), median (4.00) and mode (4.00) indicate that a substantial number of respondents affirmed the statement in 7.4.3.5 that poor financial management and a lack of financial accountability contributed to unauthorised, irregular, fruitless, and wasteful expenditure. The median exceeds the mean, indicating that most values are higher than the mean. The data distribution is negatively skewed (-1.02), suggesting that most respondents agreed with the statement in statement 7.4.3.5. These findings are consistent with the literature presented in Section 2.9 where Mishi *et al.* (2022:7) state that poor financial mismanagement is often caused by unauthorised, irregular, fruitless, and wasteful expenditure. In fact, Thusi and Selepe (2023:524) stresses that unauthorised, irregular, fruitless, and wasteful expenditure has become an entrenched culture in South African municipalities.

#### 7.4.4 The role of oversight bodies to enhance financial accountability

##### 7.4.4.1 The municipality has effective oversight bodies, such as the internal audit unit and internal audit committee

The statement in 7.4.4.1 aimed to assess whether the municipalities had effective oversight bodies, such as internal audit units and internal audit committees. The findings are shown in Table 7.17 below.

**Table 7.17: The effectiveness of the municipalities' oversight bodies**

| Descriptive Statistics for Q13.1 |    |      |        |      |      |       |        |      |       |       |         |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| Joe Morolong                     | 16 | 3.81 | 0.75   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.75 | 1.36  | +/-0.4  |
| Renosterberg                     | 16 | 3.31 | 1.01   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.15  | -0.96 | +/-0.54 |
| Sol Plaatje                      | 24 | 3.96 | 0.62   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -1.15 | 3.98  | +/-0.26 |
| Thembelihle                      | 21 | 3.29 | 1.35   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.71 | -0.63 | +/-0.61 |

|                    |    |      |      |      |      |      |      |      |       |      |       |
|--------------------|----|------|------|------|------|------|------|------|-------|------|-------|
| <b>Total – SMs</b> | 77 | 3.61 | 1.00 | 1.00 | 5.00 | 4.00 | 4.00 | 4.00 | -1.00 | 0.73 | +0.23 |
|--------------------|----|------|------|------|------|------|------|------|-------|------|-------|

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.61), median (4.00) and mode (4.00) in Table 7.17 portray that more values were larger than the mean. The value of the central tendency (mean, median, and mode) indicates that more respondents affirmed the statement in 7.4.4.1 than rejected it. The central tendency measures and the negatively skewed (-1.00) distribution of the data suggest that most respondents supported the assertion in statement 7.4.4.1, which states that municipalities have effective oversight bodies, such as internal audit units and internal audit committees. On the other hand, Thusi and Selepe (2023:527) contend that oversight bodies are characterised by weak leadership and supervision.

#### 7.4.4.2 The municipal officials are not familiar with the role and functions of the internal audit unit, and the internal audit committee

The statement in 7.4.4.2 was examined to determine whether municipal officials were unfamiliar with the role and functions of the internal audit unit and the internal audit committee. The findings are presented in Table 7.18 below.

**Table 7.18: Local municipalities' familiarity with the role and functions of the internal audit unit and committee**

| Descriptive Statistics for Q13.2 |    |      |        |      |      |       |        |      |       |       |        |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|--------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI |
| <b>Joe Morolong</b>              | 16 | 3.25 | 1.00   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.34  | -0.74 | +0.53  |
| <b>Renosterberg</b>              | 16 | 3.25 | 0.93   | 2.00 | 5.00 | 3.00  | 3.00   | 4.00 | 0.00  | -0.91 | +0.50  |
| <b>Sol Plaatje</b>               | 24 | 3.04 | 1.04   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.34 | -0.46 | +0.44  |
| <b>Thembelihle</b>               | 21 | 2.48 | 1.08   | 1.00 | 4.00 | 3.00  | 2.00   | 2.00 | 0.20  | -1.17 | +0.49  |
| <b>Total – SMs</b>               | 77 | 2.97 | 1.05   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.09 | -0.75 | +0.24  |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The central tendency analysis in Table 7.18 relating to statement 7.4.4.2 revealed mean (2.97), median (3.00), and mode (3.00), indicating a nearly symmetrical distribution. This suggests similar levels of support and opposition among respondents. Although the distribution was slightly negatively skewed (-0.09), indicating a tendency toward support, this was not strongly sorted by the central tendency measures or the high percentage of uncertain responses.

#### 7.4.4.3 The Auditor-General Report is accessible to all officials and stakeholders in the municipality

The statement in 7.4.4.3 was examined to determine if Auditor-General Reports were made accessible to all officials and stakeholders in the municipalities. The findings are shown in Table 7.19 below.

**Table 7.19: Accessibility of the Auditor-General's report on local municipalities**

| Descriptive Statistics for Q13.3 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.38 | 1.20   | 2.00 | 5.00 | 3.00  | 4.00   | 2.00 | -0.06 | -1.66 | +/- 0.64 |
| Renosterberg                     | 16 | 4.31 | 0.70   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | -0.54 | -0.64 | +/- 0.38 |
| Sol Plaatje                      | 25 | 3.04 | 0.98   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.09 | -0.66 | +/- 0.40 |
| Thembelihle                      | 21 | 3.43 | 1.08   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.20 | -0.06 | +/- 0.49 |
| Total – SMs                      | 78 | 3.47 | 1.09   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.24 | -0.83 | +/- 0.24 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The mean (3.47), median (4.00), and mode (4.00) values in Table 7.19 suggest that more respondents supported the statement in 7.4.4.3. This indicates that the responses were concentrated above the mean, as the median (4.00) was higher than the mean (3.47). The negatively skewed distribution of data implies that responses were skewed towards affirming the statement in 7.4.4.3. Considering the values of the central tendency and the negative skewness, it can be inferred that most respondents supported the assertion that the Auditor-General's reports were made accessible to all municipal officials, including all stakeholders in the municipalities. The above findings align with the literature provided in Section 4.9.1.3 which states that the AO of the municipality must make available any documents, information, returns, and explanations as deemed required by the National Treasury, Provincial Treasury, and Auditor-General.

#### 7.4.4.4 Municipal officials understand the role and functions of Municipal Public Accounts Committees

The statement in 7.4.4.4 determined whether municipal officials understood the role and functions of MPACs. The findings are presented in Table 7.20 below.



**Table 7.20: The extent to which municipal officials understood the roles and functions of Municipal Public Accounts Committees**

| Descriptive Statistics for Q13.4 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 2.88 | 0.81   | 2.00 | 4.00 | 2.00  | 3.00   | 2.00 | 0.25  | -1.37 | +/- 0.43 |
| Renosterberg                     | 16 | 3.69 | 0.95   | 3.00 | 5.00 | 2.00  | 3.00   | 3.00 | 0.73  | -1.59 | +/- 0.50 |
| Sol Plaatje                      | 24 | 3.13 | 0.85   | 1.00 | 4.00 | 3.00  | 3.00   | 3.00 | -0.72 | 0.03  | +/- 0.36 |
| Thembelihle                      | 20 | 2.80 | 1.15   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.03 | -0.77 | +/- 0.54 |
| Total – SMs                      | 76 | 3.11 | 0.99   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.05 | -0.23 | +/- 0.22 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The mean (3.11), median (3.00), and mode (3.00) values in Table 7.20 indicate that most values are below the mean, as the median is lower than the mean. The slight negative skew (-0.05) suggests a small tendency towards agreement with the statement in 7.4.4.4, which states that MPACs were understood by municipal officials. The conclusion from these results is that municipal officials have not fully understood the roles and functions of the MPACs.

## 7.4.5 Oversight role of the mayor and mayoral committee on financial accountability

### 7.4.5.1 Municipal mayors understand their respective oversight roles in municipal financial management and administration

The statement in 7.4.5.1 was analysed to assess whether municipal mayors understood their respective oversight roles in municipal financial management and administration. The findings are shown in Table 7.21 below.

**Table 7.21: Municipal mayors understand their oversight roles in municipal financial management and administration**

| Descriptive Statistics for Q14.1 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.31 | 1.01   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.15  | -0.96 | +/- 0.54 |
| Renosterberg                     | 16 | 4.19 | 0.66   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | -0.20 | -0.37 | +/- 0.35 |
| Sol Plaatje                      | 26 | 3.04 | 0.96   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.38 | 0.22  | +/- 0.39 |
| Thembelihle                      | 21 | 2.62 | 1.16   | 1.00 | 5.00 | 4.00  | 3.00   | 2.00 | 0.21  | -0.71 | +/- 0.53 |
| Total – SMs                      | 79 | 3.22 | 1.11   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.27 | -0.56 | +/- 0.25 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The central tendency values of the mean (3.22), median (3.00), and mode (3.00) in Table 7.21 suggest most responses were below the mean, with fewer responses above it. The negatively skewed distribution (-0.27) shows that more respondents supported the statement than opposed it, although the considerable uncertainty among respondents highlights an area of ambivalence. These results align with the literature in Section 4.10.1.4 where Moeti (2019:170) states that the mayor must monitor and oversee the execution of municipal administration and financial management.

#### 7.4.5.2 The executive mayor and mayoral committee oversee the performance of their officials and take monthly budget reports seriously

The statement in 7.4.5.2 examined whether the executive mayor and mayoral committee monitored the performance of municipal officials by assessing how diligently they reviewed monthly budget reports. The results are presented in Table 7.22 below.

**Table 7.22: Overseeing the performance of municipal officials by the mayor and mayoral committee**

| Descriptive Statistics for Q14.2 |    |      |        |      |      |       |        |      |       |       |        |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|--------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI |
| Joe Morolong                     | 16 | 3.06 | 0.85   | 2.00 | 4.00 | 2.00  | 3.00   | 4.00 | -0.13 | -1.65 | +0.45  |
| Renosterberg                     | 16 | 4.25 | 0.68   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | -0.36 | -0.59 | +0.36  |
| Sol Plaatje                      | 26 | 3.15 | 0.83   | 1.00 | 4.00 | 3.00  | 3.00   | 3.00 | -1.20 | 1.80  | +0.34  |
| Thembelihle                      | 21 | 2.57 | 1.36   | 1.00 | 5.00 | 4.00  | 2.00   | 2.00 | 0.62  | -0.69 | +0.62  |
| Total – SMs                      | 79 | 3.20 | 1.13   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.30 | -0.56 | +0.25  |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.20), median (3.00), and mode (3.00) in Table 7.22 indicate that most values were below the mean, with fewer above it. The negatively skewed (-0.30) distribution of data suggested that the responses were oriented in a way that more respondents supported the statement in 7.4.5.2 than those with a contrary view. As in Section 7.4.5.1, a significant proportion of respondents remained uncertain, creating a picture of uncertainty that cannot be ignored.

### 7.4.5.3 Non-executive councillors use monthly, quarterly and annual financial reports to hold the executive mayor or committee accountable for the use of public funds

The statement in 7.4.5.3 assessed if non-executive councillors used monthly, quarterly, and annual financial reports to hold the executive mayor or committee accountable for the use of public funds. The findings are depicted in Table 7.23 below.

**Table 7.23: The use of financial reports to uphold financial accountability in local municipalities**

| Descriptive Statistics for Q14.3 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 2.94 | 1.00   | 1.00 | 4.00 | 3.00  | 3.00   | 4.00 | -0.32 | -1.14 | +/- 0.53 |
| Renosterberg                     | 16 | 4.06 | 0.93   | 3.00 | 5.00 | 2.00  | 4.00   | 5.00 | -0.14 | -1.96 | +/- 0.49 |
| Sol Plaatje                      | 26 | 3.15 | 0.83   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.31 | 1.03  | +/- 0.34 |
| Thembelihle                      | 21 | 2.52 | 1.33   | 1.00 | 5.00 | 4.00  | 2.00   | 2.00 | 0.72  | -0.35 | +/- 0.60 |
| Total - SMs                      | 79 | 3.13 | 1.15   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.05 | -0.62 | +/- 0.26 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.13), median (3.00), and mode (3.00) in Table 7.23 suggest an almost uncertain outlook. This indicates a general sense of uncertainty, despite the slightly negatively skewed (-0.05) distribution of data, which confirms minimal support for the statement in 7.4.5.3. The conclusion drawn from these findings is that support for the statement was not strong enough to persuade that non-executive councillors use monthly, quarterly, and annual financial reports to hold the executive mayor or committee accountable for the use of public funds.

### 7.4.5.4 The municipal executive mayor or committee implements the recommendations of the Auditor-General

The statement in 7.4.5.4 assesses whether the municipal executive mayor or committee implemented the recommendations of the Auditor-General. The findings are shown in Table 7.24 below.

**Table 7.24: Implementation of the recommendations of the Auditor General in local municipalities**

| Descriptive Statistics for Q14.4 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 2.88 | 1.09   | 1.00 | 5.00 | 4.00  | 3.00   | 2.00 | 0.28  | -0.67 | +/- 0.58 |
| Renosterberg                     | 16 | 4.00 | 0.52   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | 0.00  | 1.90  | +/- 0.28 |
| Sol Plaatje                      | 27 | 3.00 | 0.88   | 1.00 | 4.00 | 3.00  | 3.00   | 3.00 | -0.74 | 0.22  | +/- 0.35 |
| Thembelihle                      | 21 | 2.71 | 1.15   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | 0.40  | -0.08 | +/- 0.52 |
| Total – SMs                      | 80 | 3.10 | 1.04   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.27 | -0.51 | +/- 0.23 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

Like the pattern seen in Section 7.4.5.3, the central tendency values of the mean (3.10), median (3.00), and mode (3.00) in Table 7.24 indicate an overall neutral position. The responses mainly clustered around the value of 3.00, with a slight negative skew (-0.27), pointing to a tendency towards disagreement. The data suggests that more respondents supported the statement in 7.4.5.4. Still, this support was not strong enough to confirm that the municipal executive mayor or committee acted on the Auditor-General's recommendations. Additionally, Section 4.13 reports that, based on recent audit outcomes (AGSA, 2024:132), three municipalities in the NCP failed to respond to the Auditor-General's suggestions. It is possible that respondents were unaware of this, or that these three municipalities were not included in the selected sample.

#### 7.4.5.5 The municipality convenes public meetings on the Auditor-General's report concerning its performance at the end of each financial year.

The statement in 7.4.5.5 determines whether the municipalities held public meetings on the Auditor-General's report at each financial year-end. The findings are presented in Table 7.25 below.

**Table 7.25: Holding of public meetings on the AG's reports by local municipalities**

| Descriptive Statistics Q14.5 |    |      |        |      |      |       |        |      |       |       |          |
|------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                 | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                 | 16 | 2.81 | 1.11   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | 0.08  | -0.27 | +/- 0.59 |
| Renosterberg                 | 16 | 3.63 | 1.09   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.17  | -1.37 | +/- 0.58 |
| Sol Plaatje                  | 25 | 2.96 | 0.89   | 1.00 | 4.00 | 3.00  | 3.00   | 3.00 | -0.69 | 0.11  | +/- 0.37 |
| Thembelihle                  | 21 | 2.95 | 1.32   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | 0.24  | -0.85 | +/- 0.60 |

|                    |    |      |      |      |      |      |      |      |      |       |           |
|--------------------|----|------|------|------|------|------|------|------|------|-------|-----------|
| <b>Total – SMs</b> | 78 | 3.06 | 1.12 | 1.00 | 5.00 | 4.00 | 3.00 | 3.00 | 0.04 | -0.47 | +<br>0.25 |
|--------------------|----|------|------|------|------|------|------|------|------|-------|-----------|

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.06), median (3.00), and mode (3.00) in Table 7.25 suggest that a degree of uncertainty remained among respondents regarding whether public meetings were held on the Auditor-General's report at the end of each financial year. The slight positive skew (0.04) suggests that the data distribution does not fully support the assertion that such meetings occur annually.

## 7.4.6 Principles of good governance

### 7.4.6.1 The municipality promotes public participation through various methods such as road shows, advocacy programmes and community meetings

The statement in 7.4.6.1 tested whether the municipalities promoted public participation through various methods, such as road shows, advocacy programmes, and community meetings. The findings are shown in Table 7.26 below.

**Table 7.26: The promotion of public participation by municipalities**

| <b>Descriptive Statistics Q15.1</b> |          |             |               |            |            |              |               |             |              |              |               |
|-------------------------------------|----------|-------------|---------------|------------|------------|--------------|---------------|-------------|--------------|--------------|---------------|
| <b>Municipality</b>                 | <b>N</b> | <b>Mean</b> | <b>StdDev</b> | <b>Min</b> | <b>Max</b> | <b>Range</b> | <b>Median</b> | <b>Mode</b> | <b>Skew.</b> | <b>Kurt.</b> | <b>95% CI</b> |
| <b>Joe Morolong</b>                 | 16       | 3.94        | 0.93          | 2.00       | 5.00       | 3.00         | 4.00          | 4.00        | -1.01        | 0.85         | +<br>0.49     |
| <b>Renosterberg</b>                 | 16       | 4.44        | 0.63          | 3.00       | 5.00       | 2.00         | 4.50          | 5.00        | -0.65        | -0.32        | +<br>0.34     |
| <b>Sol Plaatje</b>                  | 27       | 3.78        | 0.89          | 1.00       | 5.00       | 4.00         | 4.00          | 4.00        | -1.64        | 3.29         | +<br>0.35     |
| <b>Thembelihle</b>                  | 21       | 2.38        | 1.20          | 1.00       | 5.00       | 4.00         | 2.00          | 2.00        | 0.69         | -0.50        | +<br>0.55     |
| <b>Total – SMs</b>                  | 80       | 3.58        | 1.20          | 1.00       | 5.00       | 4.00         | 4.00          | 4.00        | -0.79        | -0.40        | +<br>0.27     |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.58), median (4.00), and mode (4.00) in Table 7.26 indicated that more responses were above the mean. This suggests that most respondents supported the assertion. The distribution of data is negatively skewed (-0.79), indicating that most responses were above the mean, thereby affirming the assertion that municipalities promoted public participation through various means. The above findings support the requirement of the public service-dominant theory outlined in Section 2.2.3 which promotes community participation as key stakeholders of the municipality in relation to service delivery and municipal affairs.

#### 7.4.6.2 Financial information and reports are readily accessible through the municipality's website

The statement in 7.4.5.2 determined whether financial information and reports were easily accessible through the municipality's website. The results are shown in Figure 7.26 below.

**Table 7.27: Accessibility of municipal financial information and reports**

| Descriptive Statistics Q15.2 |    |      |        |      |      |       |        |      |       |       |          |
|------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                 | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                 | 16 | 3.19 | 1.05   | 2.00 | 5.00 | 3.00  | 3.50   | 4.00 | -0.02 | -1.57 | +/- 0.56 |
| Renosterberg                 | 16 | 3.50 | 1.21   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.13  | -1.58 | +/- 0.65 |
| Sol Plaatje                  | 27 | 3.81 | 0.74   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.31 | 0.23  | +/- 0.29 |
| Thembelihle                  | 21 | 2.48 | 1.12   | 1.00 | 5.00 | 4.00  | 2.00   | 2.00 | 0.53  | -0.26 | +/- 0.51 |
| Total – SMs                  | 80 | 3.27 | 1.12   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.18 | -0.88 | +/- 0.25 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

Table 7.27 illustrates that the frequently repeated value was 4.00, the central concentration of data ranged between the mean (3.27) and the median (3.00). The negatively skewed (-0.18) distribution of data suggested most values were larger than the mean, and this is consistent with the rate of frequencies of responses that supported statement in 7.4.6.2 that financial information and reports were readily accessible through the municipal website. Contrary to these findings, in the literature in Section 4.10.1.6, it was emphasised by van Niekerk and Brits-Dalton (2016:126) that members of the community do not have access to complete information, as some relevant data for their reporting is concealed by public officials and unsupportive management who fail to provide adequate feedback to audit committees.

#### 7.4.6.3 Systems exist that monitor and report the use of public funds, ensuring public officials are held accountable for their actions

The statement in 7.4.6.3 determined whether systems were in place to track and report on the use of public funds and to hold public officials accountable for their actions. The findings are shown in Table 7.28 below.

**Table 7.28: Accountability mechanisms that track and report on the use of public funds by local municipalities**

| Descriptive Statistics for Q15.3 |    |      |        |      |      |       |        |      |       |       |         |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| Joe Morolong                     | 16 | 3.19 | 0.91   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.19  | -0.68 | + -0.49 |
| Renosterberg                     | 16 | 4.13 | 0.89   | 3.00 | 5.00 | 2.00  | 4.00   | 5.00 | -0.27 | -1.74 | + -0.47 |
| Sol Plaatje                      | 27 | 3.00 | 0.96   | 1.00 | 4.00 | 3.00  | 3.00   | 4.00 | -0.56 | -0.65 | + -0.38 |
| Thembelihle                      | 21 | 2.81 | 1.08   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | 0.42  | 0.20  | + -0.49 |
| Total – SMs                      | 80 | 3.21 | 1.06   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.05 | -0.55 | + -0.24 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

Table 7.28 show a slightly negatively skewed distribution (-0.05) which indicates that there were more values above the mean, supporting the statement in 7.4.6.3, it cannot be ignored that most of the data still reflected a degree of uncertainty. The degree of uncertainty is reflected in the central tendency measures of the mean (3.21), median (3.00), and mode (3.00) value. Based on this numerical depiction of central tendency, it can be concluded that there is no convincing evidence that the municipalities have accountability mechanisms in place that track and report on how public officials have used public funds. In the literature, Section 4.10.1.3, it was noted that under Section 62 of the *MFMA*, the AO must ensure that the municipality maintains full and proper records of financial matters in accordance with standard norms and practices (Moeti, 2019:170).

#### **7.4.6.4 Administrative staff and councillors are continuously trained and educated on relevant legislative frameworks, policies, and regulations to ensure compliance**

The statement in 7.4.6.4 examined whether administrative staff and councillors received ongoing training and education on relevant legislative frameworks, policies, and regulations to ensure compliance. The findings are shown in Table 7.29 below.

**Table 7.29: continuously trained and educated on relevant legislative frameworks, policies, and regulations to ensure compliance**

| Descriptive Statistics for Q15 |    |      |        |      |      |       |        |      |       |       |         |
|--------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Municipality                   | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| Joe Morolong                   | 16 | 3.25 | 1.00   | 2.00 | 5.00 | 3.00  | 3.50   | 4.00 | -0.11 | -1.34 | + -0.53 |
| Renosterberg                   | 16 | 4.31 | 0.70   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | -0.54 | -0.64 | + -0.38 |
| Sol Plaatje                    | 27 | 3.33 | 1.04   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.97 | 0.07  | + -0.41 |
| Thembelihle                    | 21 | 2.95 | 1.20   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.09 | -0.67 | + -0.55 |
| Total – SMs                    | 80 | 3.41 | 1.11   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.54 | -0.46 | + -0.25 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.41), median (4.00), and mode (4.00) in Table 7.29 suggest that most respondents supported the statement in 7.4.6.4. The median exceeds the mean, indicating that more responses were above or equal to the mean. The data distribution is negatively skewed (-0.54), suggesting that many respondents agreed that administrative staff and councillors receive regular training on relevant legislative standards, policies, and regulations to maintain compliance.

#### **7.4.6.5 The municipality has a functional risk management framework in place that enables it to identify, assess, and mitigate potential risks, thereby safeguarding public resources effectively**

Statement 7.4.6.5 assessed whether the municipalities had functional risk management frameworks that enabled them to identify, assess, and mitigate potential risks, thereby effectively safeguarding public resources. The findings are presented in Table 7.30 below.

**Table 7.30: Effectiveness of risk management framework in local municipalities**

| Descriptive Statistics for Q15.5 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.25 | 1.06   | 1.00 | 5.00 | 4.00  | 3.50   | 4.00 | -0.57 | -0.25 | +/- 0.57 |
| Renosterberg                     | 16 | 3.50 | 0.97   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.25  | -0.74 | +/- 0.51 |
| Sol Plaatje                      | 26 | 3.38 | 0.85   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.45 | -0.77 | +/- 0.34 |
| Thembelihle                      | 21 | 2.52 | 1.08   | 1.00 | 4.00 | 3.00  | 3.00   | 3.00 | -0.20 | -1.17 | +/- 0.49 |
| Total – SMs                      | 79 | 3.15 | 1.04   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.38 | -0.43 | +/- 0.23 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.15) and median (3.00) in Table 7.30 suggest that most responses were below the mean. The mode, indicating the most frequently reported value, was 4.00. The overall distribution, being negatively skewed (-0.38), suggests greater support for the statement in 7.4.6.5; however, this was offset by a considerable proportion of respondents who were unsure whether an effective risk management framework is in place to help the municipality identify, assess, and mitigate potential risks to protect public resources effectively. The high level of uncertainty among respondents is concerning. In the literature of this study (Section 4.10.3, it was emphasised that Section 62 of the *MFMA* mandates that the AO ensure the



municipality maintains a transparent, effective, and efficient risk management system along with internal controls.

#### **7.4.6.6 Effective internal controls (policies, procedures and processes) are enforced to prevent fraud and corruption within the municipality**

The statement in 7.4.6.6 assessed whether effective internal controls (policies, procedures, and processes) were enforced to prevent fraud and corruption within the municipality. The findings are displayed in Table 7.31.

**Table 7.31: Effectiveness of internal controls in local municipalities**

| <b>Descriptive Statistics for Q15.6</b> |          |             |               |            |            |              |               |             |              |              |               |
|-----------------------------------------|----------|-------------|---------------|------------|------------|--------------|---------------|-------------|--------------|--------------|---------------|
| <b>Municipality</b>                     | <b>N</b> | <b>Mean</b> | <b>StdDev</b> | <b>Min</b> | <b>Max</b> | <b>Range</b> | <b>Median</b> | <b>Mode</b> | <b>Skew.</b> | <b>Kurt.</b> | <b>95% CI</b> |
| <b>Joe Morolong</b>                     | 16       | 3.19        | 0.98          | 2.00       | 5.00       | 3.00         | 3.00          | 4.00        | 0.06         | -1.20        | +/- 0.52      |
| <b>Renosterberg</b>                     | 16       | 4.44        | 0.73          | 3.00       | 5.00       | 2.00         | 5.00          | 5.00        | -0.94        | -0.28        | +/- 0.39      |
| <b>Sol Plaatje</b>                      | 27       | 3.04        | 1.09          | 1.00       | 5.00       | 4.00         | 3.00          | 4.00        | -0.27        | -1.06        | +/- 0.43      |
| <b>Thembelihle</b>                      | 21       | 2.81        | 1.03          | 1.00       | 4.00       | 3.00         | 3.00          | 3.00        | -0.49        | -0.76        | +/- 0.47      |
| <b>Total – SMs</b>                      | 80       | 3.29        | 1.14          | 1.00       | 5.00       | 4.00         | 3.00          | 4.00        | -0.27        | -0.80        | +/- 0.25      |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.29) and median (3.00) in Table 7.31 suggest that most values were smaller than the mean. The value of the mode indicated that the frequently repeated value was 4.00. The negatively skewed data distribution (-0.27) provides some support for the statement in 7.4.6.5. While there is a slight indication of support for the statement in 7.4.6.5, there is no substantial evidence to confirm whether controls in place to prevent fraud and corruption within the municipality were effective.

#### **7.4.6.7 Service delivery processes are streamlined to be more efficient and responsive to citizens' needs**

The statement in 7.4.6.7 assessed whether service delivery processes were streamlined to enhance their efficiency and responsiveness to citizens' needs. The findings are shown in Table 7.32 below.

**Table 7.32: Streamlining of service delivery processes in local municipalities**

| Descriptive Statistics Q15.7 |    |      |        |      |      |       |        |      |       |       |         |
|------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Municipality                 | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| Joe Morolong                 | 16 | 3.13 | 0.96   | 2.00 | 4.00 | 2.00  | 3.50   | 4.00 | -0.28 | -2.01 | +/-0.51 |
| Renosterberg                 | 16 | 4.06 | 1.00   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -1.06 | 0.52  | +/-0.53 |
| Sol Plaatje                  | 27 | 3.00 | 1.11   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.18 | -1.20 | +/-0.44 |
| Thembelihle                  | 21 | 2.62 | 1.02   | 1.00 | 4.00 | 3.00  | 3.00   | 2.00 | -0.05 | -1.05 | +/-0.47 |
| Total – SMs                  | 80 | 3.14 | 1.13   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.17 | -1.08 | +/-0.25 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The mean (3.14) and median (3.00) values in Table 7.32 suggest that most responses were below the mean. The mode, which indicates the most frequent response, was 4.00. The slight negative skewness (-0.17) of the data distribution indicates there was greater support than opposition for the statement in 7.4.6.7. Respondents who did not support the idea that service delivery processes were streamlined to improve efficiency and responsiveness accounted for 36.6%, while 16.3% were uncertain. Overall, only 47.6% supported the statement, suggesting that this level of support may not be entirely convincing.

#### 7.4.6.8 Services are allocated equitably to develop historically disadvantaged communities

The statement in 7.4.6.8 examined whether services were distributed fairly to support the development of historically disadvantaged communities. The findings are presented in Table 7.33 below.

**Table 7.33: Equitable distribution of services in local municipalities**

| Descriptive Statistics for Q15.8 |    |      |        |      |      |       |        |      |       |       |         |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| Joe Morolong                     | 16 | 3.13 | 0.81   | 2.00 | 4.00 | 2.00  | 3.00   | 3.00 | -0.25 | -1.37 | +/-0.43 |
| Renosterberg                     | 16 | 4.56 | 0.51   | 4.00 | 5.00 | 1.00  | 5.00   | 5.00 | -0.28 | -2.22 | +/-0.27 |
| Sol Plaatje                      | 27 | 3.11 | 0.97   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.24 | -0.71 | +/-0.39 |
| Thembelihle                      | 21 | 3.00 | 0.89   | 1.00 | 4.00 | 3.00  | 3.00   | 3.00 | -0.46 | -0.55 | +/-0.41 |
| Total – SMs                      | 80 | 3.38 | 1.02   | 1.00 | 5.00 | 4.00  | 3.50   | 4.00 | -0.23 | -0.68 | +/-0.23 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.38) and median (3.50) in Table 7.33 suggest that most values were below the mean, the most common value being 4.00. Since the mode exceeds the mean, the data distribution is negatively skewed (-0.23). These central tendency measures suggest that a greater number of respondents supported the idea that services are equitably allocated to aid

historically disadvantaged communities. These results align with Section 2.6.1 which states that previously disadvantaged communities should have equal opportunities to participate in procurement processes for goods and services (Fourie and Malan, 2020:7).

#### **7.4.6.9 To enhance financial accountability, the municipality encourages the involvement of diverse stakeholder groups through Integrated Development Programmes**

The statement in 7.4.6.9 examined whether the municipalities encouraged the involvement of diverse stakeholder groups through Integrated Development Programmes to enhance financial accountability. The findings are presented in Table 7.343 below.

**Table 7.34: Involvement of diverse stakeholder groups in IDP development**

| Descriptive Statistics for Q15.9 |    |      |        |      |      |       |        |      |       |       |        |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|--------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI |
| Joe Morolong                     | 16 | 3.50 | 1.03   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.41 | -0.99 | +-0.55 |
| Renosterberg                     | 16 | 4.50 | 0.63   | 3.00 | 5.00 | 2.00  | 5.00   | 5.00 | -0.90 | 0.03  | +-0.34 |
| Sol Plaatje                      | 26 | 3.42 | 0.81   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.47 | -0.51 | +-0.33 |
| Thembelihle                      | 21 | 3.24 | 0.89   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.52 | 1.01  | +-0.40 |
| Total – SMs                      | 79 | 3.61 | 0.95   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.41 | -0.34 | +-0.21 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The central tendency ([mean (3.61), median (4.00), and mode (4.00)] in Table 7.34 suggests that respondents supported the idea that municipalities encouraged diverse stakeholder groups' involvement through the Integrated Development Programmes to improve financial accountability. The mean (3.61) is lower than the median (4.00) and mode (4.00), which reinforces the assertion in statement 7.4.6.9. The distribution of responses is negatively skewed (-0.41), indicating that more responses were above the mean. This implies that more respondents supported the assertion in 7.4.6.9 than opposed it. These findings support the principles of the public-service dominant theory (Section 2.2.3, which states that community members are key stakeholders in promoting effective service delivery by the municipality.

#### **7.4.6.10 The use of public funds is in line with the municipality's long-term strategic vision and goals**

The statement in 7.4.6.10 evaluated whether the utilisation of public funds aligned with the municipality's long-term strategic vision and objectives. The findings are shown in Table 7.35 below.

**Table 7.35: The use of public funds aligned with the strategic vision of local government**

| Descriptive Statistics for Q15.10 |    |      |        |      |      |       |        |      |       |       |        |
|-----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|--------|
| Municipality                      | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI |
| Joe Morolong                      | 16 | 3.06 | 1.06   | 2.00 | 5.00 | 3.00  | 3.00   | 2.00 | 0.24  | -1.55 | +0.57  |
| Renosterberg                      | 16 | 4.44 | 0.63   | 3.00 | 5.00 | 2.00  | 4.50   | 5.00 | -0.65 | -0.32 | +0.34  |
| Sol Plaatje                       | 27 | 3.22 | 1.05   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.48 | -0.14 | +0.42  |
| Thembelihle                       | 21 | 2.43 | 0.81   | 1.00 | 4.00 | 3.00  | 2.00   | 2.00 | 0.25  | -0.13 | +0.37  |
| Total – SMs                       | 80 | 3.23 | 1.14   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.09 | -0.96 | +0.25  |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.23) and median (3.00) in Table 7.35 indicated that more responses were below the mean, and the most frequently occurring value was 4.00. The mode being higher than the mean suggests that the data distribution is negatively skewed (-0.09). These measures of central tendency suggest that more respondents believed that public funds were utilised in accordance with the municipality's long-term strategic vision and goals. However, this view was strongly challenged by those who disagreed, while a considerable number of respondents remained unsure. The Auditor-General's recent audit results contradicted these findings and may explain the high proportion of respondents who were uncertain about the statement. AGSA (2024:132) reported that more than half of the municipalities in the NCP face financial distress, and 61% of municipalities in the province were uncertain about their financial sustainability. This indicates that in most municipalities within the NCP, funds are not allocated in accordance with the local government's strategic vision.

#### 7.4.7 Public service efficiency

##### 7.4.7.1 Municipal officials encourage efficient service delivery by promoting financial accountability

The statement in 7.4.7.1 analysed whether municipal officials encouraged efficient service delivery by promoting financial accountability. The results are shown in Table 7.36 below.

**Table 7.36: Promotion of efficient service delivery in local municipalities**

| Descriptive Statistics Q16.1 |    |      |        |      |      |       |        |      |       |       |          |
|------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                 | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                 | 16 | 3.13 | 1.02   | 2.00 | 5.00 | 3.00  | 3.00   | 2.00 | 0.15  | -1.41 | +/- 0.55 |
| Renosterberg                 | 16 | 4.25 | 0.68   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | -0.36 | -0.59 | +/- 0.36 |
| Sol Plaatje                  | 27 | 3.22 | 0.89   | 1.00 | 4.00 | 3.00  | 3.00   | 4.00 | -0.82 | -0.29 | +/- 0.35 |
| Thembelihle                  | 21 | 2.81 | 1.03   | 1.00 | 4.00 | 3.00  | 3.00   | 2.00 | -0.19 | -1.20 | +/- 0.47 |
| Total – SMs                  | 80 | 3.30 | 1.04   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.36 | -0.72 | +/- 0.23 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

**Figure 7.35: Promotion of efficient service delivery in local municipalities**

The values of central tendency [mean (3.30), median (4.00), and mode (4.00)] in Table 7.36 indicate that respondents generally supported the idea that municipal officials promoted efficient service delivery through financial accountability. The mean (3.30) being lower than the median and mode (both 4.0) suggests an overall positive response. The data distribution is negatively skewed (-0.36), indicating that more responses were above the mean, suggesting that more respondents supported the statement than opposed it. However, recent Auditor-General audit outcomes reports (AGSA, 2024) highlight that issues such as poor budgeting and unfunded budgets led municipalities to rely on cash reserves for salaries, leaving limited funds for services. This raises questions about the effectiveness, efficiency, and economic viability of service delivery in municipalities in the NCP.

#### 7.4.7.2 By disregarding financial accountability, municipal officials do not encourage efficient service delivery

The investigation in 7.4.7.2 aimed to determine whether municipal officials failed to encourage efficient service delivery by disregarding financial accountability. The findings are depicted in Table 7.37 below.

**Table 7.37: Public service delivery efficiency has been disregarded in local municipalities**

| Descriptive Statistics for Q16.2 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 2.81 | 1.11   | 1.00 | 4.00 | 3.00  | 3.00   | 4.00 | -0.25 | -1.35 | +/- 0.59 |
| Renosterberg                     | 15 | 2.87 | 1.55   | 1.00 | 5.00 | 4.00  | 3.00   | 1.00 | 0.12  | -1.55 | +/- 0.86 |

|                    |    |      |      |      |      |      |      |      |      |       |             |
|--------------------|----|------|------|------|------|------|------|------|------|-------|-------------|
| <b>Sol Plaatje</b> | 26 | 2.85 | 0.92 | 2.00 | 5.00 | 3.00 | 3.00 | 2.00 | 0.66 | -0.73 | +/-<br>0.37 |
| <b>Thembelihle</b> | 21 | 2.95 | 1.20 | 1.00 | 5.00 | 4.00 | 3.00 | 2.00 | 0.10 | -1.02 | +/-<br>0.55 |
| <b>Total – SMs</b> | 78 | 2.87 | 1.15 | 1.00 | 5.00 | 4.00 | 3.00 | 2.00 | 0.15 | -0.98 | +/-<br>0.26 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (2.87), median (3.00), and mode (2.00) in Table 7.37 suggest that more respondents did not support the assertion in statement 7.4.7.2. The distribution of data is positively skewed (0.15), which aligns with the deductions drawn from the frequencies and central tendency values, indicating that municipal officials did not promote efficient service delivery by neglecting financial accountability. In the literature (Section 2.4.1), Sebakamotse (2020:9) highlighted that financial accountability refers to an account of how public funds are used to implement policies and deliver services effectively, efficiently, and economically, as required by Section 62 of the MFMA. However, the literature (Section 4.13 emphasised that ten municipalities of the NCP local communities had not received adequate services as required by Section 62 of the MFMA. Furthermore, the Auditor-General stated that the Premier of the province should influence the implementation of the accountable system in the province, focusing on how funds were spent to enhance effective service delivery and subsequently promote financial accountability in municipalities within the NCP (AGSA, 2024:133-134).

#### 7.4.7.3 Legislative oversight bodies hold municipal officials accountable for poor service delivery

The statement in 7.4.7.3 aimed to assess whether legislative oversight bodies held municipal officials accountable for poor service delivery. The findings are shown in Table 7.38 below.

**Table 7.38 Municipal officials are held accountable for poor service delivery**

| Descriptive Statistics for Q16.3 |    |      |        |      |      |       |        |      |       |       |             |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|-------------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI      |
| <b>Joe Morolong</b>              | 16 | 2.81 | 0.98   | 1.00 | 4.00 | 3.00  | 3.00   | 2.00 | -0.06 | -1.20 | +/-<br>0.52 |
| <b>Renosterberg</b>              | 16 | 4.25 | 0.77   | 3.00 | 5.00 | 2.00  | 4.00   | 5.00 | -0.49 | -1.06 | +/-<br>0.41 |
| <b>Sol Plaatje</b>               | 27 | 2.81 | 1.04   | 1.00 | 4.00 | 3.00  | 3.00   | 4.00 | -0.27 | -1.14 | +/-<br>0.41 |
| <b>Thembelihle</b>               | 21 | 2.00 | 0.89   | 1.00 | 4.00 | 3.00  | 2.00   | 2.00 | 0.93  | 0.71  | +/-<br>0.41 |
| <b>Total – SMs</b>               | 80 | 2.89 | 1.20   | 1.00 | 5.00 | 4.00  | 3.00   | 2.00 | 0.09  | -1.05 | +/-<br>0.27 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS).

The mean value (2.89), median (3.00), and mode (2.00) in Table 7.38 indicate there were strongly contrasting views on the statement in 7.4.7.3. The central tendency measures suggest

that the most common response was 2.00, indicating disagreement, with the majority of data clustered below the mean of 2.89. The data distribution is slightly positively skewed (0.09), aligning with the frequency results, which show that the combined total of uncertain responses and those opposing the statement in 7.4.7.3 exceeded the support. From this analysis, it can be concluded that there was no definitive consensus among respondents regarding whether legislative oversight bodies held municipal officials accountable for poor service delivery.

#### 7.4.7.4 Public officials are not held accountable for poor service delivery

The statement in 7.4.7.4 was examined to determine if public officials were not held accountable for poor service delivery. The findings are presented in Table 7.39 below.

**Table 7.39: Lack of accountability for poor service delivery in local municipalities**

| Descriptive Statistics for Q16.4 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 15 | 2.93 | 1.03   | 1.00 | 4.00 | 3.00  | 3.00   | 4.00 | -0.30 | -1.30 | +/- 0.57 |
| Renosterberg                     | 16 | 2.94 | 1.57   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.00 | -1.74 | +/- 0.84 |
| Sol Plaatje                      | 27 | 3.70 | 1.07   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.78 | 0.24  | +/- 0.42 |
| Thembelihle                      | 21 | 3.43 | 1.36   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.75 | -0.72 | +/- 0.62 |
| Total – SMs                      | 79 | 3.33 | 1.28   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.50 | -0.94 | +/- 0.29 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The mean (3.33), median (4.00), and mode (4.00) values in Table 7.39 indicate that more respondents believed that public officials were not held accountable for poor service delivery. The data distribution is negatively skewed (-0.50), suggesting that the majority of respondents supported the statement that public officials lacked accountability for poor service delivery. These results align with those reported in Section 4.11, which identified weak governance, including inadequate financial management, unqualified officials, limited public participation, and poor service delivery, as some of the challenges affecting financial accountability in local municipalities (Khunoethe, 2019:97; Addink, 2019:236).

#### 7.4.7.5 The public receives efficient service delivery because of effective financial accountability and sound financial management systems in the municipality

The statement in 7.4.7.5 assessed whether the public received efficient service delivery due to effective financial accountability and sound financial management systems in the municipality. The findings are illustrated in Table 7.40 below.

**Table 7.40: Effective financial accountability and sound financial management systems in local municipalities**

| Descriptive Statistics for Q16.5 |    |      |        |      |      |       |        |      |       |       |         |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| Joe Morolong                     | 16 | 2.75 | 1.00   | 1.00 | 4.00 | 3.00  | 2.50   | 2.00 | 0.11  | -1.34 | + -0.53 |
| Renosterberg                     | 16 | 4.44 | 1.03   | 2.00 | 5.00 | 3.00  | 5.00   | 5.00 | -1.90 | 2.63  | + -0.55 |
| Sol Plaatje                      | 26 | 2.42 | 0.90   | 1.00 | 4.00 | 3.00  | 2.00   | 2.00 | 0.43  | -0.47 | + -0.36 |
| Thembelihle                      | 21 | 2.52 | 1.33   | 1.00 | 5.00 | 4.00  | 2.00   | 1.00 | 0.44  | -0.85 | + -0.60 |
| Total – SMs                      | 79 | 2.92 | 1.31   | 1.00 | 5.00 | 4.00  | 3.00   | 2.00 | 0.25  | -1.14 | + -0.29 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (2.92), median (3.00), and mode (2.00) in Table 7.40 suggest there was no support for the idea that the public received efficient service delivery due to effective financial accountability and sound financial management systems in the municipality. The data distribution is positively skewed (0.25), indicating opposition to the assertion in 7.4.7.5, which implies a lack of efficient service delivery caused by ineffective financial accountability and poor financial management systems in the municipalities.

#### 7.4.8 Financial accountability influences financial performance outcomes

##### 7.4.8.1 Effective financial accountability improves the overall financial performance outcomes in the municipality

The statement in 7.4.8.1 determined whether effective financial accountability improved overall financial performance outcomes in the municipality. The findings are presented in Table 7.41 below.



**Table 7.41: Effective financial accountability improves financial performance outcomes in local municipalities**

| Descriptive Statistics for Q17.1 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.81 | 0.66   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -1.43 | 3.68  | +/- 0.35 |
| Renosterberg                     | 16 | 4.56 | 0.63   | 3.00 | 5.00 | 2.00  | 5.00   | 5.00 | -1.18 | 0.63  | +/- 0.34 |
| Sol Plaatje                      | 26 | 3.65 | 0.85   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.53 | -0.06 | +/- 0.34 |
| Thembelihle                      | 21 | 3.48 | 1.25   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.70 | -0.41 | +/- 0.57 |
| Total – SMs                      | 79 | 3.82 | 0.97   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.93 | 0.69  | +/- 0.22 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The mean (3.82), median (4.00), and mode (4.00) values in Table 7.41 suggest that most respondents supported statement 7.4.8.1, which states that financial accountability improved the overall financial performance in the municipalities. The negatively skewed (-0.93) distribution of data indicates that most respondents supported the statement in 7.4.8.1. This means that the majority of respondents either agreed with or strongly agreed that financial accountability enhanced the overall financial performance in municipalities.

#### 7.4.8.2 The lack of financial accountability contributes to financial mismanagement in the municipality

The statement in 7.4.8.2 assessed whether the lack of financial accountability contributed to financial mismanagement in the municipalities. The findings are presented in Table 7.42 below.

**Table 7.42: Lack of financial accountability contributes to financial mismanagement in the municipalities**

| Descriptive Statistics for Q17.2 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.88 | 0.62   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -1.87 | 6.16  | +/- 0.33 |
| Renosterberg                     | 16 | 4.38 | 0.62   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | -0.42 | -0.45 | +/- 0.33 |
| Sol Plaatje                      | 26 | 3.96 | 0.66   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | 0.04  | -0.50 | +/- 0.27 |
| Thembelihle                      | 21 | 3.67 | 1.15   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.77 | -0.08 | +/- 0.53 |
| Total – SMs                      | 79 | 3.95 | 0.83   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -1.01 | 1.66  | +/- 0.19 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of mean (3.95), median (4.00), and mode (4.00) in Table 7.42 suggest that most respondents supported the assertion in statement 7.4.8.2 that a lack of financial accountability

contributes to financial mismanagement in municipalities. The negatively skewed (-1.01) distribution of data implies that most respondents supported the statement in 7.4.8.2. This suggested that the respondents either agreed or strongly agreed with the assertion that the lack of financial accountability contributes to financial mismanagement in the municipalities. The above findings align with the literature presented in Section 4.9, which indicates that the lack of financial accountability negatively impacts financial performance and service delivery.

#### 7.4.8.3 There are weaknesses in the municipality's financial management and accountability chain

The statement in 7.4.8.3 examined whether there were weaknesses in the municipality's financial management and accountability chain. The findings are shown in Table 7.43 below.

**Table 7.43: Weaknesses in the municipality's financial management and accountability chain**

| Descriptive Statistics for Q17.3 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.50 | 0.82   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.42 | -0.12 | +/- 0.43 |
| Renosterberg                     | 16 | 3.56 | 0.89   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.21 | -0.37 | +/- 0.48 |
| Sol Plaatje                      | 26 | 3.73 | 0.67   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | 0.36  | -0.64 | +/- 0.27 |
| Thembelihle                      | 21 | 3.86 | 0.79   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.39 | 0.15  | +/- 0.36 |
| Total – SMs                      | 79 | 3.68 | 0.78   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.22 | -0.23 | +/- 0.17 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.68), median (4.00), and mode (4.00) in Table 7.43 indicate that most respondents agreed that there were weaknesses in the municipalities' financial management and accountability chain. The negatively skewed (-0.22) distribution of data suggests that most respondents supported the statement in 7.4.8.3. This indicates that respondents endorsed the view that there are weaknesses in the municipalities' financial management and accountability chain. The findings align with the literature presented in Section 2.4.2.5, where Matebese-Notshulwana (2019:161) states that failure to hold executives accountable has resulted in ongoing maladministration or mismanagement, misuse of public funds, and leads to irregular, fruitless, and wasteful expenditure, along with poor service delivery.

#### 7.4.8.4 Poor financial accountability leads to poor financial performance in the municipality

The statement in 7.4.8.4 assessed whether poor financial accountability contributed to poor financial performance in the municipalities. The findings are shown in Table 7.44 below.

**Table 7.44: Poor financial accountability leads to poor financial performance in municipalities**

| Descriptive Statistics Q17.4 |    |      |        |      |      |       |        |      |       |       |          |
|------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                 | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                 | 16 | 4.06 | 0.44   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | 0.39  | 3.62  | +/- 0.24 |
| Renosterberg                 | 16 | 4.19 | 0.83   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -1.18 | 1.95  | +/- 0.44 |
| Sol Plaatje                  | 26 | 4.12 | 0.65   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | -0.11 | -0.46 | +/- 0.26 |
| Thembelihle                  | 21 | 4.19 | 0.81   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -1.00 | 1.19  | +/- 0.37 |
| Total – SMs                  | 79 | 4.14 | 0.69   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.67 | 0.96  | +/- 0.15 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The mean (4.14), median (4.00), and mode (4.00) in Table 7.44 suggest that most respondents believed poor financial accountability led to poor financial performance in municipalities. The negatively skewed (-0.67) distribution of data further supports this. The implication is that most respondents agree that poor financial accountability causes poor financial performance in municipalities. These findings align with the literature presented in Section 4.9, which states that a lack of financial accountability negatively affects financial performance, good governance, and ultimately, service delivery.

#### 7.4.8.5 The municipality loses huge sums of public funds through unauthorised, irregular, fruitless, and wasteful expenditure

The statement in 7.4.8.5 was examined to determine if the municipalities lost substantial sums of public funds through unauthorised, irregular, fruitless, and wasteful expenditure. The findings are presented in Table 7.45 below.

**Table 7.45: Loss of public funds due to unauthorised, irregular, fruitless, and wasteful expenditure in municipalities**

| Descriptive Statistics Q17.5 |    |      |        |      |      |       |        |      |       |       |          |
|------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                 | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                 | 16 | 3.56 | 0.96   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.46 | -0.59 | +/- 0.51 |
| Renosterberg                 | 16 | 3.50 | 1.21   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.13  | -1.58 | +/- 0.65 |
| Sol Plaatje                  | 26 | 3.85 | 0.83   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.14 | -0.62 | +/- 0.34 |
| Thembelihle                  | 21 | 4.05 | 0.97   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.82 | -0.10 | +/- 0.44 |
| Total – SMs                  | 79 | 3.77 | 0.99   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.35 | -0.88 | +/- 0.22 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.77), median (4.00), and mode (4.00) in Table 7.45 indicate that most respondents supported the assertion in statement 7.4.8.5 that the municipalities lost large sums of public funds through unauthorised, irregular, fruitless, and wasteful expenditure. The negatively skewed (-0.35) distribution of data suggests that most respondents supported the statement in 7.4.8.5. The findings support Matebese-Notshulwana's (2019:161) assertion that failure to hold executives' accountable results in ongoing mismanagement and misuse of public funds, leading to irregular, fruitless, and wasteful expenditure in the public sector.

## 7.4.9 Supply Chain Management

### 7.4.9.1 Supply Chain Management in the municipality is administered according to legislation, policies, and regulations

The statement in 7.4.9.1 aimed to determine whether SCM in the municipality was administered in accordance with legislation, policies, and regulations. The findings are presented in Table 7.46 below.

**Table 7.46: Administration of municipal SCMs in terms of legislation**

| Descriptive Statistics for Q18.1 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.38 | 1.09   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.17 | -1.37 | +/- 0.58 |
| Renosterberg                     | 16 | 4.56 | 0.51   | 4.00 | 5.00 | 1.00  | 5.00   | 5.00 | -0.28 | -2.22 | +/- 0.27 |
| Sol Plaatje                      | 26 | 3.58 | 0.64   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.31 | 0.12  | +/- 0.26 |
| Thembelihle                      | 21 | 3.29 | 1.15   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.40 | -0.08 | +/- 0.52 |
| Total – SMs                      | 79 | 3.66 | 0.99   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.58 | 0.01  | +/- 0.22 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS).

The values of the mean (3.66), median (4.00), and mode (4.00) in Table 7.46 suggest that most respondents agreed that the municipalities were administered in accordance with legislation, policies, and regulations. The negatively skewed (-0.58) data distribution indicates that most respondents supported the statement in 7.4.9.1 that municipalities were administered according to legislation, policies, and regulations. In Section 2.6.3, it was stated that the non-compliance with SCM legislation resulted in financial losses, as the procured goods and services could have been overpriced or contractors did not deliver the purchased services (AGSA, 2021:45). The literature further states in Section 4.13, that the Auditor-General reported in the most recent audit reports that non-compliance with SCM legislation remains prevalent in municipalities in the NCP, usually due to irregular expenditure and slow consequence management, as action is not taken against officials involved in these financial mismanagement actions.

#### **7.4.9.2 The bidding process to source suppliers to provide services is fair, equitable, transparent, competitive, and cost-effective**

The statement in 7.4.92 aimed to determine whether the bidding process for sourcing suppliers to provide services was fair, equitable, transparent, competitive, and cost-effective. The findings are shown in Table 7.47 below.

**Table 7.47: The bidding process in local municipalities is fair, equitable, transparent, competitive and cost-effective**

| Descriptive Statistics for Q18.2 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.31 | 1.08   | 1.00 | 5.00 | 4.00  | 3.50   | 4.00 | -1.08 | 1.23  | +/- 0.57 |
| Renosterberg                     | 16 | 4.56 | 0.63   | 3.00 | 5.00 | 2.00  | 5.00   | 5.00 | -1.18 | 0.63  | +/- 0.34 |
| Sol Plaatje                      | 26 | 3.08 | 1.09   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.56 | -0.47 | +/- 0.44 |
| Thembelihle                      | 21 | 3.67 | 0.86   | 2.00 | 5.00 | 3.00  | 4.00   | 3.00 | 0.22  | -0.72 | +/- 0.39 |
| Total – SMs                      | 79 | 3.58 | 1.08   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.65 | 0.14  | +/- 0.24 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The mean (3.58), median (4.00), and mode (4.00) values in Table 7.47 indicate that most respondents supported the assertion in statement 7.4.9.2 that the bidding process to source suppliers for services was fair, equitable, transparent, competitive, and cost-effective. The negatively skewed (-0.65) distribution suggests that most respondents also supported the statement in 7.4.9.1. However, despite these results, which may explain the higher level of

respondents' uncertainty, Section 2.6.3 highlighted that 79% of all municipalities in RSA experienced incidents of uncompetitive and unfair procurement processes.

#### 7.4.9.3 Contracts are always given to individuals who are close to politicians and state power

The purpose of the statement in 7.4.9.3 was to examine whether contracts were consistently awarded to individuals with close ties to politicians and state officials. The results are shown in Table 7.48 below.

**Table 7.48: Corruption in the awarding of contracts in local municipalities**

| Descriptive Statistics for Q18.3 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.25 | 0.93   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.57  | -0.12 | +/- 0.50 |
| Renosterberg                     | 16 | 2.56 | 1.26   | 1.00 | 5.00 | 4.00  | 2.50   | 1.00 | 0.29  | -0.87 | +/- 0.67 |
| Sol Plaatje                      | 27 | 3.44 | 1.01   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.08 | 0.06  | +/- 0.40 |
| Thembelihle                      | 21 | 2.76 | 1.45   | 1.00 | 5.00 | 4.00  | 3.00   | 1.00 | 0.13  | -1.29 | +/- 0.66 |
| Total – SMs                      | 80 | 3.05 | 1.21   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.10 | -0.70 | +/- 0.27 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.05), median (3.00), and mode (3.00) in Table 7.48 suggest a nearly symmetrical pattern of uncertainty. This implies that many respondents were unsure whether contracts were often awarded to individuals close to politicians and those in power. The slightly negatively skewed data (-0.10) shows that, although uncertainty was high, support slightly surpassed disagreement regarding the statement. The scepticism and uncertainty about contract awarding are concerning, particularly since Section 217(3) of the Constitution states that contracts should favour those previously disadvantaged by discrimination (Ambe and Badenhorst-Weiss, 2012:8; Molepo and Jahed, 2022:239). In Section 4.8 the literature emphasised that politicians hold considerable power in municipalities, often interfering with administration. This can lead municipal officials to comply with unlawful orders from politicians and engage in corrupt or unethical activities out of fear of victimisation or stunted career growth (Vilakazi and Adetiba, 2020:56-57). These findings may indicate potential irregularities in the awarding of contracts within local municipalities in the NCP.

#### 7.4.9.4 Suppliers are paid on time within the prescribed 30-day period

The statement in 7.4.9.4 assessed whether suppliers were paid within the required 30-day period. The results are shown in Table 7.49 below.

**Table 7.49: Prescribed period for payment of suppliers in local municipalities**

| Descriptive Statistics for Q18.4 |    |      |        |      |      |       |        |      |       |       |         |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| Joe Morolong                     | 16 | 2.75 | 1.24   | 1.00 | 5.00 | 4.00  | 2.50   | 2.00 | 0.54  | -0.45 | +/-0.66 |
| Renosterberg                     | 16 | 3.31 | 0.79   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.25  | 0.13  | +/-0.42 |
| Sol Plaatje                      | 26 | 2.62 | 1.20   | 1.00 | 5.00 | 4.00  | 2.50   | 2.00 | 0.38  | -0.61 | +/-0.49 |
| Thembelihle                      | 21 | 2.24 | 1.09   | 1.00 | 5.00 | 4.00  | 2.00   | 2.00 | 0.75  | 0.49  | +/-0.50 |
| Total – SMs                      | 79 | 2.68 | 1.15   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | 0.29  | -0.59 | +/-0.26 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The mean (2.68), median (3.00), and mode (3.00) values in Table 7.49 indicate a high level of uncertainty about whether suppliers are paid on time within the 30-day period. Most respondents did not agree with the statement in 7.4.9.4, making up 45.6%, but 22.8% supported it, and 31.7% were unsure whether suppliers received payment on time within the 30-day window. These results align with the literature Section 4.8.2.1, which notes that some local municipalities in the PKSDM within the NCP failed to honour the service level agreement terms and did not pay for shared services (Pixley Ka Seme Annual Performance Report 2018/19, 2020:11).

#### 7.4.9.5 There is a general view that SCM is mismanaged, corrupt, and used by some administrative officials in collusion with politicians to enrich themselves

The statement in 7.4.9.5 established whether there was a common view that SCM was poorly managed, corrupt, and exploited by certain administrative officials in collusion with politicians to enrich themselves. The findings are shown in Table 7.50 below.

**Table 7.50: Negative perception about SCM in local municipalities**

| Descriptive Statistics for Q18.5 |    |      |        |      |      |       |        |      |       |       |         |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|---------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI  |
| Joe Morolong                     | 16 | 3.38 | 0.89   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.43  | -0.16 | +/-0.47 |
| Renosterberg                     | 16 | 3.75 | 1.00   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.80 | -0.14 | +/-0.53 |
| Sol Plaatje                      | 27 | 3.33 | 0.83   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.29 | 1.68  | +/-0.33 |

|                    |    |      |      |      |      |      |      |      |       |       |           |
|--------------------|----|------|------|------|------|------|------|------|-------|-------|-----------|
| <b>Thembelihle</b> | 20 | 3.05 | 1.23 | 1.00 | 5.00 | 4.00 | 3.00 | 3.00 | -0.10 | -0.39 | +<br>0.58 |
| <b>Total – SMs</b> | 79 | 3.35 | 1.00 | 1.00 | 5.00 | 4.00 | 3.00 | 3.00 | -0.30 | 0.03  | +<br>0.22 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The central tendency results, in Table 7.50 represented by the mean (3.35), median (3.0), and mode (3.0), suggest a strong leaning towards uncertainty and support for the statement. In line with the findings of agreement and the larger proportion of uncertainty related to the statement, it was emphasised in Section 4.11, that municipalities faced numerous challenges, including corruption and financial mismanagement, inability to generate their own revenue, lack of financial accountability, poor governance, and incapacity to deliver services (Tshishonga, 2021:32).

#### 7.4.9.6 The oversight role exercised by the municipal council on Supply Chain Management is not effective

The statement in 7.4.9.6 aimed to test whether the oversight role exercised by the municipal council on SCM was effective. The findings are shown in Table 7.51 below.

**Table 7.51: The oversight role played by the municipal council on SCM**

| Descriptive Statistics for Q18.6 |    |      |        |      |      |       |        |      |       |       |           |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|-----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI    |
| <b>Joe Morolong</b>              | 16 | 3.31 | 0.87   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | -0.02 | -0.55 | +<br>0.47 |
| <b>Renosterberg</b>              | 16 | 3.13 | 1.54   | 1.00 | 5.00 | 4.00  | 2.50   | 2.00 | 0.14  | -1.72 | +<br>0.82 |
| <b>Sol Plaatje</b>               | 25 | 3.48 | 0.77   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.07  | -0.13 | +<br>0.32 |
| <b>Thembelihle</b>               | 21 | 2.95 | 1.24   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.07 | -0.97 | +<br>0.57 |
| <b>Total – SMs</b>               | 78 | 3.23 | 1.12   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.19 | -0.70 | +<br>0.25 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The above findings in Table 7.51 indicate that the values of the median (3.00) was less than the mean (3.23), and the data distribution was negatively skewed (-0.19). This suggests that there were relatively more respondents who agreed with the statement in 7.4.9.6 than those who disagreed. It also means that most respondents believed the oversight role exercised by the municipal council in SCM was not effective. An argument could be made that this was not convincing enough, as the proportion of respondents who remained unsure was quite substantial. The literature supports these findings, as noted in Section 4.13, where the Auditor-General reported in the audit outcomes of 2017/18 and again in 2019/20 that municipal councils



in the NCP were characterised by weak oversight and a lack of consequence management (AGSA, 2019:14; AGSA, 2021:39).

#### 7.4.10 Functionality of financial controls

##### 7.4.10.1 The municipality has a strong system of financial controls, including policies, procedures, reporting, auditing, and audit reporting processes

The statement in 7.4.10.1 assessed whether the municipalities had a stringent system of financial controls, including policies, procedures, reporting, auditing, and audit reporting processes. The findings are shown in Table 7.52 below.

**Table 7.52: System of financial controls in local municipalities**

| Descriptive Statistics for Q19.1 |           |             |             |             |             |             |             |             |              |              |                 |
|----------------------------------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|-----------------|
| Municipality                     | N         | Mean        | StdDev      | Min         | Max         | Range       | Median      | Mode        | Skew.        | Kurt.        | 95% CI          |
| Joe Morolong                     | 16        | 3.13        | 1.15        | 2.00        | 5.00        | 3.00        | 3.00        | 2.00        | 0.33         | -1.48        | +/- 0.61        |
| Renosterberg                     | 16        | 4.13        | 0.62        | 3.00        | 5.00        | 2.00        | 4.00        | 4.00        | -0.06        | 0.05         | +/- 0.33        |
| Sol Plaatje                      | 27        | 3.44        | 0.85        | 1.00        | 5.00        | 4.00        | 4.00        | 4.00        | -1.04        | 1.50         | +/- 0.34        |
| Thembelihle                      | 21        | 3.52        | 0.87        | 2.00        | 5.00        | 3.00        | 4.00        | 4.00        | -0.33        | -0.41        | +/- 0.40        |
| <b>Total – SMs</b>               | <b>80</b> | <b>3.54</b> | <b>0.93</b> | <b>1.00</b> | <b>5.00</b> | <b>4.00</b> | <b>4.00</b> | <b>4.00</b> | <b>-0.50</b> | <b>-0.29</b> | <b>+/- 0.21</b> |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.54), median (4.00), and mode (4.00) in Table 7.52 indicate that most respondents supported the assertion in statement 7.4.10.1 that municipalities had a robust system of financial controls, including policies, procedures, reporting, auditing, and audit reporting processes. The negatively skewed (-0.50) data distribution suggests that most respondents supported the statement in 7.4.10.1. Contradicting the above findings, the literature in Section 4.13, reported that the AGSA (2021:73) noted a weak control environment in most municipalities in the NCP, which contributes to poor audit outcomes, weak governance, and substandard service delivery. Furthermore, Section 2.5.2.1 emphasised that opportunities for fraud arise from a poor control environment, such as a lack of internal controls (Rezaee, 2019:6).

#### 7.4.10.2 Public officials are aware of the existing financial controls in the municipality

The statement in 7.4.10.2 was made to assess whether public officials were aware of the existing financial controls in the municipalities. The findings are shown in Table 7.53 below.

**Table 7.53: Awareness of the existing financial controls in local municipalities**

| Descriptive Statistics for Q19.2 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.31 | 0.79   | 2.00 | 4.00 | 2.00  | 3.50   | 4.00 | -0.66 | -1.01 | +/- 0.42 |
| Renosterberg                     | 16 | 4.06 | 0.68   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | -0.07 | -0.49 | +/- 0.36 |
| Sol Plaatje                      | 27 | 2.93 | 0.96   | 1.00 | 4.00 | 3.00  | 3.00   | 3.00 | -0.41 | -0.81 | +/- 0.38 |
| Thembelihle                      | 21 | 3.19 | 1.21   | 1.00 | 5.00 | 4.00  | 3.00   | 2.00 | -0.03 | -1.23 | +/- 0.55 |
| Total – SMs                      | 80 | 3.30 | 1.02   | 1.00 | 5.00 | 4.00  | 3.50   | 4.00 | -0.35 | -0.64 | +/- 0.23 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

Table 7.53 shows the values of mean (3.30), median (3.50) and mode (4.00) which suggested that most respondents supported the assertion in statement 7.4.10.2 that the municipalities had a strong system of financial controls, namely policies, procedures, reporting, auditing and reporting procedures. The negatively skewed (-0.35) distribution of data implies that most respondents had supported the statement in 7.4.10.2. that states that they are aware of the existing financial controls in the municipalities.

#### 7.4.10.3 Financial controls are effectively applied in the financial transactions

The statement in 7.4.10.3 assessed whether financial controls were successfully implemented in transactions. The results are shown in Table 7.54 below.

**Table 7.54: Effective application of financial controls in local municipalities**

| Descriptive Statistics for Q19.3 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.25 | 0.86   | 2.00 | 4.00 | 2.00  | 3.50   | 4.00 | -0.55 | -1.43 | +/- 0.46 |
| Renosterberg                     | 16 | 4.31 | 0.60   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | -0.20 | -0.38 | +/- 0.32 |
| Sol Plaatje                      | 27 | 3.11 | 0.75   | 1.00 | 4.00 | 3.00  | 3.00   | 3.00 | -0.78 | 1.10  | +/- 0.30 |
| Thembelihle                      | 21 | 2.86 | 0.91   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | 0.31  | 0.56  | +/- 0.41 |
| Total – SMs                      | 80 | 3.31 | 0.94   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.19 | -0.28 | +/- 0.21 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The mean (3.31), median (3.00), and mode (3.00) in Table 7.54 suggest that, although there was slightly more support for the statement in 7.4.10.3, a significant number of respondents were unsure. There were more responses below the mean than above it. The high level of uncertainty about whether financial controls were effectively applied in transactions aligns with literature in Section 4.13, which states that a weak control environment and poor internal controls in most municipalities within the NCP contribute to poor audit outcomes, weak governance, and substandard service delivery (AGSA, 2021:73).

#### 7.4.10.4 The application of financial controls is disregarded in the use of public funds

The investigation into statement 7.4.10.4 intended to assess if the application of financial controls was disregarded in the use of public funds. The findings are presented in Table 7.55 below.

**Table 7.55: Disregard for the application of financial controls in local municipalities**

| Descriptive Statistics for Q19.4 |    |      |        |      |      |       |        |      |       |       |        |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|--------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI |
| Joe Morolong                     | 16 | 3.19 | 0.83   | 2.00 | 4.00 | 2.00  | 3.00   | 4.00 | -0.39 | -1.44 | +0.44  |
| Renosterberg                     | 16 | 3.06 | 1.44   | 1.00 | 5.00 | 4.00  | 2.00   | 2.00 | 0.34  | -1.67 | +0.77  |
| Sol Plaatje                      | 27 | 3.11 | 0.70   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.58  | 1.10  | +0.28  |
| Thembelihle                      | 21 | 3.00 | 0.77   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.71  | 0.99  | +0.35  |
| Total – SMs                      | 80 | 3.09 | 0.92   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | 0.33  | -0.39 | +0.20  |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

Table 7.55 portrayed the values of the mean (3.09), median (3.00) and mode (3.00) which suggested that most respondents were uncertain if the application of financial controls was disregarded in the use of public funds. The mode is less than the mean, pointing to a positively skewed (0.33) data distribution. In the literature it was accentuated that the AGSA Consolidated General Report on Local Government Audit Outcomes for 2022/23 (AGSA, 2024:12) state that municipal managers must establish and maintain effective internal control systems.

#### 7.4.10.5 Public officials are neither aware of nor familiar with financial controls in the municipality

The statement in 7.4.10.5 was included to assess whether municipal officials were unaware of and/or unfamiliar with financial controls within the municipality. The findings are shown in Table 7.5.6 below.

**Table 7.56: Public officials' awareness of financial controls in the municipality**

| Descriptive Statistics for Q19.5 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.06 | 0.85   | 2.00 | 4.00 | 2.00  | 3.00   | 4.00 | -0.13 | -1.65 | +/- 0.45 |
| Renosterberg                     | 16 | 3.06 | 1.48   | 1.00 | 5.00 | 4.00  | 2.00   | 2.00 | 0.44  | -1.65 | +/- 0.79 |
| Sol Plaatje                      | 26 | 3.23 | 0.86   | 2.00 | 4.00 | 2.00  | 3.50   | 4.00 | -0.49 | -1.50 | +/- 0.35 |
| Thembelihle                      | 21 | 2.52 | 1.03   | 1.00 | 5.00 | 4.00  | 2.00   | 2.00 | 0.54  | 0.34  | +/- 0.47 |
| Total – SMs                      | 79 | 2.97 | 1.07   | 1.00 | 5.00 | 4.00  | 3.00   | 2.00 | 0.18  | -0.92 | +/- 0.24 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (2.97), median (3.00), and mode (2.00) in Table 7.5.6 suggest that the proportion of respondents who disagreed and strongly disagreed with the notion in 7.4.10.4 was higher than those who agreed and strongly agreed. The mode (2.00) is lower than the mean (2.97), indicating that the data distribution was positively skewed (0.18). This implies support for statement 7.4.10.5 was less than the non-support.

#### 7.4.11 Capacity of staff complement

##### 7.4.11.1 The municipality has not been conducting a skills audit to assess the financial management competencies of officials

The statement in 7.4.11.1 was to assess if the municipalities had not been implementing a skills audit to measure the financial management competencies of municipal officials. The findings are presented in Table 7.57 below.

**Table 7.57: Skills audit implementation in local municipalities**

| Descriptive Statistics for Q20.1 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.69 | 1.01   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.59 | -0.53 | +/- 0.54 |
| Renosterberg                     | 16 | 3.31 | 1.08   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.37  | -0.99 | +/- 0.57 |
| Sol Plaatje                      | 27 | 3.19 | 1.08   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.40 | -0.43 | +/- 0.43 |
| Thembelihle                      | 21 | 3.76 | 1.09   | 2.00 | 5.00 | 3.00  | 4.00   | 5.00 | -0.24 | -1.25 | +/- 0.50 |
| Total – SMs                      | 80 | 3.46 | 1.08   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.21 | -0.80 | +/- 0.24 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

Table 7.57 present the values of the mean (3.46), median (4.00), and mode (4.00) which suggest that more respondents supported the assertion in statement 7.4.11.1 that the municipalities had not been implementing a skills audit to measure the financial management competencies of officials. Both the mode (4.00) and the median (4.00) are higher than the mean (3.46), despite the negatively skewed distribution of the data. The measures of central tendency and the negative skewness (-0.21) of the data indicate that there was greater support for the idea that the municipalities had not been implementing a skills audit to assess the financial management competencies of municipal officials.

#### 7.4.11.2 The municipality did not implement sufficient financial training to meet its skills requirements

The statement in 7.4.11.2 aimed to determine whether financial training to address skills needs had not been implemented adequately in the municipalities. The findings are presented in Table 7.58 below.

**Table 7.58: Non-implementation of financial training in the municipalities**

| Descriptive Statistics for Q20.2 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.25 | 1.00   | 2.00 | 5.00 | 3.00  | 3.50   | 4.00 | -0.11 | -1.34 | +/- 0.53 |
| Renosterberg                     | 16 | 2.69 | 0.95   | 2.00 | 5.00 | 3.00  | 2.00   | 2.00 | 1.27  | 0.83  | +/- 0.50 |
| Sol Plaatje                      | 27 | 3.11 | 0.97   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.24 | -0.71 | +/- 0.39 |
| Thembelihle                      | 21 | 3.38 | 1.07   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.21  | -1.12 | +/- 0.49 |
| Total – SMs                      | 80 | 3.13 | 1.01   | 1.00 | 5.00 | 4.00  | 3.00   | 2.00 | 0.20  | -0.99 | +/- 0.22 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.13), the mean (3.00), and the mode (2.00) in Table 7.58 suggest a picture of uncertainty about whether the municipalities had not implemented appropriate financial training to address their skills needs. The mode is lower than the mean, indicating that the data is positively skewed (0.20). This suggests there was no strong support for the statement. In the literature it was emphasised by Links and Draai (2023:1083) that limited institutional capacity hampers service delivery.

#### 7.4.11.3 Funded vacant posts are advertised within six months and filled within the prescribed twelve-month period

The investigation into the statement 7.4.11.3 aimed to determine whether funded vacant posts were advertised within six months and filled within the specified twelve-month period. The results are shown in Table 7.59 below.

**Table 7.59: Advertisement of funded vacant posts in local municipalities**

| Descriptive Statistics for Q20.3 |    |      |        |      |      |       |        |      |       |       |        |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|--------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI |
| Joe Morolong                     | 16 | 2.75 | 1.06   | 1.00 | 5.00 | 4.00  | 2.50   | 2.00 | 0.57  | -0.25 | +0.57  |
| Renosterberg                     | 15 | 3.33 | 0.82   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.17  | -0.03 | +0.45  |
| Sol Plaatje                      | 26 | 2.27 | 1.15   | 1.00 | 5.00 | 4.00  | 2.00   | 2.00 | 0.79  | -0.19 | +0.46  |
| Thembelihle                      | 21 | 1.90 | 1.18   | 1.00 | 5.00 | 4.00  | 1.00   | 1.00 | 1.21  | 0.83  | +0.54  |
| Total – SMs                      | 78 | 2.47 | 1.18   | 1.00 | 5.00 | 4.00  | 2.00   | 2.00 | 0.40  | -0.77 | +0.27  |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

Table 7.59 depicts the values of the mean (2.47), median (2.00), and mode (2.00) which suggest that most respondents did not agree with the assertion that funded vacant posts were advertised within six months and filled within the prescribed twelve months. The mode being less than the mean indicates a positively skewed data distribution (0.40), which further implies that the majority of respondents either disagreed or strongly disagreed that funded vacant posts were advertised within six months and filled within the prescribed period of twelve months.

#### 7.4.11.4 There is a general shortage of staff in the municipality

The statement in 7.4.11.4 examined whether there was a general shortage of staff in the municipalities. The findings are presented in Table 7.60 below.

**Table 7.60: Shortage of staff in the municipalities**

| Descriptive Statistics for Q20.4 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.50 | 1.03   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.41 | -0.99 | +/- 0.55 |
| Renosterberg                     | 14 | 3.43 | 0.94   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.41 | -0.76 | +/- 0.54 |
| Sol Plaatje                      | 27 | 3.63 | 1.18   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.86 | 0.07  | +/- 0.47 |
| Thembelihle                      | 21 | 4.00 | 1.26   | 1.00 | 5.00 | 4.00  | 5.00   | 5.00 | -0.98 | -0.13 | +/- 0.58 |
| Total – SMs                      | 78 | 3.67 | 1.14   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.62 | -0.50 | +/- 0.26 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The mean (3.67), median (4.00), and mode (4.00) values in Table 7.60 suggest that most respondents supported the assertion of a general staff shortage in the municipalities. The negatively skewed (-0.62) distribution of data implies that most respondents agree with the statement in 7.4.11.4. This indicates that respondents either agreed or strongly agreed with the assertion of a general staff shortage in the municipalities. The above findings support the literature presented in Section 2.4.2.5 that ineffective management of funds results from a lack of capacity, skills, and internal financial controls (Fourie and Malan, 2020:14). Additionally, it was emphasised in Section 4.13 that there is a deficiency in skills and competencies within finance units in municipalities in the NCP (AGSA, 2024:132).

#### 7.4.11.5 The municipal employees are aware and familiar with the framework for professionalising the public service in South Africa

The statement in 7.4.11.5 assessed whether municipal employees were knowledgeable and familiar with South Africa's public service professionalisation framework. The results are shown in Table 7.61 below.

**Table 7.61: Awareness of the professionalisation framework in the local municipalities**

| Descriptive Statistics for Q20.5 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 2.69 | 1.20   | 1.00 | 4.00 | 3.00  | 2.50   | 4.00 | -0.11 | -1.60 | +/- 0.64 |
| Renosterberg                     | 16 | 4.25 | 0.68   | 3.00 | 5.00 | 2.00  | 4.00   | 4.00 | -0.36 | -0.59 | +/- 0.36 |
| Sol Plaatje                      | 27 | 3.07 | 1.14   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.32 | -0.63 | +/- 0.45 |
| Thembelihle                      | 21 | 3.00 | 1.10   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | 0.00  | -0.13 | +/- 0.50 |
| Total – SMs                      | 80 | 3.21 | 1.18   | 1.00 | 5.00 | 4.00  | 3.00   | 4.00 | -0.33 | -0.73 | +/- 0.26 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.21), median (3.00), and mode (4.00) in Table 7.61 indicate that most respondents were in support of the statement. The negatively skewed (-0.33) distribution suggests that most respondents agreed that municipal employees were aware of and familiar with the framework for the professionalisation of the public service in South Africa.

#### 7.4.12 Stability in senior management positions

##### 7.4.12.1 Senior management positions are advertised within six months and filled within the prescribed period of twelve months

The statement in 7.4.12.1 was examined to determine if senior management positions are advertised within six months and filled within the prescribed twelve-month period. The findings are presented in Table 7.62 below.

**Table 7.62: Advertisement and filling of senior management positions in local municipalities**

| Descriptive Statistics for Q21.1 |    |      |        |      |      |       |        |      |       |       |           |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|-----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI    |
| Joe Morolong                     | 16 | 2.75 | 1.18   | 1.00 | 5.00 | 4.00  | 2.50   | 2.00 | 0.28  | -0.86 | +<br>0.63 |
| Renosterberg                     | 16 | 3.31 | 0.95   | 2.00 | 5.00 | 3.00  | 3.00   | 3.00 | 0.35  | -0.47 | +<br>0.50 |
| Sol Plaatje                      | 25 | 2.16 | 1.07   | 1.00 | 4.00 | 3.00  | 2.00   | 2.00 | 0.55  | -0.85 | +<br>0.44 |
| Thembelihle                      | 21 | 2.10 | 1.00   | 1.00 | 4.00 | 3.00  | 2.00   | 1.00 | 0.47  | -0.77 | +<br>0.45 |
| Total – SMs                      | 78 | 2.50 | 1.14   | 1.00 | 5.00 | 4.00  | 2.00   | 2.00 | 0.33  | -0.79 | +<br>0.26 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

As shown in Table 7.62 the values of the mean (2.50), median (2.00), and mode (2.00) suggest that most respondents did not support this notion. The mode is less than the mean, indicating that the distribution of data was positively skewed (0.33), which further suggests that most respondents either disagreed or strongly disagreed that funded vacant posts were advertised within six months and filled within the prescribed twelve months.



#### 7.4.12.2 Senior management positions are not advertised within six months or filled within the prescribed period of twelve months

The statement 7.4.12.2 determined whether senior management positions were not advertised within six months or filled within the prescribed period of twelve months. The findings are presented in Table 7.63 below.

**Table 7.63: Senior management positions were not advertised within six months or filled within the prescribed period of twelve months**

| Descriptive Statistics for Q21.2 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.44 | 0.89   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.43 | -0.61 | +/- 0.48 |
| Renosterberg                     | 16 | 3.50 | 0.97   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.25 | -0.74 | +/- 0.51 |
| Sol Plaatje                      | 25 | 3.92 | 1.08   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -0.70 | -0.68 | +/- 0.44 |
| Thembelihle                      | 21 | 3.43 | 1.21   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.19 | -0.88 | +/- 0.55 |
| Total – SMs                      | 78 | 3.60 | 1.06   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -0.34 | -0.84 | +/- 0.24 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.60), median (4.00), and mode (4.00) in Table 7.63 suggest that most respondents believed senior management positions were not advertised within six months, nor were they filled within the prescribed twelve-month period. The mode being higher than the mean indicates that the data distribution was negatively skewed (-0.34), further suggesting that most respondents either agreed or strongly agreed with the notion expressed in 7.4.12.2.

#### 7.4.12.3 Rotations in acting positions at the senior management level are frequent

The statement in 7.4.12.3 identified whether there were frequent rotations in acting positions at the senior management level. The findings are shown in Table 7.64 below.

**Table 7.64: Rotations in acting positions in local municipalities**

| Descriptive Statistics for Q21.3 |    |      |        |      |      |       |        |      |       |       |          |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95% CI   |
| Joe Morolong                     | 16 | 3.69 | 1.01   | 1.00 | 5.00 | 4.00  | 4.00   | 4.00 | -1.46 | 2.57  | +/- 0.54 |
| Renosterberg                     | 16 | 4.00 | 0.97   | 2.00 | 5.00 | 3.00  | 4.00   | 4.00 | -1.01 | 0.64  | +/- 0.51 |
| Sol Plaatje                      | 25 | 3.00 | 1.26   | 1.00 | 5.00 | 4.00  | 3.00   | 2.00 | 0.14  | -1.32 | +/- 0.52 |
| Thembelihle                      | 21 | 2.90 | 1.34   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | 0.05  | -1.00 | +/- 0.61 |

|                    |    |      |      |      |      |      |      |      |       |       |           |
|--------------------|----|------|------|------|------|------|------|------|-------|-------|-----------|
| <b>Total – SMs</b> | 78 | 3.32 | 1.24 | 1.00 | 5.00 | 4.00 | 4.00 | 4.00 | -0.39 | -0.98 | +<br>0.28 |
|--------------------|----|------|------|------|------|------|------|------|-------|-------|-----------|

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

The values of the mean (3.32), median (4.00) and mode (4.00) in Table 7.64 imply that most respondents supported the notion in 7.4.12.3. The mode is larger than the mean, indicating that the distribution of data was negatively skewed (-0.39), and this further suggests that most respondents agreed or strongly agreed that there were frequent rotations in acting positions at the senior management level.

#### 7.4.12.4 The attrition rate is high among senior managers, where some serve for a brief period

The statement in 7.4.12.4 examined whether the attrition rate was notably high among senior managers, some of whom served in the role for a brief period. The results are displayed in Table 7.65 below.

**Table 7.65: High attrition rate among senior managers in local municipalities**

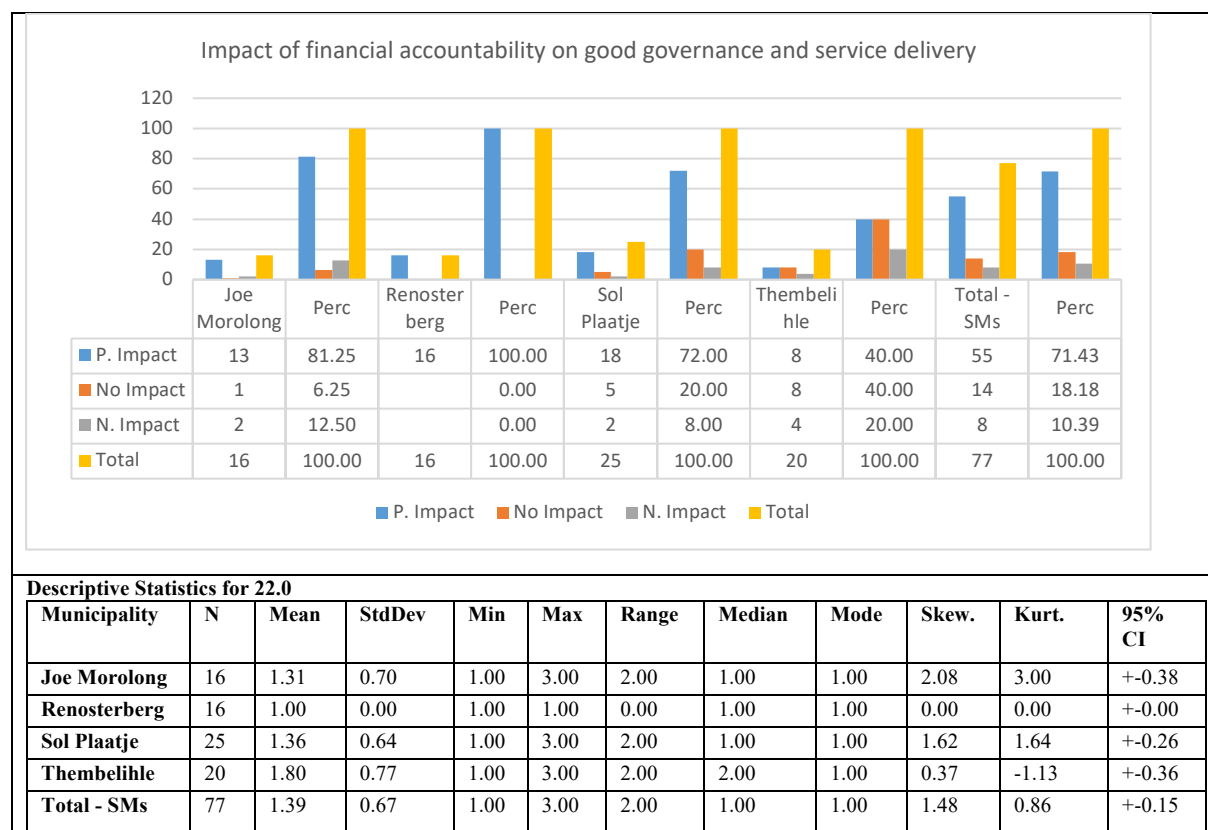
| Descriptive Statistics for Q21.4 |    |      |        |      |      |       |        |      |       |       |           |
|----------------------------------|----|------|--------|------|------|-------|--------|------|-------|-------|-----------|
| Municipality                     | N  | Mean | StdDev | Min  | Max  | Range | Median | Mode | Skew. | Kurt. | 95%<br>CI |
| <b>Joe Morolong</b>              | 16 | 2.50 | 1.03   | 1.00 | 5.00 | 4.00  | 2.00   | 2.00 | 0.83  | 1.11  | +<br>0.55 |
| <b>Renosterberg</b>              | 16 | 4.44 | 0.73   | 3.00 | 5.00 | 2.00  | 5.00   | 5.00 | -0.94 | -0.28 | +<br>0.39 |
| <b>Sol Plaatje</b>               | 24 | 3.08 | 1.10   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | 0.04  | -0.10 | +<br>0.46 |
| <b>Thembelihle</b>               | 21 | 3.10 | 1.00   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.21 | 1.20  | +<br>0.45 |
| <b>Total – SMs</b>               | 77 | 3.25 | 1.17   | 1.00 | 5.00 | 4.00  | 3.00   | 3.00 | -0.05 | -0.64 | +<br>0.26 |

(Source: Adapted from MoonStats (2005), DATAtab (2023), and SPSS)

As depicted in Table 7.65 the values of the mean (3.25), median (3.00), and mode (3.00) suggest that most respondents were unsure whether the attrition rate was high among senior managers, especially since some of them served for only a short period. The data distribution is negatively skewed (-0.05), indicating that, despite considerable uncertainty, slightly more respondents supported the statement in 7.4.12.4 than those holding a contrary view.

### 7.4.13 Assessing the impact of financial accountability on good governance and service delivery efficiency in the selected municipalities of the NCP

The statement in 7.4.13 was examined in order to assess the impact of financial accountability on good governance and service delivery efficiency in the selected municipalities of NCP. The results of the findings are presented in Figure 7.1 below.



(Source: Adapted from MoonStats, 2005 and DATAtab, 2023 and SPSS)

**Figure 7.1 Impact assessment of financial accountability in local municipalities**

The results of the findings in Figure 7.1 serves as a summative presentation of the outcome of this research study. The results of this investigation demonstrate that all the municipalities except for Thembelihle Local Municipality supported the statement that financial accountability impacts on good governance and public service delivery efficiency in municipalities in the NCP. Most of the respondents constituting 71.4% of the respondents affirmed the assertion that financial accountability had a positive impact on good governance and public service delivery efficiency. Those that held a contrary view believed that financial accountability had no impact (18.2%) to negative impact (10.4%) on good governance and public service delivery efficiency in municipalities.

## Summary of descriptive statistical analysis and interpretation of central tendency in Figure 7.1

The above findings show that the larger proportion of the respondents (71.4%) supported the statement that financial accountability had a positive impact on good governance and public service delivery efficiency. The value of median is smaller than the mean and this an indication of less data above the mean. The frequently repeated value was 1.00 and this suggested that most respondents marked one (1) (code for positive impact) during the investigation. The values of central tendency indicated that most respondents affirmed that financial accountability had a positive impact on good governance and public service delivery efficiency. The succeeding Section, 7.5 sought to present inferential statistical analysis of the tested hypotheses in order to demonstrate the significance of the relationship between financial accountability and good governance and public service delivery efficiency.

### 7.5 ANALYSIS OF INFERENTIAL STATISTICS

Similar to Section 6.5, this part presents an inferential statistical analysis based on the alternative hypotheses outlined in Section 1.4.2.1. The hypotheses were tested using Spearman's correlation coefficient through an inferential approach. This analysis was performed with SPSS software and supported by an experienced statistician. As mentioned in Section 6.5, DATAtab and, to a lesser degree, MoonStats software were also used to supplement SPSS. According to MoonStats (2005) and DATAtab (2023), Spearman correlation evaluates the strength of the relationship between two continuous variables. As expressed in Section 6.5, the value of the correlation ranges from -1 (simple and negative linear relationship) to +1 (simple and positive linear relationship). The parameters used to interpret the findings on the level of significance is anything between 0,01 and 0,05 whereas the null hypothesis is rejected when the value is closer to 0,000. Levels of correlation coefficient values are listed below:

- **Perfect correlation:** if the correlation coefficient value is near  $\pm 1$ .
- **High degree of correlation:** if the correlation coefficient value is between  $\pm 0,50$  and  $\pm 1$ .
- **Moderate degree of correlation:** if the correlation coefficient value is between  $\pm 0,30$  and  $\pm 0,50$ .
- **Low degree of correlation:** if the correlation coefficient value is between 0 and  $\pm 0,30$ .
- **No correlation:** if the correlation coefficient value is 0.

The correlation analysis focused on the alternative hypotheses detailed in Section 5.2. It was emphasised in Sections 5.2 and 6.5 that, in cases where no correlation exists, the null

hypothesis ( $H_0$ ), must be accepted; if there is a positive and significant correlation between the variables, then the first alternative hypothesis ( $H_{a1}$ ) should be accepted; and if there is a negative and significant correlation, then the second alternative hypothesis ( $H_{a2}$ ) should be accepted. The findings and results related to the alternative hypotheses ( $H_{a1}$ ) are discussed below.

#### **7.5.1 Alternative Hypothesis $H_{1a1}$ . There is a positive and statistically significant relationship between financial accountability and the financial performance outcomes of the selected municipalities in the NCP**

The assessment of the hypothesis in 7.5.1 was based on the cross-tabulation between “Financial accountability influences the financial performance outcomes” (Q17) and “public service delivery efficiency” (Q16). The findings of Spearman’s correlation were derived using MoonStats (2005) statistical software and verified by DATAtab (2023) statistical software. According to both MoonStats and DATAtab, the Spearman cross-tabulation between the statements (Q17.1) “Effective financial accountability improves the overall financial performance outcomes in the municipality” (Q16.1) and “The municipal officials encourage efficient service delivery through the promotion of financial accountability” (Q16.1) resulted in a Spearman rank order correlation for Q17.1 and Q16.1 as:

- $\rho = 0,44$
- $n = 79$
- $p = 0,000$

This indicates that the value of  $\rho$  is 0.44, which can be considered a moderately strong positive correlation. The p-value is 0.000, indicating that the correlation is statistically significant. This suggests that Q17.1 and Q16.1 are positively and significantly correlated at the 1% level ( $\rho = 0.44$ ;  $p = 0.000$ ).

**Summary of the findings of the alternative hypothesis  $H_{1a1}$ .** The inferential analysis using Spearman correlation revealed a significant, moderately positive relationship with the statements above, supporting the acceptance of the alternative hypothesis  $H_{1a1}$ .

### 7.5.2 Alternative Hypothesis H2<sub>a1</sub>. There is a positive and statistically significant relationship between financial accountability and the promotion of good governance in the selected municipalities in the NCP

The hypothesis assessment in 7.5.2 relied on cross-tabulation of “financial accountability” (Q11) and good governance principles (Q15) from the research questionnaire. This analysis was supported by Spearman correlations calculated using SPSS statistical software. To better understand the strength of the relationships between Q11 and Q15, additional cross-tabulations were presented in tables and analysed.

#### 7.5.2.1 The strength of the correlation between Q11.1 and Q15.1

- Q11.1, linked to financial accountability, refers to “The municipality uses the public funds according to the budget to prioritise the basic needs of the community” and
- Q15.1, linked to good governance, refers to “The municipality promotes public participation through various methods such as road shows, advocacy programmes and community meetings.” To illustrate the above cross-tabulation between Q11.1 and Q15.1, Table 7.66 below depicts the strength of this association.

**Table 7.66: Spearman correlation between the use of public funds according to the budget for community needs and public participation**

| Municipality                         | Measurement          | Type of Correlation  | Value | Asymptotic Standard Error <sup>a</sup> | Approximate T <sup>b</sup> | Approximate Significance |
|--------------------------------------|----------------------|----------------------|-------|----------------------------------------|----------------------------|--------------------------|
| LG Sol Plaatje District Municipality | Interval by Interval | Pearson's R          | .296  | .188                                   | 1.520                      | .142 <sup>c</sup>        |
|                                      | Ordinal by Ordinal   | Spearman Correlation | .303  | .194                                   | 1.556                      | .133 <sup>c</sup>        |
|                                      | N of Valid Cases     |                      | 26    |                                        |                            |                          |
| Thembelihle District Municipality    | Interval by Interval | Pearson's R          | .396  | .194                                   | 1.880                      | .075 <sup>c</sup>        |
|                                      | Ordinal by Ordinal   | Spearman Correlation | .394  | .211                                   | 1.868                      | .077 <sup>c</sup>        |
|                                      | N of Valid Cases     |                      | 21    |                                        |                            |                          |
| Renosterberg District Municipality   | Interval by Interval | Pearson's R          | .705  | .148                                   | 3.585                      | .003 <sup>c</sup>        |
|                                      | Ordinal by Ordinal   | Spearman Correlation | .673  | .169                                   | 3.284                      | .006 <sup>c</sup>        |
|                                      | N of Valid Cases     |                      | 15    |                                        |                            |                          |

|                                       |                      |                      |      |      |       |                   |
|---------------------------------------|----------------------|----------------------|------|------|-------|-------------------|
| LG Joe Morolong District Municipality | Interval by Interval | Pearson's R          | .555 | .130 | 2.494 | .026 <sup>c</sup> |
|                                       | Ordinal by Ordinal   | Spearman Correlation | .601 | .122 | 2.813 | .014 <sup>c</sup> |
|                                       | N of Valid Cases     |                      | 16   |      |       |                   |
| Total                                 | Interval by Interval | Pearson's R          | .536 | .100 | 5.540 | .000 <sup>c</sup> |
|                                       | Ordinal by Ordinal   | Spearman Correlation | .564 | .087 | 5.960 | .000 <sup>c</sup> |
|                                       | N of Valid Cases     |                      | 78   |      |       |                   |

Below is a summary of the interpretation of the Spearman's correlation analysis results, excluding Pearson's R, for each local municipality:

#### **Sol Plaatje Local Municipality**

Spearman Correlation: 0.303, with a standard error of 0.194, resulting in a T-value of 1.556 and a significance level (p-value) of 0.133.

**Interpretation:** This indicated a weak to moderate positive correlation that is not statistically significant ( $p = 0.133$ ). There is no substantial evidence of a meaningful relationship in this municipality.

#### **Thembelihle Local Municipality**

Spearman Correlation: 0.394, with a standard error of 0.211, resulting in a T-value of 1.868 and a significance level (p-value) of 0.077.

**Interpretation:** This indicated a moderate positive correlation that is marginally non-significant ( $p = 0.077$ ). The relationship could be meaningful, but it is not confirmed with high confidence.

#### **Renosterberg Local Municipality**

Spearman Correlation: 0.673, with a standard error of 0.169, resulting in a T-value of 3.284 and a significance level (p-value) of 0.006.

Interpretation: This indicated a strong positive correlation that is statistically significant ( $p = 0.006$ ). There is a meaningful relationship in this municipality.

#### **Joe Morolong Local Municipality**

Spearman Correlation: 0.601, with a standard error of 0.122, resulting in a T-value of 2.813 and a significance level (p-value) of 0.014.

Interpretation: This indicated a strong positive correlation that is statistically significant ( $p = 0.014$ ). There is a meaningful relationship in this municipality.

#### **Summary of consolidated analysis of all selected municipalities**

Spearman Correlation: Across all municipalities, the overall Spearman correlation is 0.564 with a standard error of 0.087, resulting in a T-value of 5.960 and a significance level (p-value) of 0.000.

Interpretation: The findings reveal a higher degree positive correlation that is highly statistically significant ( $p = 0.000$ ). Overall, a clear, strong to moderate positive correlation is observed, which is statistically significant when considering all municipalities combined.

### 7.5.2.2 The strength of the correlation between Q11.1 and Q15.2

Q11.1, linked to financial accountability, refers to “The municipality uses the public funds according to the budget to prioritise the basic needs of the community” and

Q15.2, linked to good governance, refers to “Financial information and reports are readily accessible through the municipal website.” To illustrate the above cross-tabulation between Q11.1 and Q15.2, Table 7.67 below depicts the strength of this association.

**Table 7.67: Spearman correlation between the use of public funds for community needs and transparent financial reporting**

| Municipality                          | Measurement          | Type of Correlation  | Value | Asymptotic Standard Error <sup>a</sup> | Approximate T <sup>b</sup> | Approximate Significance |
|---------------------------------------|----------------------|----------------------|-------|----------------------------------------|----------------------------|--------------------------|
| LG Sol Plaatje District Municipality  | Interval by Interval | Pearson's R          | .379  | .173                                   | 2.005                      | .056 <sup>c</sup>        |
|                                       | Ordinal by Ordinal   | Spearman Correlation | .361  | .192                                   | 1.894                      | .070 <sup>c</sup>        |
|                                       | N of Valid Cases     |                      | 26    |                                        |                            |                          |
| Thembelihle District Municipality     | Interval by Interval | Pearson's R          | .291  | .225                                   | 1.326                      | .201 <sup>c</sup>        |
|                                       | Ordinal by Ordinal   | Spearman Correlation | .321  | .242                                   | 1.477                      | .156 <sup>c</sup>        |
|                                       | N of Valid Cases     |                      | 21    |                                        |                            |                          |
| Renosterberg District Municipality    | Interval by Interval | Pearson's R          | -.361 | .235                                   | -1.394                     | .187 <sup>c</sup>        |
|                                       | Ordinal by Ordinal   | Spearman Correlation | -.413 | .233                                   | -1.633                     | .126 <sup>c</sup>        |
|                                       | N of Valid Cases     |                      | 15    |                                        |                            |                          |
| LG Joe Morolong District Municipality | Interval by Interval | Pearson's R          | .542  | .171                                   | 2.416                      | .030 <sup>c</sup>        |
|                                       | Ordinal by Ordinal   | Spearman Correlation | .509  | .205                                   | 2.214                      | .044 <sup>c</sup>        |
|                                       | N of Valid Cases     |                      | 16    |                                        |                            |                          |
| Total                                 | Interval by Interval | Pearson's R          | .278  | .126                                   | 2.521                      | .014 <sup>c</sup>        |
|                                       | Ordinal by Ordinal   | Spearman Correlation | .242  | .127                                   | 2.174                      | .033 <sup>c</sup>        |
|                                       | N of Valid Cases     |                      | 78    |                                        |                            |                          |

Below is a summary of the interpretation of the findings of the analysis of Spearman's correlation results, excluding Pearson's R, for each local municipality:

#### **Sol Plaatje Local Municipality:**

Spearman Correlation: 0.361, with a standard error of 0.192, resulting in a T-value of 1.894 and a significance level (p-value) of 0.070.



Interpretation: This indicated a moderate positive correlation ( $r = 0.361$ ) that is close to statistical significance ( $p = 0.070$ ). The relationship is noteworthy but not definitively significant.

#### **Thembelihle Local Municipality**

Spearman Correlation: 0.321, with a standard error of 0.242, resulting in a T-value of 1.477 and a significance level (p-value) of 0.156.

Interpretation: This indicated a weak to moderate positive correlation ( $r = 0.242$ ) that is not statistically significant ( $p = 0.156$ ). There is no strong evidence of a meaningful relationship in this municipality.

#### **Renosterberg Local Municipality**

**Spearman Correlation:** -0.413, with a standard error of 0.233, resulting in a T-value of -1.633 and a significance level (p-value) of 0.126.

**Interpretation:** This indicated a moderate negative correlation ( $r = -0.413$ ) that is not statistically significant ( $p = 0.126$ ). The data do not strongly support the existence of a relationship.

#### **Joe Morolong Local Municipality**

Spearman Correlation: 0.509, with a standard error of 0.205, resulting in a T-value of 2.214 and a significance level (p-value) of 0.044.

Interpretation: This indicated a strong positive correlation ( $r = 0.509$ ) that is statistically significant ( $p = 0.044$ ). There is a meaningful relationship in this municipality.

#### **Summary of consolidated analysis of all selected municipalities**

**Spearman Correlation:** Across all municipalities, the overall Spearman correlation is 0.242 with a standard error of 0.127, resulting in a T-value of 2.174 and a significance level (p-value) of 0.033.

**Interpretation:** This indicated a low positive correlation that is statistically significant ( $p = 0.033$ ). A meaningful overall relationship exists when considering all municipalities combined.

**Summary of the findings of the alternative hypothesis  $H_{2a1}$ .** Based on the Spearman correlation analysis of the two Figures, the results suggest that although some municipalities display differing levels of significance, the overall data reveal a weak to strong positive correlation that is statistically significant. Therefore, the alternative hypothesis  $H_{2a1}$  was accepted.

### 7.5.3 Alternative Hypothesis H3<sub>a1</sub>. There is a positive and statistically significant relationship between financial accountability and the implementation of key financial legislation and treasury and SCM regulations of the selected municipalities in the NCP

The assessment of the hypothesis in 7.5.3 was based on the cross-tabulation between “financial accountability (Q11.1) and “principles of good governance” provided in (Q15.4) of the research questionnaire. Although Q15 addresses “principles of good governance”, Q15.4 was specifically singled out because this aspect of good governance addresses issues of compliance with legislative frameworks. The above presentation illustrates the cross-tabulation between Q11.1 and Q15.4, generated using the SPSS statistical software package, and includes the Spearman and Pearson correlations. To further assess the strength of the associations between Q11.1 and Q15.4, the cross-tabulation is shown in tabular form and then interpreted. As mentioned in the previous section, the interpretation focused mainly on the Spearman rank correlation because of the ordinal-by-ordinal measurement level, which was used to test the strength of the association between the variables, as shown in Table 7.68 below.

#### The strength of the correlation between Q11.1 and Q15.4:

Q11.1, linked to financial accountability, refers to “The municipality uses the public funds according to the budget to prioritise the basic needs of the community.”

Q15.4, connected to good governance, refers to “administrative staff and councillors are continuously trained and educated on relevant legislative frameworks, policies and regulations to ensure compliance.”

**Table 7.68: Spearman correlation on the use of public funds for community needs and training on legislative frameworks to ensure compliance**

| Municipality                         | Measurement          | Correlation          | Value | Asymptotic Standard Error <sup>a</sup> | Approximate T <sup>b</sup> | Approximate Significance |
|--------------------------------------|----------------------|----------------------|-------|----------------------------------------|----------------------------|--------------------------|
| LG Sol Plaatje District Municipality | Interval by Interval | Pearson's R          | .380  | .212                                   | 2.010                      | .056 <sup>c</sup>        |
|                                      | Ordinal by Ordinal   | Spearman Correlation | .300  | .212                                   | 1.540                      | .137 <sup>c</sup>        |
|                                      | N of Valid Cases     |                      | 26    |                                        |                            |                          |
| Thembelihle District Municipality    | Interval by Interval | Pearson's R          | .337  | .209                                   | 1.561                      | .135 <sup>c</sup>        |
|                                      | Ordinal by Ordinal   | Spearman Correlation | .322  | .229                                   | 1.481                      | .155 <sup>c</sup>        |
|                                      | N of Valid Cases     |                      | 21    |                                        |                            |                          |
| Renosterberg District Municipality   | Interval by Interval | Pearson's R          | .670  | .173                                   | 3.252                      | .006 <sup>c</sup>        |
|                                      | Ordinal by Ordinal   | Spearman Correlation | .549  | .227                                   | 2.370                      | .034 <sup>c</sup>        |
|                                      | N of Valid Cases     |                      | 15    |                                        |                            |                          |
|                                      | Interval by Interval | Pearson's R          | .335  | .256                                   | 1.328                      | .205 <sup>c</sup>        |

|                                |                      |                      |      |      |       |                   |
|--------------------------------|----------------------|----------------------|------|------|-------|-------------------|
| LG Joe                         | Ordinal by Ordinal   | Spearman Correlation | .369 | .271 | 1.484 | .160 <sup>c</sup> |
| Morolong District Municipality | N of Valid Cases     |                      | 16   |      |       |                   |
| Total                          | Interval by Interval | Pearson's R          | .512 | .103 | 5.201 | .000 <sup>c</sup> |
|                                | Ordinal by Ordinal   | Spearman Correlation | .507 | .102 | 5.123 | .000 <sup>c</sup> |
|                                | N of Valid Cases     |                      | 78   |      |       |                   |

Below is a summary of the interpretation of the findings of the analysis of Spearman's correlation results, excluding Pearson's R, for each local municipality:

#### **Sol Plaatje Local Municipality**

- **Spearman Correlation:** 0.300, with a standard error of 0.212, resulting in a T-value of 1.540 and a significance level (p-value) of 0.137.
- **Interpretation:** This indicated a moderate positive correlation that is not statistically significant ( $p = 0.137$ ). The relationship is not strong enough to be considered significant in this municipality.

#### **Thembelihle Local Municipality**

Spearman Correlation: 0.322, with a standard error of 0.229, resulting in a T-value of 1.481 and a significance level (p-value) of 0.155.

Interpretation: This indicated a moderate positive correlation ( $r = 0.322$ ) that is also not statistically significant ( $p = 0.155$ ). There is some correlation, but it is not strong enough to be considered significant.

#### **Renosterberg Local Municipality**

Spearman Correlation: 0.549, with a standard error of 0.227, resulting in a T-value of 2.370 and a significance level (p-value) of 0.034.

Interpretation: This indicated a strong positive correlation ( $r = 0.549$ ) that is statistically significant ( $p = 0.034$ ). The relationship is meaningful and significant in this municipality.

#### **Joe Morolong Local Municipality**

Spearman Correlation: 0.369, with a standard error of 0.271, resulting in a T-value of 1.484 and a significance level (p-value) of 0.160.

Interpretation: This indicated a moderate positive correlation ( $r = 0.369$ ) that is not statistically significant ( $p = 0.160$ ). The relationship is not significant in this municipality.

#### **Summary of consolidated analysis of all selected municipalities**

Spearman Correlation: Across all municipalities, the overall Spearman correlation is 0.507 with a standard error of 0.102, resulting in a T-value of 5.123 and a significance level (p-value) of 0.000.

Interpretation: This indicated a high degree of positive correlation ( $r = 0.507$ ) that is highly statistically significant ( $p = 0.000$ ). The relationship is meaningful and highly significant when considering all municipalities combined.

**Summary of the findings of the alternative hypothesis H3a<sub>1</sub>.** While some individual municipalities show varying levels of significance, the overall data indicated a strong positive correlation that is highly significant when considering all municipalities combined; therefore, the alternative hypothesis H3a<sub>1</sub> was accepted.

#### **7.5.4 Alternative Hypothesis H4a<sub>1</sub>. There is a positive and statistically significant relationship between financial accountability and the effectiveness of financial controls of the selected municipalities in the NCP**

The assessment of the hypothesis in 7.5.4 was based on the cross-tabulation between “financial accountability” (Q11.1) “The municipality uses the public funds according to the budget to prioritise the basic needs of the community” and “principles of good governance” provided in Q15.6 “Effective internal controls are enforced to prevent fraud and corruption within the municipality” of the research questionnaire. Although Q15 emphasises “good governance, ” Q15.6 was highlighted because this aspect specifically concerns compliance with legislative frameworks, such as having effective internal controls to prevent fraud and corruption. The cross-tabulation between Q11.1 and Q15.6 was generated using SPSS software, involving Spearman and Pearson correlations. To further assess the strength of the relationship between Q11.1 and Q15.6, a detailed cross-tabulation was presented in tabular form and interpreted accordingly. As previously mentioned, the interpretation mainly relied on Spearman rank correlation, given the ordinal nature of the data, as shown in Table 7.69.

#### **The strength of the correlation between Q11.1 and Q15.6:**

Q11.1, associated with financial accountability, refers to “The municipality uses the public funds according to the budget to prioritise the basic needs of the community”

Q15.6, associated with good governance and legislative policies, refers to “Effective internal controls are enforced to prevent fraud and corruption within the municipality.”

**Table 7.69: Spearman correlation on the use of funds for community needs and financial controls**

| Municipality                         | Measurement          | Type of Correlation  | Value | Asymptotic Standard Error <sup>a</sup> | Approximate T <sup>b</sup> | Approximate Significance |
|--------------------------------------|----------------------|----------------------|-------|----------------------------------------|----------------------------|--------------------------|
| LG Sol Plaatje District Municipality | Interval by Interval | Pearson's R          | .239  | .231                                   | 1.204                      | .240 <sup>c</sup>        |
|                                      | Ordinal by Ordinal   | Spearman Correlation | .175  | .224                                   | .873                       | .391 <sup>c</sup>        |
| N of Valid Cases                     |                      |                      | 26    |                                        |                            |                          |

|                                       |                      |                      |      |      |       |                   |
|---------------------------------------|----------------------|----------------------|------|------|-------|-------------------|
| Thembelihle District Municipality     | Interval by Interval | Pearson's R          | .290 | .200 | 1.323 | .201 <sup>c</sup> |
|                                       | Ordinal by Ordinal   | Spearman Correlation | .275 | .220 | 1.245 | .228 <sup>c</sup> |
|                                       | N of Valid Cases     |                      | 21   |      |       |                   |
| Renosterberg District Municipality    | Interval by Interval | Pearson's R          | .474 | .251 | 1.939 | .074 <sup>c</sup> |
|                                       | Ordinal by Ordinal   | Spearman Correlation | .475 | .241 | 1.945 | .074 <sup>c</sup> |
|                                       | N of Valid Cases     |                      | 15   |      |       |                   |
| LG Joe Morolong District Municipality | Interval by Interval | Pearson's R          | .220 | .264 | .843  | .413 <sup>c</sup> |
|                                       | Ordinal by Ordinal   | Spearman Correlation | .240 | .273 | .927  | .370 <sup>c</sup> |
|                                       | N of Valid Cases     |                      | 16   |      |       |                   |
| Total                                 | Interval by Interval | Pearson's R          | .457 | .101 | 4.478 | .000 <sup>c</sup> |
|                                       | Ordinal by Ordinal   | Spearman Correlation | .448 | .103 | 4.372 | .000 <sup>c</sup> |
|                                       | N of Valid Cases     |                      | 78   |      |       |                   |

Below is a summary of the interpretation of the findings of the analysis of Spearman's correlation results, excluding Pearson's R, for each local municipality:

### **Sol Plaatje Local Municipality**

Spearman Correlation: 0.175, with a standard error of 0.224, resulting in a T-value of 0.873 and a significance level (p-value) of 0.391.

Interpretation: This indicated a low positive correlation ( $r = 0.175$ ) that is not statistically significant ( $p = 0.391$ ). The relationship in this municipality is not strong and lacks statistical significance.

### **Thembelihle Local Municipality**

Spearman Correlation: 0.275, with a standard error of 0.220, resulting in a T-value of 1.245 and a significance level (p-value) of 0.228.

Interpretation: This indicated a moderate positive correlation ( $r = 0.275$ ) that is not statistically significant ( $p = 0.228$ ). The correlation is present but not strong enough to be considered significant.

### **Renosterberg Local Municipality**

Spearman Correlation: 0.475, with a standard error of 0.241, resulting in a T-value of 1.945 and a significance level (p-value) of 0.074.

Interpretation: This indicated a moderate positive correlation ( $r = 0.475$ ) that is close to statistical significance ( $p = 0.074$ ). The relationship is relatively strong, though it does not quite meet the typical threshold for significance.

### **Joe Morolong Local Municipality**

Spearman Correlation: 0.240, with a standard error of 0.273, resulting in a T-value of 0.927 and a significance level (p-value) of 0.370.

Interpretation: This indicated a low positive correlation ( $r = 0.240$ ) that is not statistically significant ( $p = 0.370$ ). The relationship is weak and lacks statistical significance.

### **Summary of consolidated analysis of all selected municipalities**

Spearman Correlation: Across all municipalities, the overall Spearman correlation is 0.448 with a standard error of 0.103, resulting in a T-value of 4.372 and a significance level (p-value) of 0.000.

Interpretation: This indicated a moderate to strong positive correlation ( $r = 0.448$ ) that is statistically significant ( $p < 0.001$ ). The relationship is meaningful and significant when considering all municipalities combined.

**Summary of the findings of the alternative hypothesis H4<sub>a1</sub>.** Although individual municipalities display different levels of significance, the combined data across all municipalities reveal a moderate to strong positive correlation that is both meaningful and significant. Consequently, the alternative hypothesis H4<sub>a1</sub> was accepted.

#### **7.5.5 Alternative Hypothesis H5<sub>a1</sub> There is a positive and statistically significant relationship between financial accountability and the delivery of public service efficiency of the selected municipalities in the NCP**

The assessment of the hypothesis in 7.5.5 was based on the cross-tabulation between “financial accountability” (Q11.1) and “public service delivery efficiency” (Q16) of the research questionnaire. Analysis of the above cross-tabulation between Q11 and Q16.1 was generated using the SPSS statistical software package and involved Spearman and Pearson correlations, as shown below. To further qualify the strength of associations between Q11 and Q16.1, the cross-tabulations are illustrated in tables and subsequently interpreted. The interpretation, however, has been confined to Spearman rank correlation, primarily due to ordinal-by-ordinal measurement, to test the strength of the association between variables as depicted in Table 7.70 below.

#### **The strength of the correlation between Q11.1 and Q16.1:**

Q11.1, linked to financial accountability, refers to “The municipality uses the public funds according to the budget to prioritise the basic needs of the community” and Q16.1 pertains to the efficiency of public service delivery, referring to “The municipal officials encourage efficient service delivery through the promotion of financial accountability.” To illustrate the cross-tabulation between Q11.1 and Q16.1, Table 7.70 below shows the strength of this relationship.

**Table 7.70: Spearman correlation on the use of public funds for community needs and financial accountability promotes efficient service delivery**

|                                                          |                      |                      | Value | Asymptotic<br>Standard<br>Error <sup>a</sup> | Approximate<br>T <sup>b</sup> | Approximate<br>Significance |
|----------------------------------------------------------|----------------------|----------------------|-------|----------------------------------------------|-------------------------------|-----------------------------|
| <b>LG Sol Plaatje<br/>District<br/>Municipality</b>      | Interval by Interval | Pearson's R          | .554  | .171                                         | 3.261                         | .003 <sup>c</sup>           |
|                                                          | Ordinal by Ordinal   | Spearman Correlation | .488  | .167                                         | 2.742                         | .011 <sup>c</sup>           |
|                                                          | N of Valid Cases     |                      | 26    |                                              |                               |                             |
| <b>Thembelihle<br/>District<br/>Municipality</b>         | Interval by Interval | Pearson's R          | .331  | .197                                         | 1.527                         | .143 <sup>c</sup>           |
|                                                          | Ordinal by Ordinal   | Spearman Correlation | .313  | .213                                         | 1.437                         | .167 <sup>c</sup>           |
|                                                          | N of Valid Cases     |                      | 21    |                                              |                               |                             |
| <b>Renosterberg<br/>District<br/>Municipality</b>        | Interval by Interval | Pearson's R          | .471  | .296                                         | 1.926                         | .076 <sup>c</sup>           |
|                                                          | Ordinal by Ordinal   | Spearman Correlation | .474  | .265                                         | 1.943                         | .074 <sup>c</sup>           |
|                                                          | N of Valid Cases     |                      | 15    |                                              |                               |                             |
| <b>LG Joe<br/>Morolong<br/>District<br/>Municipality</b> | Interval by Interval | Pearson's R          | .851  | .046                                         | 6.054                         | .000 <sup>c</sup>           |
|                                                          | Ordinal by Ordinal   | Spearman Correlation | .881  | .038                                         | 6.967                         | .000 <sup>c</sup>           |
|                                                          | N of Valid Cases     |                      | 16    |                                              |                               |                             |
| <b>Total</b>                                             | Interval by Interval | Pearson's R          | .641  | .078                                         | 7.288                         | .000 <sup>c</sup>           |
|                                                          | Ordinal by Ordinal   | Spearman Correlation | .636  | .081                                         | 7.187                         | .000 <sup>c</sup>           |
|                                                          | N of Valid Cases     |                      | 78    |                                              |                               |                             |

Below is a summary of the interpretation of the findings of the analysis of Spearman's correlation results, excluding Pearson's R, for each local municipality:

#### **Sol Plaatje Local Municipality**

Spearman Correlation: 0.488, with a standard error of 0.167, resulting in a T-value of 2.742 and a significance level (p-value) of 0.011.

Interpretation: This indicated a moderately strong correlation ( $r = 0.488$ ) statistically significant ( $p = 0.011$ ). The relationship in this municipality is not strong and lacks statistical significance.

#### **Thembelihle Local Municipality**

Spearman Correlation (rho): 0.313, with a standard error of 0.213, resulting in a T-value of 1.437 and a significance level (p-value) of 0.167.

Interpretation: This indicated a moderate positive correlation ( $r = 0.313$ ) that is not statistically significant ( $p = 0.167$ ). The correlation is moderate and strong enough to be considered significant.

#### **Renosterberg Local Municipality**

Spearman Correlation: 0.474, with a standard error of 0.265, resulting in a T-value of 1.943 and a significance level (p-value) of 0.074.

Interpretation: This indicated a moderate positive correlation ( $r = 0.488$ ) that is close to statistical significance ( $p = 0.074$ ). The relationship is relatively strong and considered statistically significant.

#### **Joe Morolong Local Municipality**

Spearman Correlation: 0.881, with a standard error of 0.038, resulting in a T-value of 6.967 and a significance level (p-value) of 0.000



Interpretation: This indicates a statistically significant correlation ( $p = 0.000$ ). There is a very high correlation ( $r = 0.881$ ) almost close to perfection and is statistically significant.

### **Summary of consolidated analysis of all selected municipalities**

Spearman Correlation: Across all municipalities, the overall Spearman correlation is 0.636 with a standard error of 0.081, resulting in a T-value of 7.187 and a significance level (p-value) of 0.000.

Interpretation: This indicates a high degree of positive correlation ( $r = 0.636$ ) that is statistically significant ( $p = 0.000$ ). The relationship is meaningful and significant when considering all municipalities combined.

**Summary of the findings of the alternative hypothesis  $H_{5a1}$ .** The overall data across all municipalities indicated a strong statistically significant positive correlation; therefore, the alternative hypothesis  $H_{5a1}$  was accepted.

## **7.6 SUMMARY**

The chapter presented the findings and results of the biographical data. The data from Section B of the structured questionnaire, covering categories like legislative provisions to promote accountable and effective financial management; financial accountability; public expenditure and accountability; oversight role of the mayor and mayoral committee on financial accountability; principles of good governance; public service delivery efficiency; financial accountability's influence on financial performance outcomes; supply chain management; functionality of financial controls; staff capacity; stability in senior management positions; and the impact of financial accountability on good governance and service delivery efficiency in the selected municipalities within the NCP. These findings were explained using descriptive statistical methods, such tables that illustrated the mean, median, mode, and standard deviation for each item. An inferential statistical method, the Spearman correlation coefficient, which is a non-parametric alternative to Pearson's correlation coefficient, was employed to test the five alternative hypotheses of the study. The findings and results of the inferential statistical analysis (Spearman correlations) of the 12 statements show that, while in some individual cases the district municipalities exhibit varying levels of significance, the overall data, considering all municipalities combined, indicate a weak to strong positive correlation, which is meaningful



and significant. Therefore, the alternative hypotheses  $H1_{a1}$  to  $H5_{a1}$  were accepted. The next chapter presents the study's conclusions and recommendations.

## **CHAPTER EIGHT**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **8.1 INTRODUCTION**

This chapter aims to outline the research process, evaluate whether the research objectives were achieved, and test the hypotheses. It includes recommendations from the literature review and the empirical study. Using the findings and suggestions from both sources, a framework is proposed to enhance financial accountability, good governance, and service delivery efficiency in selected provincial departments. The author discusses the study's limitations and delimitations and suggests directions for future research.

#### **8.2 THE RESEARCH PROCESS AND SUMMARY OF CHAPTERS**

This study has reviewed the production of scholarly work through an analysis of various literature on public financial accountability, good governance, and the efficiency of public service delivery in selected provincial departments and local municipalities in the NCP. It has also identified the need for empirical research focusing on the quantitative assessment of the impact of financial accountability on good governance and service delivery efficiency in these entities, which had previously been speculative; thus, this study was undertaken. The progression of this research followed a series of phases, as discussed below.

##### **8.2.1 First Phase: Chapter One**

This phase, which involved conceptualising the research topic, introducing the problem, providing background information, formulating the problem statement, defining the research questions, outlining the aim, and discussing the study's novelty, was covered in Chapter One of the study. The conceptual framework was developed to illustrate the relationship between financial accountability as an independent variable and the dependent variables, legislative provisions, financial controls, good governance and public service delivery efficiency. The research methodology included the research paradigm, design, population and sampling, data collection and analysis, validation and reliability procedures, and identification of ethical considerations.

### 8.2.2 Second Phase: Chapters Two, Three and Four

Firstly, the theoretical frameworks that guided the study were discussed, namely the principal-agent theory and the public-service dominant theory of public service delivery and management. The principal-agent theory was employed to explain the relationship between agents (functionaries) and principals (the public), guiding the analysis of accountability to promote financial responsibility, good governance, and efficient service delivery. The public-service dominant theory asserts that community members, as the end-users of public services, must be regarded as important stakeholders to ensure that functionaries are accountable for delivering effective and efficient public services, which was relevant to this study. Secondly, the discourse on the literature review process was undertaken. The literature review was undertaken to identify the discourses. This review was spread across three Chapters, each focusing on a specific area aimed at providing clarity on the key variables of this study.

**Chapter Two** involved identifying and categorising relevant literature related to financial accountability, good governance, and public service delivery efficiency. The key variables were conceptualised and theorised using various methods, such as synthesising studies, gathering literature through different channels, including internet searches, quotations, and evaluating the relevance of the literature. Besides the main variables of the study, other related variables associated with financial accountability, such as statutory legislative frameworks, strategic objectives and priorities, budgets, financial performance, financial controls, and consequence management and SCM, were also outlined. The first category of literature included government statutory and regulatory legislative frameworks, policies, regulations, strategies, and government reports concerning financial accountability, governance, good governance, and service delivery efficiency. The second category consisted of academic or scholarly conference papers, symposia, workshops, and occasional publications, as well as previous studies within master's and doctoral theses related to the key variables, produced within the field of public administration/management. The third category comprised articles published in recognised journals on financial accountability, governance, good governance, and public service delivery efficiency. This approach was adopted to deepen understanding of how other scholars have conceptualised and theorised the key variables of the study within the South African context.

Chapter Two began with a discussion of the theoretical framework that outlines the theories guiding the study. Firstly, the study is based on the principal-agent theory, which is widely

used to analyse public accountability and, in particular, who is accountable to whom. In this study, the principal-agent theory guides and explains the relationship between the functionaries (agents) and the local community or the public (principal). It also guides the analysis of who is accountable to whom regarding the use of public funds in the selected provincial departments and local municipalities, promoting good governance and effective public service delivery. The second theoretical framework that guided the study was the public-service dominant theory of public service delivery and management, which holds that members of the community, as the end-users of public services, must be seen as key stakeholders in delivering effective and efficient public service, to ensure that government functionaries are accountable.

The discussion on the statutory and regulatory framework of financial accountability, good governance, and service delivery highlighted that, in terms of Sections 195 and 15.2(1), respectively, of the *Constitution*, it not only mandates that public administration must be accountable to communities but also requires the effective, efficient, and economical use of resources. Additionally, the delivery of services must be fair and equitable. While Section 215 states that national, provincial, and municipal budgetary processes should promote transparency, accountability, and effective management of public resources, Section 38(a) of the *PFMA* obliges the AO of a department to ensure the promotion and maintenance of effective, efficient, and transparent systems of financial management, risk management, and financial controls. Similarly, according to Section 62(1) of the *MFMA*, the municipal manager acts as the accounting officer, responsible for administering the municipality, and must uphold effective, efficient, and transparent systems of financial management, risk management, and internal controls in line with prescribed norms and standards. Furthermore, the study's key variables—financial accountability, good governance, and service delivery efficiency—were conceptualised in Chapter Two. A detailed discussion was provided regarding the relationship between financial accountability, good governance, and the efficiency of public service delivery. This discussion emphasised the influence of financial accountability on financial performance outcomes, financial controls (both internal and external), internal audits, and financial reporting. It also included a thorough discussion of financial accountability and SCM, as well as the promotion of good governance. The chapter concluded with an examination of the impact of financial management on public service delivery. It underscored that, despite constitutional provisions, acts, regulations, and policies, South Africa continues to face issues of financial mismanagement, corruption, and misconduct by functionaries across the three spheres of government, mainly attributable to poor financial accountability.

**Chapter Three** aimed to answer the research question of what lessons could be learned from international perspectives regarding financial accountability, good governance, and service delivery efficiency. The researcher selected three countries to discuss the outcomes of using the Public Expenditure and Financial Accountability Assessment Tool (PEFA) to measure public expenditure and financial accountability. To illustrate practical lessons learnt from PEFA, two African countries and one OECD member country, namely the Government of Greenland (GoG), which had used the PEFA tool to assess public expenditure and financial accountability, were identified as reference points. The two African countries included the Government of Zimbabwe (GoZ), which has a relatively weaker system of financial management and accountability, and the Government of Rwanda (GoR), which has a comparatively stronger system. The Government of Greenland (Gog), which also has a very good system of financial management and accountability, was also discussed. Aside from GoZ, GoR, and GoG, financial accountability in the United Kingdom, another OECD member, was examined in Chapter Three. Lessons learned from the financial accountability practices in the United Kingdom and the PEFA assessment outcomes of GoZ, GoR, and GoG are summarised in Section 8.3.

Chapter Four builds on a preliminary demonstration of the PEFA assessment conducted in the NCP. Although this assessment took place in 2013/14, lessons learned from it, along with the MTFS reports from 2015-2019 and recent Auditor-General audit findings, provided a baseline to evaluate financial accountability in the NCP. The PEFA assessment results discussed in Chapter Four indicated that the NCP exhibits an acceptable level of financial accountability. It showed that transparency in public finances was generally good, with the public having access to financial information- a view supported by the service-public service dominant theory, which emphasises that community members, as end-users of public services, should be involved in service delivery processes. The assessment also found that internal control and risk management systems were established, although weaknesses in procurement processes needed to be addressed.

The oversight and accountability structure and functions of the South African national, provincial, and local government were discussed in Chapter Four. An overview of financial accountability, financial performance, good governance and service delivery in the selected provincial departments using the MTSF reports of the 2014-2019 period, supplemented by more recent Auditor-General Audit outcomes reports and annual reports, was presented in Chapter Four. A discussion about financial mismanagement in the selected provincial

departments of the NCP followed this. From this MTSF review, it was found that the financial performance outcomes of the NCDoH for the period 2014-2019 were poor due to ineffective financial controls and weak governance structures. However, the 2019/20 annual report of the NCDoH showed improvements due to enhanced financial controls and reforms in governance structures, including improved risk management and the presence of internal audit committees. The financial performance of the NCDoE for the period 2014-2019 was better than that of the NCDoH for the same period. The better performance of the NCDoE could be attributed to compliance with key financial legislation and SCM regulations; however, observable trails of financial mismanagement, which led to irregular expenditure, were reported in the NCDoE Annual Report 2019/2020. The financial performance of the NCDoTSL for the period 2014-2019 demonstrated that the expenditures were in line with the budget and that the financial performance was good. However, the Annual Report of the NCDoTSL 2018/19 reported that some weaknesses in financial controls, aimed at mitigating the risks of irregular, unauthorised, fruitless, and wasteful expenditure, needed improvement. In addition, the recent 2023/24 Auditor-General Audit Report of National and Provincial departments reported that, among other issues, the NCDoH and NCDoE needed to improve their financial performance, accountability, transparency, and institutional integrity, because some commitments to establish a culture of accountability and consequences in the NCP have not had the desired impact, which negatively affects service delivery in the province.

Chapter Four further examined oversight and accountable structures in local government. The accountable role of the municipal manager as the AO of the municipality was outlined, followed by the responsibilities of senior management, the CFO, the Mayor, oversight committees, the municipal audit unit, the audit committee, and MPAC. An overview of financial accountability, good governance, and service delivery in selected municipalities within the NCP was also discussed. It was identified that weak control systems in most municipalities within the NCP contributed to poor governance, inadequate service delivery, and subpar audit outcomes. A concern was raised that many municipalities prepared unfunded budgets by relying on cash to pay salaries, leaving limited funds for maintenance and service provision. Other issues highlighted in Chapter Four, based on the Auditor-General's Consolidated Report on Local Government Audit Outcomes for 2022/23, included non-compliance with key financial legislation and SCM, poor consequence management, and inadequate accountability, resulting in irregular expenditure of R3.43 billion across municipalities within the NCP. Emphasis was placed on MPAC needing to investigate non-compliance to ensure irregular expenditure is addressed in accordance with legislation. It was

argued that municipalities in the NCP must enhance their financial accountability to ensure adherence to key legislation and SCM. Additionally, internal controls should be strengthened, and consequence management enforced to foster financial accountability, good governance, and effective service delivery. The importance of municipal councils ensuring that budgets and service delivery plans respond to community needs was underscored. Furthermore, the AO must oversee the implementation of internal controls, and mayors should take corrective measures to manage and improve poor performance. Finally, Chapter Four explored strategies to bolster financial accountability, good governance, and service delivery, as well as the role of intergovernmental relations.

### **8.2.3 Third Phase: Chapters Five, Six and Seven**

The third phase involved formulating hypotheses as outlined in Chapter Five, aligned with the subsidiary research questions introduced in Chapter One. It also covered the research methodology employed in the study. Additionally, this phase encompassed the empirical findings and results detailed in Chapters 6 and 7.

#### **Chapter Five**

The hypotheses of the study, formulated from the research questions provided in Chapter One, were outlined in Chapter Five, followed by a detailed discussion of the research methodology, research philosophy, research paradigm, research approaches, research design, population and sampling, validity, and reliability of the study. The Cronbach's Alpha coefficient, used to determine the reliability of the questionnaires, was provided in Chapter Five. The higher average Cronbach's Alpha reliability score of 0.85 for the 61 items was found to be a good indicator of reliability.

#### **Chapters Six and Seven**

This phase also involved the empirical findings and results of the data collected from the structured questionnaires, which were analysed, presented, and interpreted in Chapters Six and Seven, respectively. The analysis included both descriptive and inferential statistical methods. The descriptive analysis included frequencies and measures of central tendency, such as the median, mode, and mean, as well as measures of skewness. The inferential statistical analysis, using the Spearman correlation coefficient, aimed to determine the strength of the relationships between variables and to test the study's hypotheses as presented in Chapters Six and Seven. A summary of the key empirical findings and results was provided in Sections 8.3.2.1 to 8.3.2.5

below. The outcomes of the hypothesis testing were presented in Table 8.1 and discussed in Section 8.4 below.

#### **8.2.4 Fourth Phase: Chapter Eight**

Chapter Eight covers the final phase of the study, detailing the steps taken and how the research objectives were met. As previously noted, the results of testing the research hypotheses are summarised in Table 8.1 of this chapter. It also includes recommendations derived from both the literature review and the empirical study. The proposed framework, addressing financial accountability, good governance, and service delivery efficiency in provincial and local governments within the NCP, is depicted in Figure 8.2 and explained. The chapter concludes with a discussion of limitations, delimitations, and suggestions for future research.

### **8.3 THE EXTENT TO WHICH THE RESEARCH AIM AND OBJECTIVES OF THE STUDY WERE ACHIEVED**

#### **8.3.1 Aim**

As indicated in Section 1.4, the primary objective of this study was to contribute both theoretically and empirically to the existing body of knowledge on the impact of financial accountability on good governance and service delivery efficiency in selected provincial departments and municipalities within the NCP. This study has also culminated in the development of a proposed framework to promote financial accountability, good governance, and service delivery efficiency in selected provincial departments and municipalities in the NCP, as provided in Section 8.8.

#### **8.3.2 Main Research Question**

The primary research objective was to evaluate the effect of financial accountability on good governance and the efficiency of public service delivery in selected provincial departments and municipalities within the NCP. The primary research goal was achieved through the analysis, findings, and results of the empirical study presented in Chapters Six and Seven, and highlighted in Section 8.7.



### 8.3.2.1 Subsidiary objective One

Related to the subsidiary research question one, this objective aimed to determine the theoretical and legislative regulatory principles, standards, and requirements for financial accountability and good governance, promoting efficient public service delivery in selected provincial government departments and local municipalities in the NCP.

This objective was initially expressed through the literature review, particularly in Chapters Two and Four of this study. The government's statutory, regulatory, and legislative frameworks on financial accountability, good governance, and public service delivery efficiency were discussed in detail in Section 2.3. The fundamental legislative framework underpinning this objective was the Constitution. Supporting this constitutional framework were the *PFMA*, *MFMA*, *DoRA (2020)*, the *Municipal Structures Act (1998)*, and the *MSA (2000)*. Furthermore, Section 215 of the *Constitution* stipulates that national, provincial, and municipal budgets and budgetary processes must promote transparency, accountability, and effective economic management. In Section 2.3.4, it was emphasised that Section 38 of the *PFMA* requires accounting officers of national or provincial departments to promote effective, efficient, and transparent financial and risk management systems and internal controls. It was also noted that Sections 76 and 77 of the *PFMA* mandate the accounting officer to manage an internal audit system under the control and direction of an audit committee, promoting financial accountability, good governance, and the efficient use of resources. Section 3(a)(iii) of the *PFMA* requires the accounting officer to oversee a procurement and provisioning system that is fair, equitable, transparent, competitive, and cost-effective, as well as manage systems responsible for major capital projects. At the local government level, these principles are incorporated in Section 62(1) of the *MFMA*, which states that the municipal manager, as the accounting officer, is responsible for administering the municipality. This section further states that municipal resources should be used effectively, efficiently, and economically. Complete and accurate records of the municipality's financial affairs must be maintained in accordance with prescribed norms and standards. It was also indicated that, under Section 81(v) of the *MSA, 2000*, municipalities must manage their accounting, financial management, budgeting, investment, and borrowing activities within a framework of transparency, accountability, reporting, and financial control established by the municipality, subject to applicable municipal finance legislation.

It was discussed in Section 2.4.3, that to achieve service delivery efficiency, local government should focus on promoting good governance, public participation, skills development, financial management, and providing basic services such as water, sanitation, electricity, and waste removal. Section 2.4.3 emphasised that all three spheres of government must adhere to the eight principles and values of ‘Batho Pele’, which means putting people first. It further stated that, according to the White Paper on the Transformation of Public Service Delivery WPTPS (Batho Pele, 1997:6), these principles and values include, among other things, consultation, service standards, access, courtesy, information, openness and transparency, redress, and value for money. It was emphasised that the implementation of these principles should determine the efficiency of public service delivery. This view is also supported by the theoretical frameworks underpinning this study. The principal-agent theory argues that public officials are accountable to the community members. Meanwhile, the public-service dominant theory of public service delivery and management contends that the public or community members are key stakeholders in the service delivery process and, therefore, the government must share information with the public to promote transparency and ensure that officials are accountable for the use of public funds and the delivery of services.

Section 6.4.1 presented the findings and results regarding legislative provisions that promote accountability and effective financial management in provincial departments. Concerning the statement “public officials in the department always comply with financial legislative prescripts of the *PFMA*, *SCM*, and treasury regulations when discharging their duties,” Figure 6.6.3 showed that the equal values of both the mean (3.00) and median (3.00) indicated respondents were divided equally between those who supported (38.16%) and opposed (38.16%) the statement, with a large proportion remaining uncertain (23.7%). In the literature, it was emphasised in Section 2.6.1, that the ongoing disregard for financial prescripts and *SCM* regulations indicated a lack of financial accountability and good governance, which hampered effective service delivery. In Figure 6.5, the findings related to the statement “disciplinary steps are taken against public officials in the department who contravened legislative prescripts such as the *PFMA*, *SCM* policies and Treasury regulations”, showed that the largest proportion of respondents (49.4%) either strongly disagreed (13.2%) or disagreed (36.2%). In comparison, a large proportion were uncertain (24.3%). Therefore, one could argue that no disciplinary steps are being taken against officials who contravene legislative prescripts in the analysed provincial departments. These findings were supported in Section 4.8, by the Auditor-General’s (AGSA, 2025:164) contention that compliance findings related to consequence management remained a concern in the provincial departments of the NCP. Consequently, the

audit units and audit committees must ensure that disciplinary steps are taken against officials who contravene legislative and SCM prescripts. Furthermore, the literature provided in Section 2.3.4 states that, in accordance with Section 381(g) of the *PFMA*, the AO of a department must ensure that disciplinary action is taken against any official who fails to comply with its provisions.

The empirical findings for the selected municipalities, related to legislative provisions promoting accountability and effective financial management, are provided in Section 7.4.1. The findings of the statement “municipal officials in the municipality always comply with financial legislative prescripts of the *MFMA*, SCM and Treasury regulations when discharging their duties, Figure 7.3 illustrates that the largest proportion of respondents (43.0%) either disagreed or strongly disagreed with the statement, while 29.1% of the respondents remained uncertain. Therefore, one could argue that municipal officials in the selected municipalities do not comply with legislative prescripts of the *MFMA* and SCM regulations as required. In Section 4.13, the Auditor-General confirmed that most municipalities in the NCP prepared unfunded budgets and used available cash to pay salaries, leaving minimal funds available for service delivery, which is contrary to the prescripts of Section 62(1) of the *MFMA* (AGSA, 2024:132). The findings and results of the statement “disciplinary steps are taken against municipal officials in the municipality who contravened legislative prescripts of the *MFMA* and SCM regulations” were illustrated in Figure 7.5. The values of the median (3.00) and the mean (2.92), respectively, showed that the largest proportion of respondents (39.4%) did not support the assertion that disciplinary steps are taken against municipal officials who contravened legislative prescripts of the *MFMA* and SCM regulations in the selected municipalities.

The empirical findings and results relating to the concept of public service delivery of the selected provincial departments were provided in Section 6.4.6. Figure 6.32 provided the findings and results of the statement “the lack of financial accountability impacts negatively on service delivery”. As shown in Figure 6.32, a significant proportion of respondents (96.1%) supported the statement. The findings of the statement “public officials are not held accountable for poor service delivery” were presented in Figure 6.34. The results in Figure 6.34 show that a significant proportion of respondents (60.3%) agreed with the statement that public officials are not held accountable for poor service delivery in selected provincial departments. The Auditor-General confirmed this in Section 4.13, that the lack of consequence management by political leaders in the NCP to hold executives to account negatively impacted financial

accountability in the province (AGSA, 2018:193). This was further emphasised in the literature, as discussed in Section 2.4.1 which states that oversight structures must hold executives accountable for the use of public resources and the provision of public services (Sebakamotse, 2020:10).

Section 7.4.7 presents the empirical findings from local municipalities regarding effective service delivery. Figure 7.38 in the same chapter shows that the majority of respondents (58.3%) agreed with the statement. The mean score was 3.33, with a median and mode both at 4.00. The data distribution was negatively skewed (-0.50), indicating widespread support for the idea that public officials were not held accountable for poor service delivery.

### **8.3.2.2 Subsidiary objective two**

Related to research question two, subsidiary objective two aimed to determine what lessons could be learned from international and national perspectives regarding financial accountability, good governance, and service delivery efficiency. Aligned to this subsidiary objective was a detailed, illustrative literature review of Public Expenditure and Financial Accountability (PEFA). A descriptive content analysis of the Government of Zimbabwe (GoZ), the Government of Rwanda (GoR) and the Government of Greenland (GoG) was undertaken. The PEFA assessments were based on its seven pillars, namely budget reliability, transparency of public finances, management of assets and liabilities, policy-based fiscal strategy and budgeting, predictability, and control in budget execution, accounting and reporting and external scrutiny and audit are key aspects of public financial management and accountability (PEFA Secretariat, 2018:14).

As expressed in Section 3.5.2, according to the PEFA Secretariat (2018:129), the overall budget outcomes of the GoZ showed consistent poor performance in the 2016/2017 financial year due to flaws in public financial management and financial accountability. It was also demonstrated in the 2016/17 financial year that financial expenditure in the GoZ had overshoot the budget by a considerable margin due to a lack of financial accountability, furthermore it was found that there was poor revenue collection to the amount of 347.8 million US dollars whereas expenditure overran by 900 million US dollars which was 23% of the initial target of 4 billion dollars (PEFA Secretariat, 2018:129). Furthermore, as Chapter Three highlighted, despite examples of financial underperformance, there was no evidence of any officials being held accountable for poor financial outcomes. The PEFA tool assessment, as shown in Table 3.7 of

the GoZ, indicated that there were challenges in promoting financial accountability within the GoZ, which could be linked to poor implementation of constitutional and legislative frameworks (Chigumira *et al.*, 2020:v). It was argued that the existence of relevant laws and financial prescripts requires effective mechanisms for implementation to enhance financial accountability. The PEFA assessment further revealed that the country performed poorly in procurement and SCM, as depicted in Table 3.7. Although procurement and SCM processes and procedures, guided by legislative frameworks, were available, adherence and compliance remained a challenge for the GoZ. Table 3.4 showed that the transparency of public finances, particularly regarding government operations outside of financial reports, transfers to sub-national governments, and performance information for service delivery, was inadequate for public scrutiny, resulting in a lack of financial accountability. The automated financial control system of the GoZ, however, was not utilised effectively to promote sound financial management, as users had not been sufficiently inducted on the implications of non-compliance with ICT policies, resulting in consequent violations (PEFA Secretariat, 2018:107). One can therefore draw lessons from this discussion that the low PEFA tool score in control of budget execution by the GoZ, as captured in Table 3.3 points to weak financial controls. It revealed that there were weak systems of financial data integrity, in-year budget reports, and financial reports in the GoZ. Moreover, Table 3.5 indicated that the GoZ PEFA assessment scores for managing assets and liabilities, accounting, reporting, and external scrutiny and auditing were low. The same applies to fiscal risk reporting, public investment management, and public asset management.

Conversely, the PEFA tool assessment in the GoR, shown in Table 3.12, demonstrated strong scores aligned with international standards in fiscal risk reporting, public investment management, and debt management. This suggests that by improving the management of the country's assets and ensuring effective fiscal reporting, along with well-managed public investments and accountable asset oversight, the likelihood of achieving sound financial performance increases. Table 3.11 indicated that the GoR had performed well in terms of the transparency of public finances. Meanwhile, Table 3.10 demonstrated that the GoR had maintained a good, effective system of budget classification, budget documentation, central government operations outside financial reports, and public access to fiscal information. The PEFA assessment of the GoR showed that overall financial public management and financial accountability were stronger, and this had positive spin-offs on the country's financial performance where there were minimal variances between the budget and actual expenditure (Sinnott *et al.*, 2017:8). This means that while transparency in how the government used public

finances was good in terms of international standards, in the GoR, in the GoZ the system of managing public finances was not adequately transparent in terms of international standards.

It can be argued that there is a clear and strong link between financial accountability and financial performance outcomes, as supported by the PEFA tool assessments presented in Table 3.3 and Table 3.10. The lessons learned from the PEFA assessments of the GoZ and GoR indicate that good financial accountability underpins effective financial performance, as evidenced by the GoR's PEFA results. Conversely, a lack of financial accountability results in poorer financial performance, as demonstrated by the PEFA assessment of the GoZ.

### **8.3.2.3 Subsidiary objective three**

This objective aimed to assess the impact of financial accountability on the financial performance of provincial departments and municipalities in the NCP. Section 2.2.1 emphasised that, according to principal-agency theory, one of the guiding frameworks, the financial expenditure and procurement processes, must comply with legislative requirements (Leruth and Paul, 2006:12).

The empirical findings from the respondents of the provincial departments, regarding the influence of financial accountability on financial performance outcomes, were presented in Section 6.4.7. The findings of the statement “poor financial accountability leads to poor financial performance”, depicted in Figure 6.39, showed that the value of the mean (4.23), the value of the median and mode of 4.00 each meant that the largest proportion of respondents (93.4%) supported the statement that poor financial accountability leads to poor financial performance. The literature in Section 4.7, regarding the financial outcomes of the NCDoe, NCDoH, and NCDoTSL, showed a chronic financial underperformance during the MTSF period from 2015 to 2019, supporting the earlier findings. Additionally, Section 2.5.1 confirmed that a lack of financial accountability contributed to poor financial performance in two of the selected provincial departments, namely the NCDoH and NCDoe, in the 2019/20 financial year.

The findings related to the statement “there are weaknesses in the department’s financial management and accountability chain” as depicted in Figure 6.38, the value of the mean (3.77), and median (4.00) and the negatively skewness of (-0.66) of the distribution of data means that the largest proportion of respondents (70.7%) supported the statement that there are weaknesses



in financial management and accountability chain in the selected provincial department. The literature provided in Section 4.7 confirmed that there were weaknesses in financial management and that a lack of financial accountability contributed to the poor financial performance outcomes in the selected provincial departments from 2015 to 2019. Therefore, one could argue that there are weaknesses in financial management and the financial accountability chain in the selected provincial departments.

Considering the findings depicted in Figure 6.40, it could be deduced that a percentage of 58.6% of the respondents accepted the statement that “the accounting officer and the CFO were committed to promote effective financial performance and financial accountability in the department” the value of the mean (3.49), the median (4.00) and the mode (4.00) and the negative skewness (-0.51) of the data means that a large proportion of the respondents (58.6%) supported the statement. In Section 2.3.4, it was emphasised that the AO must ensure the effective, efficient, and economical use of the department’s resources.

The empirical findings from the respondents of the selected municipalities regarding the influence of financial accountability on financial performance outcomes were presented in Section 7.4.8. Table 7.43 shares the findings of the statement “poor financial accountability leads to poor financial management”. The mean (4.14), median and mode of 4.00 each, along with the negatively skewed (-0.67) distribution of data, indicate that the majority of respondents supported the statement that poor financial accountability leads to poor financial performance in the selected municipalities. In Section 4.12, the literature confirms that a lack of financial accountability negatively affects financial performance, good governance, and service delivery. Furthermore, the findings in Table 7.43 show that the value of the mean (3.68), the median and mode with (4.00) each and the negatively skewed (-0.22) distribution of data mean that the largest proportion of respondents supported that there were weaknesses in the selected municipalities' financial and accountability chain. In the literature in Section 4.13.1.1, it was emphasised that the Auditor-General confirmed increased irregular expenditure, minimal improvement in the accountability chain, and a difficult environment for auditing contribute to weaknesses in the financial accountability chain.

#### **8.3.2.4 Subsidiary objective four**

This objective aimed to determine the influence of financial accountability on the promotion of good governance in provincial departments and municipalities within the NCP. The

empirical findings and results from the respondents of the selected provincial departments related to the promotion of good governance were presented in Section 6.4.5.

Relating to the statement associated with the promotion of good governance, namely “there are systems in place to track and report on the use of public funds, to hold officials accountable for their actions”, the findings illustrated in Figure 6.23 demonstrated that the largest combined proportion of respondents (43.8%) supported the statement. However, a concern is that a large proportion of the respondents (30.46%) were uncertain whether the department had systems in place to track and report the use of public funds, thereby holding officials accountable for their use. In addition to the above concern in the literature in Section 4.8, it was emphasised that the Auditor-General reported in the latest Auditor-General, Consolidated General Report on National and Provincial Audit Outcomes of 2023/24 that the three largest service delivery namely the NCDoH, NCDoE and the NC Department of Public Works must improve the financial controls, financial performance, accountability, transparency and institutional integrity within the departments (AGSA, 2025:163) which are all associated with the promotion of good governance within provincial departments. Furthermore, in Section 2.7.1, it was highlighted that monitoring and evaluation should be viewed as essential elements of good governance that could be directed against set targets (Mubangizi, 2019:559). The findings and results presented in Figure 6.25 regarding the statement associated with the promotion of good governance, “there is an effective risk management framework that enables the departments to identify, assess and mitigate potential risks to safeguard public resources”, indicated that a larger proportion of the respondents (42.7%) affirmed the statement. A significant proportion of respondents (29.33%) were uncertain whether the departments had effective risk management frameworks in place, which would enable them to identify, assess, and mitigate potential risks. According to the literature, as confirmed in Section 4.7.1, the NCDoH had a weak risk management system, whereas the NCDoE and NCDoTSL had more effective risk management systems in place. These systems contributed to the promotion of financial accountability and good governance, respectively. The findings related to the statement “effective internal controls are enforced to prevent fraud and corruption within the department,” as illustrated in Figure 6.26, showed that the responses were slightly negatively skewed (-0.23) towards supporting the statement. The mean and median both equalled 3.00, while the mode was 4.00, indicating that slightly more respondents endorsed the statement than opposed it. However, a significant proportion (23.8%) of respondents remained uncertain, which may suggest that they were unsure whether effective internal controls were in place to prevent fraud and corruption. In Section 2.5.2, the literature highlights that the ineffective and



inefficient management of public funds can be attributed to weak internal financial control mechanisms and an overall lack of capacity and skills within government finance departments.

The empirical findings and results regarding the promotion of good governance in the selected local municipalities are presented in Section 7.4.6 . Concerning good governance, the findings related to the statement “there are systems that track and report on the use of public funds and hold public officials accountable for their actions” are depicted in Table 7.28. The central tendency in Table 7.28 shows a degree of uncertainty in the values of the mean (3.21), median (3.00), and mode (3.00) value. Consequently, there is little convincing evidence to affirm that municipalities have effective accountability systems overseeing and reporting the use of public funds by officials. Similarly, as shown in Table 7.30 , the responses to the statement “there is an effective risk management framework that enables the municipality to identify, assess, and mitigate potential risks to safeguard public resources” Table 7.30 shows that the values of the mean (3.15) and median (3.00) and the mode, indicating the most frequently reported value, was 4.00, the overall distribution, being negatively skewed (-0.38), which means that greater support for the above statement a concern was raised that a considerable proportion of respondents who were unsure whether an effective risk management framework is in place to help the municipality identify, assess, and mitigate potential risks to protect public resources effectively. In the literature, specifically in Section 4.10.1.3, it was mentioned that under Section 62 of the *MFMA*, the AO of the municipality must ensure that an effective, efficient, and transparent risk management system and internal controls are maintained.

Regarding the statement “effective internal controls are enforced to prevent fraud and corruption within the municipality,” in Table 7.31 show that the negatively skewed data distribution (-0.27) provides some support for the above statement, however it was argued that there is no substantial evidence to confirm whether controls in place to prevent fraud and corruption within the municipality were effective.

#### **8.3.2.5 Subsidiary objective five**

This objective aimed to assess the impact of financial accountability on the effectiveness of financial controls in provincial departments and municipalities in the NCP. The empirical findings and results relating to the functionality of financial controls were provided in Section 6.4.9. The findings of the statement “the department has a strong system of financial controls, including policies, procedures, auditing, and reporting procedures” were illustrated in Figure

6.46. The values of the mean (3.55), median (4.00), and mode (4.00), along with the negative skewness (-1.07) of the data distribution, confirm that a significant proportion of respondents (60.5%) supported the statement. According to Section 2.5.2 of the literature, Section 38 of the *PFMA* stipulates that the AO must ensure effective, efficient, and transparent risk management systems and internal controls are in place. Hayati and Aviana (2021:90) emphasise in Chapter Two that implementing internal controls effectively not only enhances performance but also promotes good governance within the organisation. The statement “the application of financial controls is disregarded in the department” is supported by Figure 6.49, which shows that 43% of the respondents agreed, while 38.4% remained unsure. This combined total of supporters and uncertain respondents raises concern. The Auditor-General confirms this Concern in Section 4.9, highlighting widespread weaknesses in basic internal controls across provincial departments of the NCP, mainly due to poor quality of financial statements and performance reports (AGSA, 2020:12). Additionally, Section 2.5.2 notes that neglecting financial controls often results in inaccurate financial statements, reports, fraud, asset loss, and poor financial management (Avery and Obah, 2018:38).

The empirical findings and results concerning the functionality of internal control measures of the selected local municipalities are presented in Section 7.4.10. Table 7.52 displays the findings related to the statement “the municipality has a strong system of financial controls.” The negatively skewed (-0.50) data distribution in Table 7.52 suggests that most respondents supported the above statement while a significant number of respondents were uncertain which is a concern. This concern is corroborated by the Auditor-General in Section 4.13, indicating that most municipalities in the NCP had a weak control environment (AGSA, 2021:73). Table 7.55 presents the findings related to the statement “the application of financial controls is disregarded in the use of public funds”. The values of the mean (3.09), median (3.00) and mode (3.00) in Table 7.55 suggested that most respondents were uncertain if the application of financial controls was disregarded in the use of public funds. In the literature discussed in Section 2.5.2.1 it is noted that opportunities for committing fraud often arise from a poor control environment (Razae, 2019:6). Further emphasised in the literature in Section 2.3.5 is that, under Section 62 of the *MFMA*, the municipal manager must ensure that the municipality’s resources are managed effectively, efficiently, economically, and transparently, and that acts of financial misconduct are reported to the Accounting Officer (Ncgobo *et al.*, 2021:113).

## 8.4 TESTING THE HYPOTHESES OF THE STUDY

A summary of the outcome of the testing of the hypotheses as presented in Chapters Six and Seven is presented in Table 8.1 below:

**Table 8.1. Outcomes of the testing of the Hypotheses**

| Hypothesis number | Hypothesis                                                                                                                                                                                                                                                 | Outcome  |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| H1 <sub>a1</sub>  | There is a positive and statistically significant relationship between financial accountability and the financial performance outcomes in the selected provincial departments and municipalities in the NCP.                                               | Accepted |
| H1 <sub>a2</sub>  | There is a negative and statistically significant relationship between financial accountability and the financial performance outcomes in the selected provincial departments and municipalities in the NCP.                                               | Rejected |
| H2 <sub>a1</sub>  | There is a positive and statistically significant relationship between financial accountability and the promotion of good governance in the selected provincial departments and municipalities in the NCP.                                                 | Accepted |
| H2 <sub>a2</sub>  | There is a negative and statistically significant relationship between financial accountability and the promotion of good governance in the selected provincial departments and municipalities in the NCP.                                                 | Rejected |
| H3 <sub>a1</sub>  | There is a positive and statistically significant relationship between financial accountability and the implementation of key financial legislation and treasury and SCM regulations in the selected provincial departments and municipalities in the NCP. | Accepted |
| H3 <sub>a2</sub>  | There is a negative and statistically significant relationship between financial accountability and the implementation of key financial legislation and treasury and SCM regulations in the selected provincial departments and municipalities in the NCP. | Rejected |
| H4 <sub>a1</sub>  | There is a positive and statistically significant relationship between financial accountability and the functionality of financial controls in the selected provincial departments and municipalities in the NCP.                                          | Accepted |
| H4 <sub>a2</sub>  | There is a negative and statistically significant relationship between financial accountability and the functionality of financial controls in the selected provincial departments and municipalities in the NCP.                                          | Rejected |
| H5 <sub>a1</sub>  | There is a positive and statistically significant relationship between financial accountability and the delivery of public service efficiency in the selected provincial departments and municipalities in the NCP.                                        | Accepted |
| H5 <sub>a2</sub>  | There is a negative and statistically significant relationship between financial accountability and the delivery of public service efficiency in the selected provincial departments and municipalities in the NCP.                                        | Rejected |

Table 8.1 indicates that all alternative one hypotheses, discussed in Chapters Six and Seven, were accepted. The study employed an inferential statistical method, specifically the Spearman correlation coefficient, a non-parametric alternative to the Pearson correlation coefficient, to

test these hypotheses. Section 6.5 provided the findings and results of the inferential statistical analysis (Spearman correlations) of the 20 statements, showing that while some individual cases in the departments exhibited varying levels of significance, the overall data, considering all departments combined, indicated a moderate to strong positive correlation. This correlation was meaningful and significant; therefore, the alternative hypotheses  $H_{1a1}$  to  $H_{5a1}$  were accepted. Section 7.5 presented the findings and results of the Spearman correlation coefficient analysis, which tested the hypotheses related to the municipalities. The analysis of the five statements revealed that, although some individual district municipalities showed varying levels of significance, the overall data, considering all municipalities combined, indicated a weak, moderate to strong positive correlation. This correlation was meaningful and significant, leading to the acceptance of hypotheses  $H_{1a1}$  to  $H_{5a1}$ . Consequently, one could argue that there is a statistically significant positive relationship between financial accountability, good governance, and public service delivery in the selected provincial departments and municipalities in the NCP.

## **8.6 RECOMMENDATIONS DERIVED FROM THE LITERATURE REVIEW**

The discussion below provides the recommendations from the literature review.

### **8.6.1 Legislative regulatory principles, standards and requirements of financial accountability and good governance to promote public service delivery efficiency**

Public officials must be inducted on pertinent legislative and regulatory principles, standards and requirements related to financial accountability and good governance. Continuous professional development should be undertaken through skills development and training with emphasis on:

- Section 195 of the *Constitution* - values and principles of good public administration
- Section 116(b) and 133 of the *Constitution* - accountability
- Section 215 of the *Constitution* - budgets and budgetary processes must promote transparency, accountability and effective management of the economy.
- Section 38 of the *PFMA* - promotion of effective, efficient, and transparent systems of financial and risk management and internal control

- Sections 76 and 77 of the *PFMA* - managing a system of internal audit under the control and direction of an audit committee
- Section 62 (1) of *MFMA* - effective, efficient and economic use of resources

Compliance with the provisions of legislative frameworks, policies, guidelines and procedures to be enforced. Non-compliance with prescripts should be investigated and subsequently sanctioned accordingly.

### **8.6.2 The influence of financial accountability on financial performance outcomes**

Public officials in provincial departments and municipal officials in municipalities must be trained on how to avoid unauthorised, irregular, fruitless, and wasteful expenditure. Training should also include SCM and procurement management. The CFO and AO must promote a modernised procurement or e-procurement function to improve compliance, efficiency, transparency, fair competition, value for money and controls in public procurement. The AGSA recommendations must be shared with public officials, and time frames set for their implementation. The CFO and AO must ensure that the management of assets and liabilities, accounting, and reporting align with treasury norms and standards. The provincial Treasury should continue aiding provincial departments in strengthening their internal control systems, while additional interventions in municipalities are necessary to enhance their internal control systems and improve the overall accountability chain. Oversight bodies, such as provincial legislatures, PPACs, MPACs, and portfolio committees, must ensure that investigations are conducted when officials are involved in financial misconduct to promote financial accountability and effective consequence management.

### **8.6.3 The promotion of good governance in provincial departments and municipalities in the NCP**

Human Resource Development (HRD) Units should prioritise training public officials on the principles of good governance. These principles should include public participation, transparency, accountability, rule of law, responsiveness, efficiency and effective government, equity, consensus orientation, and strategic vision. A standardised template or checklist of the principles of good governance should be developed and utilised by programmes in the execution of their respective key performance areas. The consistent monitoring and evaluation of programmes and projects must be implemented. The National Framework towards the

professionalisation of the public sector must be prioritised through skills development and training programmes.

#### **8.6.4 Functionality of financial controls in provincial departments and municipalities in the NCP**

The CFO and AO of provincial departments and municipalities must ensure that government activities are monitored and controlled to guarantee the proper use of resources and prevent waste. Additionally, suitable organisational structures, policies, procedures, and accounting systems should be established and implemented by public and municipal officials (political and public officials). To improve financial control, public officials must take the roles of PPACs and the Auditor-General seriously, and provincial departments should act upon their recommendations. In the realm of local government, the MPACs should be strengthened and equipped with the necessary support to foster effective financial accountability and good governance.

#### **8.6.5 Efficient delivery of public service**

All provincial government departments and municipalities must subscribe to the eight principles and values of ‘Batho Pele’ (putting people first) as captured in the White Paper on the Transformation of Public Service Delivery (WPTPS) and outlined in Chapter Two of this study.

#### **8.6.6 Recommendations from the international and national perspectives, regarding financial accountability, good governance and service delivery efficiency**

The Public Expenditure and Financial Accountability (PEFA) assessment tool should be introduced and implemented across all government departments and municipalities. Assessment to be undertaken at the end of every MTSF period. Public officials should be inducted and continuously trained on the seven pillars of the PEFA, which include budget reliability, transparency of public finances, management of assets and liabilities, policy-based fiscal strategy and budgeting, predictability, control in budget execution, accounting and reporting, and external scrutiny and audit. A checklist of the seven pillars of the PEFA to be designed and used in provincial government departments and municipalities, with a specific focus on:

- The relationship between financial accountability and financial performance outcomes in provincial,
- The relationship between financial accountability and financial controls,
- The relationship between financial accountability and good governance, and
- The relationship between financial accountability and legislation, procurement and contract management.

## **8.7 RECOMMENDATIONS FROM EMPIRICAL STUDY**

The following recommendations were derived from the empirical study presented in Chapters Six and Seven.

- Public officials who contravene financial legislative prescripts must be sanctioned and face disciplinary action.
- Financial misconduct must be thoroughly investigated, and responsible officials must be held accountable and face disciplinary processes.
- Consequence management must be enforced; departments and municipalities must have a consequence management policy that is effectively implemented and enforced.
- Public officials are to use public funds according to the budget to prioritise the basic needs of the community.
- Financial information and reports to be made readily accessible to oversight bodies.
- Financial information and reports must be made readily accessible to the public through departmental and municipal websites.
- The PEFA assessment tool should be introduced to public officials
- The PEFA assessment tool should be used by the CFO and the Internal Audit Unit to assess financial expenditure and financial accountability of municipalities and provincial departments.
- Public officials should be familiarised with the role and functions of the internal audit unit and committee.
- Public officials should be familiarised with the role and functions of provincial and municipal public accounts committees.
- The Auditor-General Report should be made accessible to all officials in provincial departments.



- Provincial government departments and local municipalities should promote public participation through various means such as road shows, advocacy programmes, and community meetings.
- Public officials must be made aware of systems that track and report on the use of public funds to hold public officials accountable for their actions.
- Strengthen the risk management framework to enable departments and municipalities to identify, assess, and mitigate potential risks, thereby safeguarding public resources effectively.
- Service delivery processes should be streamlined to make them more efficient and responsive to citizens' needs.
- Provincial government departments and local municipalities should improve the equitable distribution of services to redress the socio-economic imbalances of the past.
- Public officials should ensure that the use of public funds is in line with the long-term strategic vision and goals of the provincial government departments and local municipalities.
- The financial management and accountability chains of provincial government departments and local municipalities should be strengthened.
- The AO and the CFO should be committed to the promotion of effective financial performance and financial accountability.
- The AO and the CFO should ensure that the bidding process complies with SCM principles, ensuring it is fair, equitable, transparent, competitive, and cost-effective.
- Provincial government departments and local municipalities must ensure that suppliers are paid on time within the prescribed period of 30 days.
- The AO and the CFO should ensure that there are strong systems of financial controls, and public officials should be made aware of these systems.
- Provincial government departments and local municipalities should implement skills audits to identify the skills needs and competencies to improve financial accountability.
- The continuous professional development of public officials in financial management is to be strengthened.
- Funded vacant positions of public officials, including senior managers, must be advertised within six months and filled within the prescribed time.
- Address staff shortages in provincial government departments and local municipalities.
- Senior management positions should not be left vacant for a considerable period beyond six months



- Minimise frequent rotations in senior management roles by prioritising the filling of those positions to maintain stability in leadership.

## **8.8 PROPOSED FRAMEWORK TO PROMOTE FINANCIAL ACCOUNTABILITY, GOOD GOVERNANCE AND SERVICE DELIVERY EFFICIENCY IN SELECTED PROVINCIAL DEPARTMENTS AND MUNICIPALITIES IN THE NORTHERN CAPE PROVINCE**

From the literature review chapters (Chapters Two, Three and Four) and those of the findings and results of the empirical research (Chapters Six and Seven), the researcher developed a unique proposed framework to promote financial accountability, good governance and service delivery efficiency in the selected provincial departments and local municipalities of the NCP. The proposed framework, depicted in Figure 8.1, illustrates that financial accountability begins with the provisions of constitutional and legislative frameworks, as well as SCM regulations, to promote financial accountability, good governance, and efficient service delivery. Continuous staff development in constitutional and legislative frameworks of financial accountability, good governance, and service delivery efficiency should guide the formulation of strategic objectives, priorities, budgets, SCM processes, financial controls, good governance, service delivery efficiency, monitoring and evaluation, impact assessment, and consequence management. The schematic presentation of a proposed framework to promote financial accountability, good governance, and public service delivery efficiency in provincial departments and local governments in the NCP is captured in Figure 8.1 below.

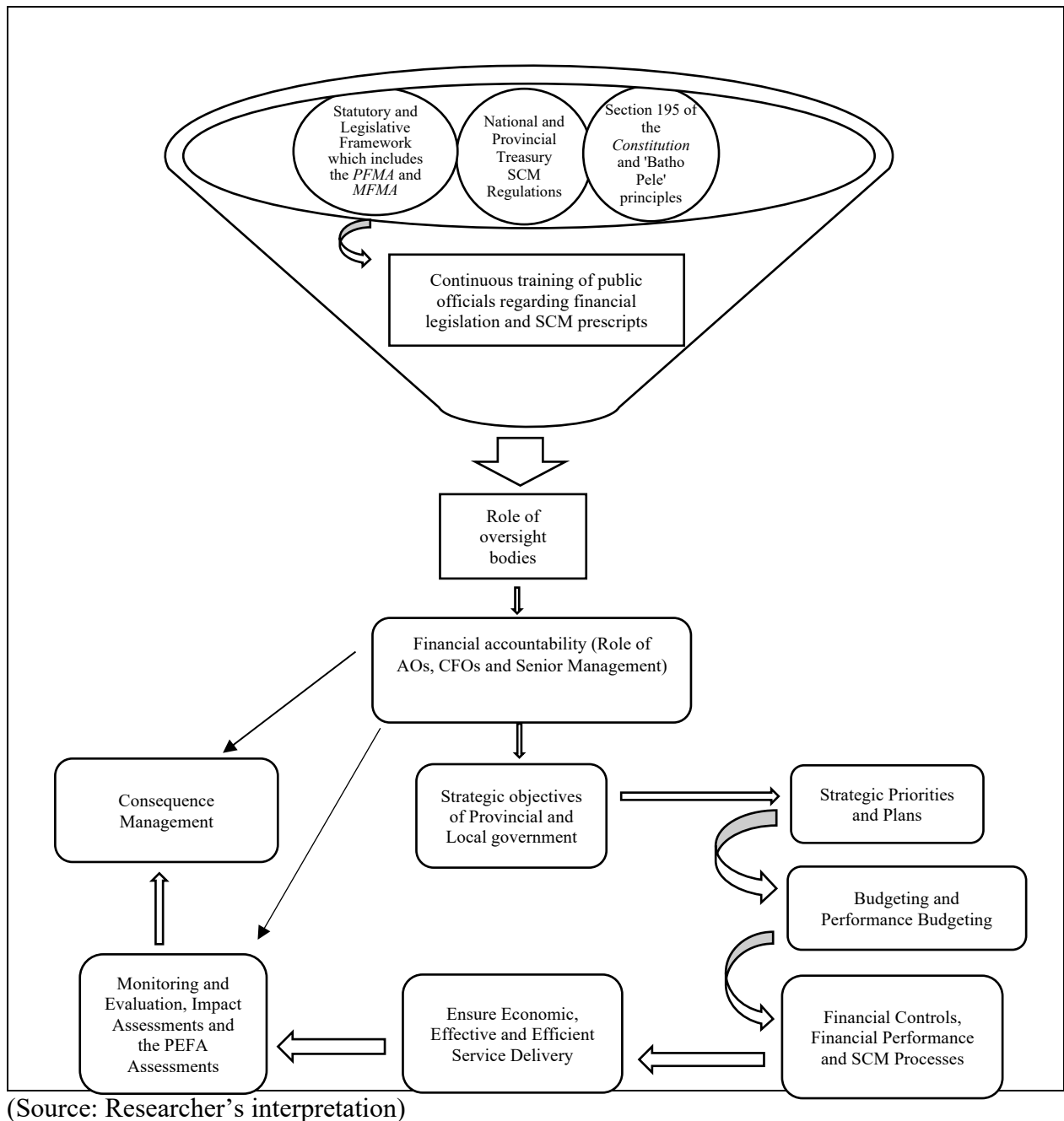


**Figure 8.1: Proposed framework to promote financial accountability, good governance and service delivery efficiency**

The proposed framework to promote financial accountability, good governance and service delivery efficiency provided in Figure 8.1 demonstrates that the promotion of financial accountability, good governance and public service delivery efficiency begins with the implementation of the statutory legislative prescripts such as the *Constitution*, *PFMA*, *MFMA*, and *SCM* regulations in selected provincial departments and local municipalities. To promote financial accountability, good governance, and efficient public service delivery, officials must receive continuous training on these principles and *SCM* regulations. The various oversight

bodies, such as the Auditor-General, Provincial Legislatures, PPACs, Audit Committees, Municipal Councils, Chapter 79 and Chapter 80 oversight committees, and MPACs, must ensure that statutory and legislative prescripts and SCM regulations are enforced by holding public officials to account for the spending of public funds. In terms of the *PFMA* and *MFMA*, AOs must ensure that financial accountability is maintained. Additionally, other role players, such as CFOs, senior management, and staff, must also promote financial accountability. Under Sections 138(1)(a) of the *PFMA* and 62(1) of the *MFMA*, AOs must ensure that disciplinary actions (consequence management) are taken against any public official who contravenes any of the legislative prescripts and SCM regulations. The AOs must ensure alignment of strategic objectives, priorities, and plans with the MTSF, and subsequently with the Provincial Growth Strategy and municipal IDPs, to ensure that public budgets are aligned with the long-term strategic vision and goals of both local and provincial governments. The MTSF outlines the government's strategic vision, detailing the actions that the three spheres of government will undertake and the targets to be achieved within the medium-term strategic framework. The budgets/performance budgets should function as tools to allocate resources effectively, promoting efficiency, effectiveness, and accountability in public expenditure. Financial performance involves using measures such as financial ratios to assess revenue, operating income, profits, debt levels, cash flow, the strength of the balance sheet, and the department's capacity to meet its financial commitments. In addition to these financial measures, it also evaluates the department's ability to generate its own funds, trends in public expenditure, and the dependence of departments or municipalities on government intergovernmental transfers.

Financial controls are necessary to ensure that a provincial department or municipality maintains acceptable levels of accountability. Effective financial control systems can help the selected provincial departments and local municipalities prevent the misappropriation of public funds and ensure that financial transactions are recorded transparently. This transparency allows the public, as end-users of public services, to access financial information and promotes financial accountability as prescribed by the principal-agent theory and the public-service dominant theory of public service delivery and management. Effective financial control systems are crucial to ensure that acceptable levels of accountability are maintained within selected provincial departments and local municipalities. It helps to ensure that public funds are not misappropriated and that financial transactions are recorded transparently. Sections 138(1)(a) of the *PFMA* and 62(1) of the *MFMA* further require that the AOs must ensure that financial controls such as policies, procedures, reporting, auditing and reporting procedures to report wrongdoing, and transparent action when wrongdoing is discovered are maintained to

strengthen the accountability chain in selected provincial departments and local municipalities. Therefore, the AOs of the selected provincial departments and local municipalities must ensure that effective financial controls are maintained to prevent the misappropriation of public funds and to guarantee that financial transactions are recorded transparently. AOs must also ensure that the public has access to financial information to promote transparency, which is a key requirement of good governance.

Financial performance refers to the process of measuring the results of the institution's policies and operations in monetary terms. In local government, the audit process is used as a tool to measure the municipality's overall financial performance over a given period. AOs and oversight bodies must ensure that SCM processes are conducted in accordance with *PFMA* and *MFMA* prescripts as well as National and Provincial Treasury regulations. The promotion of good governance, as required by Section 195 of the *Constitution*, must be considered throughout the financial management cycle in selected provincial departments and local municipalities. Furthermore, oversight bodies and AOs must ensure that service delivery takes place fairly and equitably in an economic, efficient and effective manner. In addition, oversight bodies such as Provincial Legislatures, Portfolio Committees, PPACs, Municipal Councils, MPACs, and Audit Committees, together with AOs, must ensure that Monitoring and Evaluation take place continuously to track and report on the usage of public funds to hold officials to account for any contravention of the *PFMA*, *MFMA*, and SCM regulations.

Effective monitoring, evaluation, and internal control systems promote consequence management. Essential tools for monitoring and evaluation include quarterly monitoring reports, annual assessment reports, and in-year financial monitoring reports, which can be used by selected provincial departments and local municipalities to oversee and assess their financial performance. Apart from impact assessments and the use of the PEFA tool, these measures should help AOs in monitoring and evaluating financial results, as well as promoting financial accountability within these entities. Ultimately, consequence management and financial accountability must be enforced; political leaders, oversight bodies, and AOs of the selected provincial departments and local municipalities must ensure that disciplinary measures and sanctions are implemented against any public official who breaches the provisions of the *PFMA*, *MFMA*, or SCM regulations. Consequence management requires robust internal controls at national, provincial, and local government levels to ensure compliance with legislative requirements such as the *PFMA*, *MFMA*, and SCM regulations in a consistent and timely manner. Holding public officials accountable for non-compliance or incidents of

financial mismanagement will help the selected provincial departments and municipalities recover financial losses. It will also serve as a deterrent against misconduct and mismanagement of public funds.

The proposed financial accountability framework does not intend to dismiss or minimise the importance of statutory, regulatory, and legislative frameworks, policies, procedures, and processes, nor the extensive data from this study that emphasised the importance of financial accountability for good governance and service delivery efficiency. The proposed financial accountability framework, depicted in Figure 8.1 above, aims to enhance and simplify the existing financial accountability tools, especially those prescribed by the National Treasury.

### **8.8.1 Envisaged Impact of the Proposed Framework to promote financial accountability, good governance and service delivery**

In Chapter One, the study's aim and novelty were explained, highlighting its contribution both theoretically and empirically to the understanding of financial accountability, good governance, and service delivery efficiency in selected provincial departments and local municipalities of the NCP. To help mitigate the risks of financial mismanagement and improve financial accountability in the selected provincial government departments and local municipalities of the NCP, the researcher proposed the inclusion of training interventions customised for public officials across all directorates. This training intervention encompasses all the variables outlined in Figure 8.1. This means that every official of the selected provincial and local municipalities in the NCP will be inducted into the statutory legislative frameworks on financial accountability, strategic objectives, priorities, budget, financial management, SCM processes, financial controls, good governance, service delivery efficiency, evaluation and impact assessment, and consequence management.

Since the proposed framework for financial accountability could help improve financial accountability in the selected provincial departments and local municipalities and may also be adopted by other provincial departments and local municipalities in South Africa, the researcher plans to share the framework with the National School of Government (NSG), the Department of Public Administration and Management (DPRSA), as well as the Office of the Premier in the NCP. The primary goal of sharing the proposed financial accountability framework is to enhance capacity within provincial and local governments. Van der Walddt,

Fourie, and Malan (2024:1) emphasise that enhanced capacity would facilitate municipalities in implementing the Auditor-General's recommendations. Municipalities require an efficient system of financial delegation, oversight, and internal controls (van Der Walddt *et al.*, 2024:1).

## 8.9 LIMITATIONS AND DELIMITATIONS OF THE STUDY

The limitations and delimitations of the study were outlined in Section 1.11. Internal and external factors could have influenced the findings and generalisations of the research.

- **Impatience and reluctance of respondents.** The questionnaire was quite lengthy and caused some respondents to feel reluctant to complete it. Some respondents complained about the length of the questions and showed signs of impatience while completing them.
- **Honesty of the respondents.** Some respondents may not have applied themselves honestly. For example, there were cases where they repeatedly gave the same answer, such as ticking “uncertain” across all questions.
- **Generalisation of the findings.** While inferences drawn from the findings could be generalised, the factors listed above, misunderstood questions, impatience, reluctance, and possible dishonesty of respondents might have tainted the true picture of the state of financial accountability in the provincial departments and local municipalities in the NCP.
- **Delimitations.** The delimitations of the study was that the descriptive analysis’s applied in Chapter Four of the study was limited to the Medium Term Strategic Framework (MTSF) reports of the 2015 to 2019 financial years, because the data on the MTSF reports for the five years from 2019 to 2024 financial years was still in the process of implementation and only partial data was available, by the time of the finalisation of the study, therefore the performance outcomes of the provincial department in Chapter Four of the study focused on the MTSF period from 2015 to 2019.

## 8.10 IMPLICATIONS FOR FURTHER RESEARCH

This research study focused on the impact of financial accountability on good governance and service delivery efficiency in selected provincial government departments and local

municipalities in the NCP. There are avenues for further research on financial accountability in other local municipalities and provincial departments. A comparative study could then be conducted either within municipalities, where the relatively poorly performing ones could be benchmarked or compared with the better-performing municipalities. This approach could also be applied in provincial government departments. A comparative study on financial accountability, good governance, and service delivery efficiency could also be extended to other provinces, comparing them with provincial government departments and municipalities of the NCP. Furthermore, content analysis of PEFA assessments of other departments and local municipalities could also be undertaken to evaluate financial expenditure and accountability.

## 8.11 SUMMARY

This study aimed to contribute both theoretically and empirically to the body of knowledge on the impact of financial accountability on good governance and service delivery efficiency in selected provincial departments and municipalities in the NCP. An elaborate discourse, combining a theoretical review and empirical study, culminated in the development of a proposed framework for enhancing financial accountability and improving subsequent financial performance, thereby promoting good governance and service delivery efficiency in provincial departments and municipalities within the NCP.

In an academic pursuit aimed at developing a proposed framework, an extensive literature review was conducted, grounded in the principal-agent theory and the public-service dominant theory of public service delivery and management. The discourse on financial accountability examined government statutory and regulatory legislative frameworks, policies, regulations, and strategies related to financial accountability, governance, good governance, and the efficiency of public service delivery. The focus of the review was directed towards relevant sections of the *Constitution* concerning financial accountability, good governance, and the efficiency of public service delivery. Specifically, Sections 195, 116(b), and 133 of the *Constitution* highlight that accountability is a key principle essential for the internal arrangements, procedures, and processes of provincial government. Furthermore, Section 215 stipulates that budgets (national, provincial, and municipal), along with their associated processes, must promote transparency, accountability, and effective economic management.

Section 38 (a)(iii) of the *PFMA* and Section 62(1) of the *MFMA* were cited to stresses the significant roles and functions of the accounting officer with respect to the management of an



appropriate procurement and provisioning system which is fair, equitable, transparent, competitive, and cost-effective and management of a system that is responsible for all major capital projects. It was also indicated that in terms of Section 81(v) of *MSA*, 2000, a municipality must manage its own accounting, financial management, budgeting, investment and borrowing activities within a framework of transparency, accountability, reporting and financial control determined by the municipality, subject to applicable municipal finance management legislation. It was emphasised that for the realisation of these ideals, namely financial accountability, good governance, and public service delivery efficiency, compliance with constitutional, legislative, treasury, and supply chain regulations was a key enabling factor of financial accountability.

The discourse also drew on outputs from academic and scholarly conferences, symposia, workshops, and occasional papers sponsored by public management. Articles published in reputable journals on topics such as financial accountability, governance, good governance, and public service delivery efficiency provided valuable insights into how other scholars theorised and conceptualised the impact of financial accountability on good governance within the provincial departments and municipalities of the NCP.

The internationally tested assessment tool, PEFA, not only provided the theoretical basis for financial accountability, good governance, and efficient service delivery but also provided succinct, practical examples of how public expenditure and financial accountability could be assessed and measured. The seven pillars of the PEFA assessment tool, namely budget reliability, transparency of public finances, management of assets and liabilities, policy-based fiscal strategy and budgeting, predictability and control in budget execution, accounting and reporting and external scrutiny and audit, were identified as key variables in this discourse of financial accountability.

The significant oversight roles played by committees in provincial legislatures and municipal councils, particularly public accounts committees, municipal accounts committees, audit committees, and other portfolio committees, were highlighted. It was emphasised that these committees must ensure that control measures, including financial controls such as reports submitted by administrative and executive officials, are scrutinised so that public functionaries are held accountable for the use of public funds.



It was further highlighted that, in accordance with Section 216 of the *Constitution*, the national government is required to establish a National Treasury for prescribing norms and standards to ensure that financial expenditure in each sphere of government is administered in a transparent and accountable manner. Within the scope of the empirical study, the analysis yielded a summative inference through Spearman correlation, which was used to test the study's hypotheses. The alternative hypotheses  $H1_{a1}$  to  $H5_{a1}$  were accepted. Based on the empirical study findings, it was argued that there is a statistically significant positive relationship between financial accountability, good governance and public service delivery in the selected provincial departments and municipalities in the NCP.

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## ANNEXURE A – CONSENT LETTERS TO CONDUCT RESEARCH



### ANNEXURE A: PERMISSION LETTER

16648 Khutsanong Street

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8345

motsumionkabetse@gmail.com / 061 259 6828

01 June 2023

To: Municipal Manager

Subject: Permission to Conduct Research Study

Dear Sir/Madam

This letter serves as a request to ask for permission to conduct a research study at your local municipality. I am currently enrolled for Doctor of Philosophy in Management Sciences (PUBLIC SECTOR MANAGEMENT) at Central University of Technology, Free State. I am in the process of completing my doctoral thesis. The topic of this study is "*the impact of financial accountability on good governance and service delivery efficiency in selected provincial departments and municipalities in Northern Cape Province*"

Kindly be informed that I will make every effort to safeguard the confidentiality of the respondents with whom I will conduct simple research survey. The completion of the questionnaire should take no longer than 30 minutes to complete. The survey results will be pooled for the thesis project only and individual results of this study will remain absolutely confidential and anonymous. Should this study be published; the results of the findings will be documented. No costs will be incurred by either your department or the individual participants.

Your approval for me to conduct this study will be greatly appreciated.

Regards



Onkabetse Levy Motsumi (student)

**Main Research Supervisor/Promoter:** Prof. T. Van Niekerk: Department of Public Management, Faculty of Management Sciences at the Central University of Technology.

**Co-Supervisor:** Dr MC Pretorius: Department of Public Management, Faculty of Management Sciences at the Central University of Technology.



ANNEXURE A: PERMISSION LETTER

16648 Khutsanong Street  
Galesheve  
8345  
motsumionkabetse@gmail.com / 061 259 6828  
20 September 2023

To: Head of Department

Subject: Permission to Conduct Research Study

Dear Sir/Madam

This letter serves as a request to ask for permission to conduct a research study at your department. I am currently enrolled for Doctor of Philosophy in Management Sciences (PUBLIC SECTOR MANAGEMENT) at Central University of Technology, Free State. I am in the process of completing my doctoral thesis. The topic of this study is *"The impact of financial accountability on good governance and service delivery efficiency in selected provincial departments and municipalities in Northern Cape Province"*

Kindly be informed that I will make every effort to safeguard the confidentiality of the respondents with whom I will conduct a simple research survey. The completion of the questionnaire should take no longer than 30 minutes to complete. The survey results will be used for the thesis project only and individual results of this study will remain absolutely confidential and anonymous. Should this study be published; the results of the findings will be documented. No costs will be incurred by either your department or the individual participants.

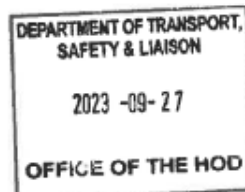
Your approval for me to conduct this study will be greatly appreciated.

Regards

Onkabetse Levy Motsumi (student)

Main Research Supervisor/Promoter: Prof. T. Van Niekerk: Department of Public Management, Faculty of Management Sciences at the Central University of Technology.

Co-Supervisor: Dr MC Pretorius: Department of Public Management, Faculty of Management Sciences at the Central University of Technology.



## ANNEXURE B – APPROVAL LETTERS TO CONDUCT RESEARCH



**DEPARTMENT OF TRANSPORT, SAFETY AND LIAISON**  
**ISEBE LEZOTHUTO, EZOKHUSELEKO NONXULUMANO**  
**LEFAPHA LA DIPALANGWA, PABALESEGO LE BOGOKAGANYI**  
**DEPARTEMENT VAN VERVOER, VEILIGHEID EN SKAKELING**

Noord-kap Provinsie / Northern Cape Province  
Phondo Lomnta Kapa / Porofesi ya Kapa Bokone

Ocean Echo Building  
Cnr. Sydney & Lennox Street  
P.O. Box  
KIMBERLEY

Tel: 053 839 1700

Fax:

Email:

Webmail: <http://dtsi.ncpg.gov.za>

Enquiries: P. Telekelo  
Dipatlaiso:  
Imibuzo:  
Navraa:

Reference: S5.3.1  
Tshupelo:  
Isalathiso:  
Verwysing:

Date: 29 September 2023

Letlha:

Umhla:

Datum:

To:

**Mr. O.L. Motsumi**

**16648 Khutsanong Street**

**Galeshwe**

**Kimberley**

**8345**

Dear Mr. O.L. Motsumi

**RE: REQUEST TO CONDUCT RESEARCH WITHIN THE DEPARTMENT OF TRANSPORT,  
SAFETY AND LIAISON.**

Your request for permission to conduct research within the department for this calendar year 2023 is dully granted under the following conditions;

1. The outcome of your research should not be used by anyone or any institution against the department for legal means, lawsuit or whatsoever reason.
2. Your research report may be used to the benefit of the department in line with the topic of research of your choice.

3. Your research question for data collection should receive ethical approval from your institution of learning.
4. Your research report shall be made available to the Head of Department for perusal.
5. Your data collection shall not interfere with official time schedules of your participants within the department.

I hope the above is in order and good luck with your studies.



**Mr R.E. Pieterse**  
**Head of Department**

02.10.2023.

**Date**





DEPARTMENT OF HEALTH  
LEFAPHA LA MAPHELO  
DEPARTEMENT VAN GESONDHEID  
ISEBE LEZEMPILO

Office of Deputy Director -General  
Northern Cape Dept of Health  
Private Bag X5049  
Kimberley  
8300  
Tel: 053 830 2153/148  
Email: pnhodhealth@ncpg.gov.za

Enquiries : Mr. B Kgatwe  
Oipaditiso : BMashute@ncpg.gov.za  
Imibuzo : NC\_202306\_006  
Navrao :

Date : 03 July 2023  
Leshupelo :  
Umhla :  
Datum :

Mr.O Motsumi  
16648 Khutsanong Street  
Galeshewe  
Kimberley  
8345

**TITLE: THE IMPACT OF FINANCIAL ACCOUNTABILITY ON GOOD GOVERNANCE AND SERVICE DELIVERY EFFICIENCY IN SELECTED PROVINCIAL DEPARTMENTS AND MUNICIPALITIES IN NORTHERN CAPE PROVINCE,**

**Dear Mr. Motsumi**

The application requesting permission to conduct the above-mentioned research study was received and reviewed by the Northern Cape Department of Health.

Decision: Permission is granted to conduct this research project as indicated in the research proposal, in the Northern Cape Province.

The reference number for this research project is NC\_202306\_006, and please use this reference with all your communication with the Research Coordinator.

**Please note the following:**

1. This approval is valid for a period of one year from the date of approval.
2. Should this research study need a period of more than one year, the researcher must annually submit the progress report to the department and request an extension.
3. The researcher must make all the necessary arrangements with the facility managers to ensure the provision of healthcare services are not affected when this project is being conducted.



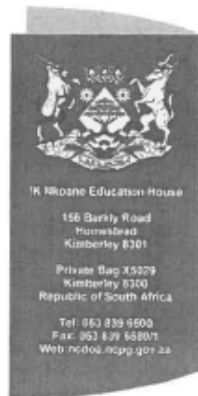
Please note the following conditions:

1. This research project must be conducted at no cost to the Northern Cape Department of Health.
2. The approval is limited to the research proposal as submitted on the application.
3. There must be no modifications or amendments to the research project.
4. The Research Unit may monitor this research project at any time.
5. At the completion of this research project, a copy of the final report must be submitted to the Research Unit.
6. The Northern Cape Department of Health Senior Management must be briefed on the outcome of the study prior to publishing.

  
DR. Dion Theys  
Acting Head of Department  
Northern Cape Province  
Department of Health

21/07/2023  
Date

A modern health system delivering quality care to a growing province



## DEPARTMENT OF EDUCATION

Enquiries: J N Horne  
Contact No.: (053) 839 6757  
Reference: L2.10.2.4.3  
Date: 4 October 2023

16648 Khutsanong Street  
Galeshewe  
Kimberley  
8345

Dear Mr O Motsumi

### APPROVAL TO CONDUCT RESEARCH

*The aforesaid matter with, Ref: L2.10.2.4.3, bears reference.*

This letter serves to indicate that approval is granted to conduct research for the research thesis titled: **"The impact of financial accountability on good governance and service delivery efficiency in selected provincial departments and municipalities in Northern Cape Province"**.

The onus rests with you as the researcher to arrange appropriate and relevant time schedules with the sampled teachers to conduct the research. A copy of this approval letter must be presented to the school (Principal and SGB) and the District Director as proof that permission for the research has been granted.

The following conditions must be strictly applied during the conduct of your research in the NCDoE. Approval may be withdrawn should any of the conditions listed below be flouted.

| Criteria for approval          | Comment                                                                                                                                                                                                                                                                                            |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Value of the proposed research | The study topic covers a policy position of the Basic Education Sector and thus has value. The envisaged study seeks to determine the impact of financial accountability on good governance and public service delivery efficiency in provincial and municipalities in the Northern Cape Province. |
| Policy and Strategic Alignment | The research is aligned to policy and to the Medium Term Strategic Framework (MTSF).                                                                                                                                                                                                               |



Approval to Conduct Research: Mr O Motsumi

Page 1 of 2

|                                                                                 |                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Potential benefits to the NCDoE                                                 | The NCDoE would benefit from the research as empirical evidence would be available that is derived from the Northern Cape experiences.                                                                                                                                                                                                                                |
| Contribution to the knowledge base and literature in the Basic Education Sector | The study aims to contribute both theoretically and empirically to the body of knowledge about the relationship between financial accountability, good governance and service delivery efficiency in provincial departments and municipalities.                                                                                                                       |
| Appropriateness of the methodology adopted                                      | Quantitative research will be used which will be grounded conducted within a positivism paradigm.                                                                                                                                                                                                                                                                     |
| Ethical Considerations                                                          | Ethical clearance was granted by the Ethics Committee of the Central University of Technology, Free State. The research study will adhere to ethical principles namely voluntary participation, informed consent, anonymity, confidentiality, no harm to participants, confirmation that the study is free of plagiarism and that results are accurately represented. |
| Accountability                                                                  | The accountability is as per NCDoE Research Guidelines.                                                                                                                                                                                                                                                                                                               |
| Conditions to be agreed by the applicant                                        | The conditions to be adhered to are as per NCDoE Research Guidelines.                                                                                                                                                                                                                                                                                                 |
| Types of Research                                                               | Quantitative research has been identified by the researcher and a cross-sectional survey design will be applied to quantitatively collect data. Data will be collected through structured questionnaires. 225 NCDoE officials across all level of the system, have been sampled for the research study.                                                               |
| Datasets                                                                        | The following datasets were requested by the researcher: Former Systematic Evaluations, Provincial Education Infrastructure Management System and Personnel Salary System ("PERSAL").                                                                                                                                                                                 |

Kindly note that this approval is subject to the submission of a copy of the final research report as well as a presentation on the purpose, findings and recommendations of the research to relevant NCDoE officials and the schools concerned.

The Northern Cape Education Department wishes you well in this important undertaking and is looking forward to examine the findings of your research study.

Kind regards

  
MR G. OLIPHANT  
ACTING HEAD OF DEPARTMENT

09.10.2023  
DATE



Approval to Conduct Research: Mr O Motsumi

Page 2 of 2

## Research Study » Inbox x

Ofhansi Ramukhuvhathi <[cfo@josemorolong.gov.za](mailto:cfo@josemorolong.gov.za)>  
to me, Boipelo ▾

Feb 6, 2024, 12:10 PM

Good day,

Please note that we have received your request and can avail our officials for your study.

Ofhansi Ramukhuvhathi CA(SA)  
Acting Chief Financial Officer  
Tel: 053 773 9300  
Fax: 053 773 9350  
Cell: 067 405 4485  
Email: [fincontrol@josemorolong.gov.za](mailto:fincontrol@josemorolong.gov.za)  
Web : [www.josemorolong.gov.za](http://www.josemorolong.gov.za)



Mrs Boipelo Motlaping  
Municipal Manager



## SOL PLAATJE MUNICIPALITY

OFFICE OF THE MUNICIPAL MANAGER

KANTORO YA MOTSAMAI WA MASEPALA

KANTOOR VAN DIE MUNISIPALE BESTUURDER

Private Bag X5030,  
Kimberley 8300  
Tel: (053) 830 6911  
Fax: (053) 833 1005  
[www.solplaatje.org.za](http://www.solplaatje.org.za)

Ref. No./Verec:

SB Matlala/mjn (053-8306101)

Enquiries / Navraag:

11 June 2024

Mr O L Motsumi  
Department of Public Management  
Central University of Technology

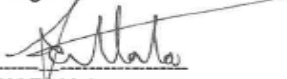
Dear Mr Motsumi

### RE: REQUEST TO CONDUCT RESEARCH AT SOL PLAATJE MUNICIPLAITY

Your email dated 29 January 2024 with regards to the above-mentioned request has reference. In light of the above, you are hereby granted permission to conduct your research as outlined in your request letter.

I hope you find the above in order. All enquiries with regard to the above-mentioned permission may be directed to the Municipal Manager.

Kind regards

  
**SB MATLALA**  
**MUNICIPAL MANAGER**

*The City that sparkles*



## THEMBELIHLE

Incorporating the towns of Strydenburg and Hopetown  
Northern Cape Province, Republic of South Africa

Reference: Tshupelo/ Isalethiso/ Vena, ☐  
Enqinisa/ Dipatlisiso/ Imibuzo/ Mr. R. Shuping

LOCAL MUNICIPALITY  
PLAASLIKE MUNISIPALITEIT  
U-MASIPALA WASEKUHLENI

Private bag X31HOPETOWN8750  
Church Street HOPETOWN 8750  
☎ (053) 2030005/8/442  
Fax (053) 203 0490  
www.thembelihlemunicipality.gov.za

Date:  
Leshupelo : 24 JULY 2024

Ms. Onkabetse Levvy Motsumi  
16648 Khutsanong Street  
Galeshewe  
KIMBERLEY  
8345

Dear Ms. Motsumi

### RE: PERMISSION TO CONDUCT RESEARCH STUDY

This letter serves to confirm that Onkabetse Levvy Motsumi under supervision of Prof. Tryna Van Niekerk may conduct research at Thembelihle Local Municipality and/or may make use of Municipal data, as specified below. Furthermore, the data generated during the research may be used to compile the dissertation/thesis with study topic:

*"The impact of financial accountability on good governance and service delivery efficiency in selected provincial departments and municipalities in the Northern Cape Province"*

Thembelihle Local Municipality hereby commits to providing the necessary research support in the form of facilities and data in accordance with the Promotion of Access to Information Act (2000).

## ANNEXURE C – RESEARCH QUESTIONNAIRES

### RESEARCH STRUCTURED QUESTIONNAIRE-PROVINCIAL GOVERNMENT

Respondent Number:

#### Purpose of the structured questionnaire:

I, Mr Onkabetse Levy Motsumi a **DPHIL MAN SC (PUBLIC SECTOR MANAGEMENT)**

student at the Central University of Technology, am conducting an academic research study in fulfilment of my doctoral degree. The purpose of this research questionnaire is to assess the impact of financial accountability on good governance and service delivery efficiency in selected provincial departments in the Northern Cape province.

Your contribution to this questionnaire will remain anonymous and all information will be considered confidential and no personal information will be published. Your identity will also remain anonymous and no information that can identify you will be on the questionnaire.

#### Instructions:

- Your responses should be as accurate as possible to the situation in your department.
- Please make a circle or cross where applicable and use a black ink pen.

Thank you for your participation.

### RESEARCH STRUCTURED QUESTIONNAIRE: PROVINCIAL GOVERNMENT

#### Section A

##### Biographical Data of Respondents

Kindly **circle or mark a cross** on the option you are choosing from the list of possible answers below.

1. What is your race?

|              |  |
|--------------|--|
| 1.1 African  |  |
| 1.2 Asian    |  |
| 1.3 Coloured |  |
| 1.4 White    |  |
| 1.5 Other    |  |

2. What is your gender?

|            |  |
|------------|--|
| 2.1 Male   |  |
| 2.2 Female |  |

3. Do you have a disability?

|                             |  |
|-----------------------------|--|
| 3.1 Yes                     |  |
| 3.2 No                      |  |
| 3.3 I prefer not to answer. |  |

4. What is your home language?

|                            |  |
|----------------------------|--|
| 4.1 English                |  |
| 4.2 Afrikaans              |  |
| 4.3 Setswana               |  |
| 4.4 IsiXhosa               |  |
| 4.5 IsiZulu                |  |
| 4.6 Other, please specify: |  |

5. What is your age? \_\_\_\_\_ years

6. What is your Salary band?

|                       |  |
|-----------------------|--|
| 6.1 Salary band 1-5   |  |
| 6.2 Salary band 6-8   |  |
| 6.3 Salary band 9-12  |  |
| 6.4 Salary band 13-16 |  |

7. What is the department where you are currently employed?

|                                                               |  |
|---------------------------------------------------------------|--|
| 7.1 Northern Cape Department of Health                        |  |
| 7.2 Northern Cape Department of Education                     |  |
| 7.3 Northern Cape Department of Transport, Safety and Liaison |  |

8. How long have you worked in this department?

|                       |  |
|-----------------------|--|
| 8.1 1-5 Years         |  |
| 8.2 6-10 Years        |  |
| 8.3 11 – 20 Years     |  |
| 8.4 21 Years and more |  |

9. What is your highest level of education?

|                                |  |                                   |  |
|--------------------------------|--|-----------------------------------|--|
| 9.1 Without Senior Certificate |  | 9.5 Degree                        |  |
| 9.2 Senior certificate         |  | 9.6 Honours/Post Graduate Diploma |  |
| 9.3 Post Matric Certificate    |  | 9.7 Masters/MBA                   |  |
| 9.4 Diploma                    |  | 9.8 Doctorate/PHD                 |  |



## SECTION B

This Section is comprised of statements or questions that seek to collect information about the Impact of Financial Accountability on Good Governance and Service Delivery Efficiency in Selected Municipalities in the Northern Cape Province.

### Key important variables to note when completing the questionnaire:

**Financial Accountability:** Refers to the answerability of functionaries (political and public officials) to the public concerning the usage of public funds and the implementation of financial policies, treasury regulations and supply chain management (SCM) regulations.

**Good Governance:** Refers to the process of decision making and the process by which decisions are implemented or not implemented. The underlying principles of good governance are public participation, accountability, transparency; rule of law; responsiveness; efficiency and effective government; equity; consensus orientation and strategic vision

**Public Service Delivery Efficiency:** This is an inalienable constitutional right provided in Section 197 of the *Constitution*, 1996 where the citizens or the end users of services ought to receive quality accessible acceptable basic services, such as water, Sanitation, electricity, and waste removal as provided by Section 227 (1) (a) of the *Constitution*, 1996 respectively.

**Public Participation:** Improve communication channels: Enhance methods for promoting public participation, including road shows and advocacy programs.

Educate the public: Provide resources and information to help citizens understand the importance of their involvement in the processes of the department.

**Transparency in Financial Reporting:** Enhances financial reporting which ensures that financial information is not only accurate but also presented in a clear and easily understandable manner.

Online accessibility: Make financial reports and information readily accessible through the departmental website.

**Establish clear accountability mechanisms:** Implement systems to track and report on the use of public funds and hold public officials accountable for their actions.

**Compliance with legislative framework:** Strengthen adherence to regulations: Continuously train and educate staff on relevant legislative frameworks, policies, and regulations to ensure compliance.

**Risk Management:** Develop a robust risk management framework: Identify, assess, and mitigate potential risks effectively to Safeguard public resources.

**Fraud Prevention:** Implement fraud prevention strategies: Develop and enforce policies and procedures to prevent fraud and corruption within the department.

**Service Delivery Efficiency:** Process optimization where service delivery processes are streamlined to make them more efficient and responsive to citizens' needs.

**Equitable Service Distribution:** Targeted distribution: Identify areas that require specific attention and ensure that services are allocated based on the needs of historically disadvantaged communities.

**Stakeholder Involvement:** Inclusive decision-making which encourages the involvement of diverse stakeholder groups in financial decision-making processes to ensure a broader perspective.

**Strategic Vision:** Align with the strategic plan to ensure that the use of public funds is in line with the departmental long-term strategic vision and goals.

### How to complete the questionnaire?

Kindly circle or mark a cross on the option you are choosing from the list of possible answers below.

**Note:** Strongly agree = 5, Agree = 4, Uncertain = 3, Disagree = 2, Strongly disagree = 1.

## 10. Legislative provisions to promote accountable and effective financial management

| Statement                                                                                                                                                                                            | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| 10.1 Public officials in the department are familiar with the constitutional requirements provided in Section 195 of the <i>Constitution</i> , 1996 to promote accountable governance.               | 5              | 4     | 3         | 2        | 1                 |
| 10.2 Public officials in the department attend training programmes on financial management including legislative requirements to promote effective financial management.                             | 5              | 4     | 3         | 2        | 1                 |
| 10.3 Public officials in the department always comply with financial legislative prescripts of the <i>PFMA</i> , 1999, supply chain, and treasury regulations when discharging their responsibility. | 5              | 4     | 3         | 2        | 1                 |
| 10.4 Public officials in the department disregard rules, policies, and legislation when implementing the budget.                                                                                     | 5              | 4     | 3         | 2        | 1                 |

|                                                                                                                                                                                           |   |   |   |   |   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|
| 10.5 Disciplinary steps are taken against public officials in the department who contravene legislative prescripts such as the <i>PFMA, 1999</i> , SCM policies and Treasury regulations. | 5 | 4 | 3 | 2 | 1 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|

| 11. Financial Accountability                                                                                                                                          |                |       |           |          |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                                                                             | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| 11.1 Public Officials in the department use public funds according to the budget to prioritise the basic needs of the community.                                      | 5              | 4     | 3         | 2        | 1                 |
| 11.2 The department makes financial reports easily accessible to oversight bodies, namely the internal audit committee, portfolio committee, and the Auditor General. | 5              | 4     | 3         | 2        | 1                 |
| 11.3 Public officials in the department are always held to account for the use of public funds.                                                                       | 5              | 4     | 3         | 2        | 1                 |
| 11.4 Acts of financial misconduct by public officials are effectively investigated in the department.                                                                 | 5              | 4     | 3         | 2        | 1                 |
| 11.5 Departmental officials found guilty of financial misconduct face disciplinary processes.                                                                         | 5              | 4     | 3         | 2        | 1                 |

| 12. Public expenditure and financial accountability                                                                                                                                               |                |       |           |          |                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                                                                                                         | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| 12.1 Public officials in the department are familiar with public financial management and accountability assessment tools such as Public Expenditure and Financial Accountability (PEFA).         | 5              | 4     | 3         | 2        | 1                 |
| 12.2 The CFO or the Internal Audit Unit makes use of public financial management and accountability assessment tools such as PEFA to assess the department's financial management/accountability. | 5              | 4     | 3         | 2        | 1                 |
| 12.3 Public officials are familiar with aspects of public financial management (budgeting, management of assets and liabilities) and financial accountability.                                    | 5              | 4     | 3         | 2        | 1                 |
| 12.4 Public officials in the department always promote sound public financial management and financial accountability.                                                                            | 5              | 4     | 3         | 2        | 1                 |
| 12.5 Poor financial management and a lack of financial accountability by departmental programmes contribute to unauthorised, irregular, fruitless, and wasteful expenditure.                      | 5              | 4     | 3         | 2        | 1                 |

| <b>13. Oversight bodies that promote financial accountability</b>                                                                         |                       |              |                  |                 |                          |
|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------|------------------|-----------------|--------------------------|
| <b>Statement</b>                                                                                                                          | <b>Strongly agree</b> | <b>Agree</b> | <b>Uncertain</b> | <b>Disagree</b> | <b>Strongly disagree</b> |
| 13.1 The department has effective oversight bodies such as the internal audit unit and the internal audit committee.                      | 5                     | 4            | 3                | 2               | 1                        |
| 13.2 The departmental officials are not familiar with the role and functions of the internal audit unit and the internal audit committee. | 5                     | 4            | 3                | 2               | 1                        |
| 13.3 The Auditor General report is made accessible to all officials in the department.                                                    | 5                     | 4            | 3                | 2               | 1                        |
| 13.4 The role and functions of Provincial Public Accounts Committees are understood by departmental officials.                            | 5                     | 4            | 3                | 2               | 1                        |
| 13.5 Oversight bodies are not taken seriously by departmental officials as they are ineffective.                                          | 5                     | 4            | 3                | 2               | 1                        |

| <b>14. Principles of Good Governance</b>                                                                                                                                                                                 |                       |              |                  |                 |                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------|------------------|-----------------|--------------------------|
| <b>Statement</b>                                                                                                                                                                                                         | <b>Strongly agree</b> | <b>Agree</b> | <b>Uncertain</b> | <b>Disagree</b> | <b>Strongly disagree</b> |
| <b>14.1 Public Participation</b><br>The department promotes public participation through various methods such as road shows, advocacy programmes and community meetings.                                                 | 5                     | 4            | 3                | 2               | 1                        |
| <b>14.2 Transparency in Financial Reporting</b><br>Financial information and reports are readily accessible through departmental website.                                                                                | 5                     | 4            | 3                | 2               | 1                        |
| <b>14.3 Establish clear accountability mechanisms</b><br>Some systems track and report on the use of public funds, holding public officials accountable for their actions.                                               | 5                     | 4            | 3                | 2               | 1                        |
| <b>14.4 Compliance with legislative framework</b><br>Administrative and executive office staff are continuously trained and educated on relevant legislative frameworks, policies, and regulations to ensure compliance. | 5                     | 4            | 3                | 2               | 1                        |
| <b>14.5 Risk Management</b><br>There is an effective risk management framework that enables the department to identify, assess, and mitigate the potential risks to safeguard public resources effectively.              | 5                     | 4            | 3                | 2               | 1                        |
| <b>14.6 Fraud Prevention</b><br>Effective internal controls (policies, procedures and processes) are enforced to prevent fraud and corruption within the department.                                                     | 5                     | 4            | 3                | 2               | 1                        |
| <b>14.7 Service Delivery Efficiency</b><br>Service delivery processes are streamlined to make them more efficient and responsive to citizens' needs.                                                                     | 5                     | 4            | 3                | 2               | 1                        |
| <b>14.8 Equitable Service Distribution</b>                                                                                                                                                                               | 5                     | 4            | 3                | 2               | 1                        |

|                                                                                                                      |   |   |   |   |   |
|----------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|
| The provision of services is distributed equitably to address the socio-economic imbalances of the past.             |   |   |   |   |   |
| <b>14.9 Stakeholder Involvement</b>                                                                                  |   |   |   |   |   |
| The department promotes the involvement of a diverse group of stakeholders in the financial decision-making process. | 5 | 4 | 3 | 2 | 1 |
| <b>14.10 Strategic Vision</b>                                                                                        |   |   |   |   |   |
| The use of public funds aligns with the department's long-term strategic vision and goals.                           | 5 | 4 | 3 | 2 | 1 |

| 15. Public service efficiency                                                                                                                             |                |       |           |          |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                                                                 | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| 15.1 The promotion of financial accountability leads to efficient service delivery.                                                                       | 5              | 4     | 3         | 2        | 1                 |
| 15.2 The lack of financial accountability impacts negatively on service delivery.                                                                         | 5              | 4     | 3         | 2        | 1                 |
| 15.3 The legislative oversight bodies hold departmental officials to account for poor service delivery.                                                   | 5              | 4     | 3         | 2        | 1                 |
| 15.4 Public officials are not held accountable for poor service delivery.                                                                                 | 5              | 4     | 3         | 2        | 1                 |
| 15.5 The public receives quality service delivery because of effective financial accountability and sound financial management systems in the department. | 5              | 4     | 3         | 2        | 1                 |

| 16. Financial accountability influences the financial performance outcomes                                                                         |                |       |           |          |                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                                                          | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| 16.1 Effective financial accountability improves the overall financial performance outcomes in the department.                                     | 5              | 4     | 3         | 2        | 1                 |
| 16.2 The lack of financial accountability contributes to financial mismanagement in the department.                                                | 5              | 4     | 3         | 2        | 1                 |
| 16.3 There are weaknesses in the department's financial management and accountability chain.                                                       | 5              | 4     | 3         | 2        | 1                 |
| 16.4 Poor financial accountability leads to poor financial performance in the department.                                                          | 5              | 4     | 3         | 2        | 1                 |
| 16.5 The accounting officer and the CFO are committed to promoting effective financial performance and financial accountability in the department. | 5              | 4     | 3         | 2        | 1                 |

| 17. Supply Chain Management. |                |       |           |          |                   |
|------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                    | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |

|                                                                                                                                                           |   |   |   |   |   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|
| 17.1 Supply Chain Management in the department is administered according to legislative prescripts, SCM policies, and treasury regulations.               | 5 | 4 | 3 | 2 | 1 |
| 17.2 The bidding process in the department is fair, equitable, transparent, competitive, and cost-effective.                                              | 5 | 4 | 3 | 2 | 1 |
| 17.3 Contracts are always given to individuals who are close to politicians and state power.                                                              | 5 | 4 | 3 | 2 | 1 |
| 17.4 Suppliers are paid on time within the prescribed period of 30 days.                                                                                  | 5 | 4 | 3 | 2 | 1 |
| 17.5 There is a general view that Supply Chain Management in the department is mismanaged, corrupt, and used by certain individuals to enrich themselves. | 5 | 4 | 3 | 2 | 1 |

| 18. Functionality of financial controls.                                                                                                               |                |       |           |          |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                                                              | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| 18.1 The department has a strong system of financial controls, namely policies, procedures, reporting, auditing, and reporting procedures.             | 5              | 4     | 3         | 2        | 1                 |
| 18.2 Public officials are aware of the existing financial controls in the department such as the submission of monthly, quarterly, and annual reports. | 5              | 4     | 3         | 2        | 1                 |
| 18.3 Financial controls are effectively applied to prevent the mismanagement of financial resources in the department.                                 | 5              | 4     | 3         | 2        | 1                 |
| 18.4 The application of financial controls is disregarded in the department.                                                                           | 5              | 4     | 3         | 2        | 1                 |
| 18.5 Public officials are not aware nor familiar with financial controls in the department.                                                            | 5              | 4     | 3         | 2        | 1                 |

| 19. Capacity of staff complements                                                                                                       |                |       |           |          |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                                               | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| 19.1 The department has not been implementing skills audits to measure the financial management competencies of officials.              | 5              | 4     | 3         | 2        | 1                 |
| 19.2 The department has not been implementing training on financial management to address the financial skills needs in the department. | 5              | 4     | 3         | 2        | 1                 |
| 19.3 Funded vacant positions are advertised within six months and filled within the prescribed time of twelve months.                   | 5              | 4     | 3         | 2        | 1                 |
| 19.4 There is a general shortage of staff in the department.                                                                            | 5              | 4     | 3         | 2        | 1                 |

|                                                                                              |   |   |   |   |   |
|----------------------------------------------------------------------------------------------|---|---|---|---|---|
| 19.5 Non-implementation of skills audit and training contributes to financial mismanagement. | 5 | 4 | 3 | 2 | 1 |
|----------------------------------------------------------------------------------------------|---|---|---|---|---|

| 20. Stability in senior management position                                                                       |                |       |           |          |                   |
|-------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                         | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| 20.1 Senior management positions are filled within the prescribed period of six months.                           | 5              | 4     | 3         | 2        | 1                 |
| 20.2 Senior management positions left vacant for a considerable period beyond six months.                         | 5              | 4     | 3         | 2        | 1                 |
| 20.3 There are frequent rotations in acting positions at senior management level.                                 | 5              | 4     | 3         | 2        | 1                 |
| 20.4 The attrition rate is high among senior managers where some of the senior managers serve for a brief period. | 5              | 4     | 3         | 2        | 1                 |
| 20.5 Delayed appointment of senior management destabilises the smooth administration of the department.           | 5              | 4     | 3         | 2        | 1                 |

21. Financial accountability impacts on good governance and service delivery efficiency in provincial departments in the Province of Northern Cape. Mark a cross on the option you are choosing from the list of possible answers below.

|                      |  |
|----------------------|--|
| 21.1 Positive impact |  |
| 21.1 No impact       |  |
| 21.1 Negative impact |  |

22. Additional Comments.

Do you have additional comments or suggestions that you wish to share? Kindly write your comments or suggestions below.

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**THANK YOU!**

## RESEARCH STRUCTURED QUESTIONNAIRE – LOCAL GOVERNMENT

Respondent Number:

Purpose of the structured questionnaire

I, Mr Onkabetse Levy Motsumi a DPHIL MAN SC (PUBLIC SECTOR MANAGEMENT)

student at the Central University of Technology, am conducting an academic research study in fulfilment of my doctoral degree. The purpose of this research questionnaire is to assess the impact of financial accountability on good governance and service delivery efficiency in selected municipalities in the Northern Cape province

Your contribution to this questionnaire will remain private and all information will be considered confidential and no personal information will be published. Your identity will also remain anonymous and no information that can identify you will be on the questionnaire.

### Instructions

- Your responses should be as accurate as possible to the situation in your local municipality.
- Please make a circle or cross where applicable and use a black ink pen.
- Kindly complete All the questions.

Thank you for your participation.

## RESEARCH STRUCTURED QUESTIONNAIRE

### SECTION A

Biographical Data of Respondents

Kindly circle or mark a cross on the option you are choosing from the list of possible answers below.

1. What is your race?

|              |  |
|--------------|--|
| 1.1 African  |  |
| 1.2 Asian    |  |
| 1.3 Coloured |  |
| 1.4 White    |  |
| 1.5 Other    |  |

2. What is your gender?

|            |  |
|------------|--|
| 2.1 Male   |  |
| 2.2 Female |  |

3. Do you have a disability?

|                             |  |
|-----------------------------|--|
| 3.1 Yes                     |  |
| 3.2 No                      |  |
| 3.3 I prefer not to answer. |  |

4. What is your home language?

|                            |  |
|----------------------------|--|
| 4.1 English                |  |
| 4.2 Afrikaans              |  |
| 4.3 Setswana               |  |
| 4.4 IsiXhosa               |  |
| 4.5 IsiZulu                |  |
| 4.6 Other, please specify: |  |

5. What is your age? \_\_\_\_\_ years.

6. What is your occupation?

|                                |  |
|--------------------------------|--|
| 6.1 Senior Manager             |  |
| 6.2 Middle manager             |  |
| 6.3 Administration officer     |  |
| 6.4 Elementary and Admin Clerk |  |

7. What is the municipality where you are currently employed?

|                                          |  |
|------------------------------------------|--|
| 7.1 Frances Baard District Municipality  |  |
| 7.2 Pixley-Ka-Seme District Municipality |  |
| 7.3 ZF Mgcawu District Municipality      |  |
| 7.4 Namakwa District Municipality        |  |
| 7.5 JT Gaetsewe District Municipality    |  |

8. How long have you worked in this municipality?

|                       |  |
|-----------------------|--|
| 8.1 1-5 Years         |  |
| 8.2 6-10 Years        |  |
| 8.3 11 – 20 Years     |  |
| 8.4 21 Years and more |  |

**9. What is your highest level of education?**

|                                   |  |
|-----------------------------------|--|
| 9.1 Without Senior Certificate    |  |
| 9.2 Senior certificate            |  |
| 9.3 Post Matric Certificate       |  |
| 9.4 Diploma                       |  |
| 9.5 Degree                        |  |
| 9.6 Honours/Post Graduate Diploma |  |
| 9.7 Masters/MBA                   |  |
| 9.8 Doctorate/PHD                 |  |

## **SECTION B**

This Section is comprised of statements or questions that seek to collect information about the Impact of Financial Accountability on Good Governance and Service Delivery Efficiency in Selected Municipalities in the Northern Cape Province.

### **Key important variables to note when completing the questionnaire:**

**Financial Accountability:** Refers to the answerability of functionaries (political and public officials) to the public concerning the usage of public funds and the implementation of financial policies, treasury regulations and supply chain management (SCM) regulations.

**Good Governance:** Refers to the process of decision making and the process by which decisions are implemented or not implemented. The underlying principles of good governance are public participation, accountability, transparency; rule of law; responsiveness; efficiency and effective government; equity; consensus orientation and strategic vision

**Public Service Delivery Efficiency:** This is an inalienable constitutional right provided in Section 197 of the *Constitution*, 1996 where the citizens or the end users of services ought to receive quality accessible acceptable basic services, such as water, Sanitation, electricity, and waste removal as provided by Section 227 (1) (a) of the *Constitution*, 1996 respectively.

**Public Participation:** Improve communication channels: Enhance methods for promoting public participation, including road shows and advocacy programs.

Educate the public: Provide resources and information to help citizens understand the importance of their involvement in the processes of the department.

**Transparency in Financial Reporting:** Enhances financial reporting which ensures that financial information is not only accurate but also presented in a clear and easily understandable manner.

Online accessibility: Make financial reports and information readily accessible through the departmental website.

**Establish clear accountability mechanisms:** Implement systems to track and report on the use of public funds, and hold public officials accountable for their actions.

**Compliance with legislative framework:** Strengthen adherence to regulations: Continuously train and educate staff on relevant legislative frameworks, policies, and regulations to ensure compliance.

**Risk Management:** Develop a robust risk management framework: Identify, assess, and mitigate potential risks effectively to Safeguard public resources.

**Fraud Prevention:** Implement fraud prevention strategies: Develop and enforce policies and procedures to prevent fraud and corruption within the department.

**Service Delivery Efficiency:** Process optimization where service delivery processes are streamlined to make them more efficient and responsive to citizens' needs.

**Equitable Service Distribution:** Targeted distribution: Identify areas that require specific attention and ensure that services are allocated based on the needs of historically disadvantaged communities.

**Stakeholder Involvement:** Inclusive decision-making which encourages the involvement of diverse stakeholder groups in financial decision-making processes to ensure a broader perspective.

**Strategic Vision:** Align with the strategic plan to ensure that the use of public funds is in line with the departmental long-term strategic vision and goals.

### **How to complete the questionnaire?**

Kindly **circle or mark a cross** on the option you are choosing from the list of possible answers below.

**Note:** Strongly agree = 5, Agree = 4, Uncertain = 3, Disagree = 2, Strongly disagree = 1.



| 10 Legislative provisions to promote accountable and effective financial management                                                                                                                  |                |       |           |          |                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                                                                                                            | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| 10.1 Public officials in the municipality are familiar with the constitutional requirements provided in Section 195 of the <i>Constitution</i> , 1996 to promote financially accountable governance. | 5              | 4     | 3         | 2        | 1                 |
| 10.2 Public officials in the municipality attend training programmes on financial management including legislative requirements to promote effective financial management.                           | 5              | 4     | 3         | 2        | 1                 |
| 10.3 Public officials in the municipality always comply with financial legislative prescripts of the <i>MFMA</i> , supply chain, and treasury regulations when discharging their responsibility.     | 5              | 4     | 3         | 2        | 1                 |
| 10.4 Public officials in the municipality disregard rules, policies, and legislation when implementing the budget.                                                                                   | 5              | 4     | 3         | 2        | 1                 |
| 10.5 Disciplinary steps are taken against public officials in the municipality who contravened legislative prescripts such as the <i>MFMA</i> , SCM policies, and Treasury regulations.              | 5              | 4     | 3         | 2        | 1                 |

| 11 Financial Accountability.                                                                                                                                                 |                |       |           |          |                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                                                                                    | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| 11.1 The municipality uses the public funds according to the budget to prioritise the basic needs of the community.                                                          | 5              | 4     | 3         | 2        | 1                 |
| 11.2 There is always an alignment between the Municipal budget and the implementation Integrated Development Plan (IDP) of the municipality.                                 | 5              | 4     | 3         | 2        | 1                 |
| 11.3 The municipality makes financial reports easily accessible to oversight bodies, namely the internal audit committee, the portfolio committees, and the Auditor General. | 5              | 4     | 3         | 2        | 1                 |
| 11.4 Municipal officials are always made to account for the use of public funds.                                                                                             | 5              | 4     | 3         | 2        | 1                 |
| 11.5 Acts of financial misconduct are effectively investigated and those found guilty face disciplinary processes.                                                           | 5              | 4     | 3         | 2        | 1                 |

| 12 Public expenditure and financial accountability                                                                                                                                                             |                |       |           |          |                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                                                                                                                      | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| 12.1 Public officials in the municipality are familiar with public expenditure and financial accountability assessment tools such as Public Expenditure and Financial Accountability (PEFA).                   | 5              | 4     | 3         | 2        | 1                 |
| 12.2 The CFO or the Internal Audit Unit makes use of public financial expenditure and financial accountability assessment tools such as PEFA to assess the municipality's financial management/accountability. | 5              | 4     | 3         | 2        | 1                 |
| 12.3 Public officials are familiar with aspect of public expenditure and financial accountability assessment tool (budgeting, management of assets and liabilities) and financial accountability.              | 5              | 4     | 3         | 2        | 1                 |
| 12.4 Public officials in the municipality always promote sound public financial management and financial accountability.                                                                                       | 5              | 4     | 3         | 2        | 1                 |
| 12.5 Poor financial management and a lack of financial accountability in the municipality contributes unauthorised, irregular, fruitless, and wasteful expenditure.                                            | 5              | 4     | 3         | 2        | 1                 |

| 13 The role of oversight bodies to enhance financial accountability                                                                     |                |       |           |          |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                                               | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| 13.1 The municipality has effective oversight bodies such as the internal audit unit, and the internal audit committee.                 | 5              | 4     | 3         | 2        | 1                 |
| 13.2 The municipal officials are not familiar with the role and functions of the internal audit unit, and the internal audit committee. | 5              | 4     | 3         | 2        | 1                 |
| 13.3 The Auditor General report is made accessible to all officials, including all stakeholders in the municipality.                    | 5              | 4     | 3         | 2        | 1                 |
| 13.4 The role and functions of Provincial Public Accounts Committees are understood by municipal officials.                             | 5              | 4     | 3         | 2        | 1                 |

| 14 Oversight role of the Mayor and the Mayoral Committee on Financial Accountability                                                                                     |                |       |           |          |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                                                                                | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| 14.1 Municipal Mayors understand their respective oversight roles in municipal financial management and administration.                                                  | 5              | 4     | 3         | 2        | 1                 |
| 14.2 The executive mayor and mayoral committee oversee the performance of their officials by taking budgetary monthly reports seriously.                                 | 5              | 4     | 3         | 2        | 1                 |
| 14.3 The non-executive Councillors use monthly, quarterly and annual financial reports to hold the executive mayor or committee accountable for the use of public funds. | 5              | 4     | 3         | 2        | 1                 |
| 14.4 The municipal executive mayor or committee implements the recommendations of the Auditor-General.                                                                   | 5              | 4     | 3         | 2        | 1                 |
| 14.5 The municipality holds public meetings on the Auditor-General's report of the municipality every financial year-end.                                                | 5              | 4     | 3         | 2        | 1                 |

| 15 Principles of Good Governance                                                                                                                                                                             |                |       |           |          |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                                                                                                                    | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| 15.1 Public Participation<br>The municipality promotes public participation through various methods such as road shows, advocacy programmes and community meetings.                                          | 5              | 4     | 3         | 2        | 1                 |
| 15.2 Transparency in Financial Reporting<br>Financial information and reports are readily accessible through municipal websites.                                                                             | 5              | 4     | 3         | 2        | 1                 |
| 15.3 Establish clear accountability mechanisms<br>There are systems to track and report on the use of public funds and hold public officials accountable for their actions.                                  | 5              | 4     | 3         | 2        | 1                 |
| 15.4 Compliance with legislative framework<br>Administrative staff and councillors are continuously trained and educated on relevant legislative frameworks, policies, and regulations to ensure compliance. | 5              | 4     | 3         | 2        | 1                 |
| 15.5 Risk Management<br>There is an effective risk management framework that enables the municipality to identify, assess, and mitigate the potential risks effectively to Safeguard public resources.       | 5              | 4     | 3         | 2        | 1                 |
| 15.6 Fraud Prevention:<br>Effective internal controls (policies, procedures and processes) are enforced to prevent fraud and corruption within the municipality.                                             | 5              | 4     | 3         | 2        | 1                 |

|                                                                                                                                                                                                          |   |   |   |   |   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|
| <b>15.7 Service Delivery Efficiency</b><br>Service delivery processes are streamlined to make them more efficient and responsive to citizens' needs.                                                     | 5 | 4 | 3 | 2 | 1 |
| <b>15.8 Equitable Service Distribution</b><br>Services are allocated equitably so that historically disadvantaged communities are developed.                                                             | 5 | 4 | 3 | 2 | 1 |
| <b>15.9 Stakeholder Involvement</b><br>The municipality encourages the involvement of diverse stakeholder groups through Integrated Development Programmes in order to enhance financial accountability. | 5 | 4 | 3 | 2 | 1 |
| <b>15.10 Strategic Vision:</b><br>The use of public funds is in line with the municipality's long-term strategic vision and goals.                                                                       | 5 | 4 | 3 | 2 | 1 |

| 16. Public Service Delivery Efficiency                                                                                                                               |                |       |           |          |                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                                                                            | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| <b>16.1</b> The municipal officials encourage efficient service delivery through the promotion of financial accountability.                                          | 5              | 4     | 3         | 2        | 1                 |
| <b>16.2</b> The municipal officials do not encourage efficient service delivery by disregarding financial accountability.                                            | 5              | 4     | 3         | 2        | 1                 |
| <b>16.3</b> The legislative oversight bodies hold municipal officials to account for poor service delivery.                                                          | 5              | 4     | 3         | 2        | 1                 |
| <b>16.4</b> Public officials are not held accountable for poor service delivery.                                                                                     | 5              | 4     | 3         | 2        | 1                 |
| <b>16.5</b> The public receives efficient service delivery because of effective financial accountability and sound financial management systems in the municipality. | 5              | 4     | 3         | 2        | 1                 |

| 17. Financial accountability influences the financial performance outcomes                                                           |                |       |           |          |                   |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                                            | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| <b>17.1</b> Effective financial accountability improves the overall financial performance outcomes in the municipality.              | 5              | 4     | 3         | 2        | 1                 |
| <b>17.2</b> The lack of financial accountability contributes to financial mismanagement in the municipality.                         | 5              | 4     | 3         | 2        | 1                 |
| <b>17.3</b> There are weaknesses in the municipality's financial management and accountability chain.                                | 5              | 4     | 3         | 2        | 1                 |
| <b>17.4</b> Poor financial accountability leads to poor financial performance in the municipality.                                   | 5              | 4     | 3         | 2        | 1                 |
| <b>17.5</b> The municipality loses huge sums of public funds through unauthorised, irregular and fruitless and wasteful expenditure. | 5              | 4     | 3         | 2        | 1                 |

| 18 Supply Chain Management.                                                                                                                                                     |                |       |           |          |                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                                                                                       | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| 18.1 Supply Chain Management in the municipality is administered according to legislation, policies, and regulations.                                                           | 5              | 4     | 3         | 2        | 1                 |
| 18.2 The bidding process to source suppliers to provide service/s is fair, equitable, transparent, competitive, and cost-effective.                                             | 5              | 4     | 3         | 2        | 1                 |
| 18.3 Contracts are always given to individuals who are close to politicians and state power.                                                                                    | 5              | 4     | 3         | 2        | 1                 |
| 18.4 Suppliers are paid on time within the prescribed period of 30 days.                                                                                                        | 5              | 4     | 3         | 2        | 1                 |
| 18.5 There is a general view that Supply Chain Management is mismanaged, corrupt, and used by some administrative officials in collusion with politicians to enrich themselves. | 5              | 4     | 3         | 2        | 1                 |
| 18.6 The oversight role exercised by the municipal council on Supply Chain Management is not effective.                                                                         | 5              | 4     | 3         | 2        | 1                 |

| 19 Functionality of financial controls.                                                                                                           |                |       |           |          |                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                                                         | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| 19.1 The municipality has a strong system of financial controls, namely policies, procedures, reporting, auditing and audit reporting procedures. | 5              | 4     | 3         | 2        | 1                 |
| 19.2 Public officials are aware of the existing financial controls in the municipality.                                                           | 5              | 4     | 3         | 2        | 1                 |
| 19.3 Financial controls are effectively applied in the financial transactions.                                                                    | 5              | 4     | 3         | 2        | 1                 |
| 19.4 The application of financial controls is disregarded in the use of public funds.                                                             | 5              | 4     | 3         | 2        | 1                 |
| 19.5 Public officials are neither aware of nor familiar with financial controls in the municipality.                                              | 5              | 4     | 3         | 2        | 1                 |

| 20 Capacity of Staff complements                                                                                                          |                |       |           |          |                   |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| Statement                                                                                                                                 | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| 20.1 The municipality has not been implementing a skills audit to measure the financial management competencies of officials.             | 5              | 4     | 3         | 2        | 1                 |
| 20.2 The municipality has not been implementing appropriate financial training to address the skills needs of the municipality.           | 5              | 4     | 3         | 2        | 1                 |
| 20.3 Funded vacant posts are advertised within six months and filled within the prescribed time of twelve months.                         | 5              | 4     | 3         | 2        | 1                 |
| 20.4 There is a general shortage of staff in the municipality.                                                                            | 5              | 4     | 3         | 2        | 1                 |
| 20.5 The municipal employees are aware and familiar with the framework for the professionalisation of the public service in South Africa. | 5              | 4     | 3         | 2        | 1                 |

## 21 Stability in senior management positions

| Statement                                                                                                                      | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
|--------------------------------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| 21.1 Senior management positions are advertised within six months and filled within the prescribed period of twelve months.    | 5              | 4     | 3         | 2        | 1                 |
| 21.2 Senior management positions are not advertised within six months or filled within the prescribed period of twelve months. | 5              | 4     | 3         | 2        | 1                 |
| 21.3 There are frequent rotations in acting positions at the senior management level.                                          | 5              | 4     | 3         | 2        | 1                 |
| 21.4 The attrition rate is high among senior managers, where some of the senior managers serve for a brief period.             | 5              | 4     | 3         | 2        | 1                 |

- 22 The impact of financial accountability on good governance and service delivery efficiency in selected municipalities in the Province of Northern Cape. Mark a circle or cross on the option you are choosing from the list of possible answers below.

|                      |  |
|----------------------|--|
| 22.1 Positive impact |  |
| 22.2 No impact       |  |
| 22.3 Negative impact |  |

## 23 Additional Comments.

Do you have additional comments or suggestions that you wish to share? Kindly write your comments or suggestions below.

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THANK YOU!

## ANNEXURE D ETHICAL CLEARANCE LETTER



### FACULTY RESEARCH AND INNOVATION COMMITTEE

### FACULTY OF MANAGEMENT SCIENCES

### RESEARCH ETHICS APPROVAL LETTER

Date: 03/09/2021

This is to confirm that:

|                                                                                   |                                                                                                                                                                                |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Applicant's Name                                                                  | Onkabetse Levy Motsumi                                                                                                                                                         |
| Supervisors' Name[s] for Student<br>Project (where applicable)<br>Co - Supervisor | Prof Tryna van Niekerk<br><br>Dr MC Pretorius                                                                                                                                  |
| Level of Qualification for Student<br>Project (where applicable)                  | Master of Public Management                                                                                                                                                    |
| Title of research project                                                         | The impact of a lack of financial accountability on good governance and service delivery efficiency in provincial departments and municipalities in the Northern Cape Province |

Ethical clearance has been provided by the Faculty Research and Innovation Committee in view of the CUT Research Ethics and Integrity Framework, 2016 with reference number: **FMSEC06/21**

The following special conditions were set:

☒ None

☐ Specific conditions

The following specific conditions apply:

1. \_\_\_\_\_ NA \_\_\_\_\_
2. \_\_\_\_\_ NA \_\_\_\_\_
3. \_\_\_\_\_ NA \_\_\_\_\_

We wish you success with your research project.

Professor P Rambe  03/09/2021  
Acting Deputy FRIC Chairperson)