CHAPTER 4

CONTROL AND ACCOUNTABILITY

"Most organisations, most of the time, cannot rely on most of their participants to carry out their assignments voluntarily, or have internalised their obligations. The participants need to be supervised, the supervisors themselves need supervision, and so on, all the way to the top of the organisation. In this sense, the organisational structure is one of control, and the hierarchy of control is the most central element of the organisational structure."

-Amatai Etzioni (1965 : 650)

4.1 INTRODUCTION

In terms of section 152 of the <u>Constitution of the Republic of South Africa</u>, 1996 (Act 108 of 1996) municipalities are entrusted with the effective and efficient rendering of public goods and services to their communities as articulated in the local political policy-making process. In order to ensure that effective service delivery takes place, municipalities should utilise local resources as well as funds provided by other institutions. For this reason, and to ensure that municipalities perform in accordance with the will of a council, it is important that effective control of all activities within municipalities takes place (Wissink and Hilliard, 1996 : 12-13).   This implies that plans will have been formulated, local departmental objectives will have been identified and, through the process of management by objectives, municipal officials will have been involved in the formulation of job-specific objectives.   Stemming from the planning process the various local departmental budgets and important activity schedules will have been determined. A council has to ask the question : *"How will a council know if all*

their plans are achieved ? ".   Unfortunately no answer will be forthcoming unless control, or control mechanisms, have been developed and implemented.

This chapter investigates how control measures can be utilised to influence municipal officials and processes in the course of the work activity. It places emphasis on municipal officials' reaction to control measures when a council through its municipal officials in supervisory positions designs and implements a control system.

4.2   THE NECESSITY FOR CONTROL

In the control process, a council and municipal officials in supervisory positions ensure that council plans and projects are carried out as intended. As Griffin (1993 : 475) states, control assists a municipality in conforming to changing conditions, restricts the intensification of errors, aids a municipality in coping with complexity and helps minimise costs. In this regard the control system should, according to Botes (1997 : 248-249), inform a council and municipal officials in supervisory positions of the following:

(1) Municipal activities should proceed according to plan and existing plans should be implemented. In this regard a council should utilise its own and executive committee meetings to keep track of progress on projects and municipal operational activities.

(2) Municipal activities may not proceed according to plan and existing plans or work procedures need to be adjusted. The Attridgeville-Saulsville Concerned Residents' Association (ASCORA), for example, accused the Pretoria Metropolitan Council of overcharging local residents.   Many residents received more than one rent service account to pay every month. ASCORA claimed that the Council failed to respond to the community's requests regarding deliberate errors on rent and services accounts (Spokesman for

Atterdigeville-Saulsville Concerned Residents' Association, 1999 : Interview; Pretoria News, 14 January 1999 : 2).

(3) A change in the **status quo** is required, in which case new plans will probably need to be drawn up. The Emfuleni Local Council, for example, passed a by-law prohibiting the selling of goods by residents from their private residences. The Council made the decision after they received a number of complaints from legitimate small businesses that these practices were negatively affecting them. Residents running shops from home felt that they had the right to be economically active and that they would defy the Council's resolution (Minutes of Emfuleni Local Council Meeting, 3/1999 : 12; Vaalweekblad, 23 April 1999 : 8).

The following examples serve as reasons why the implementation of control measures in municipalities are vital. The Ekanlanga Local Council, for example, took disciplinary action against the chairperson of its housing committee and a municipal official in a supervisory position after they illegally issued promissory notes worth R78 million. Councillor Jacob Masango and housing official Johannes Mnguni used a series of council assets as collateral for the deal with Davron Projects. The notes, however, were issued without any formal council resolution. A council sub-committee mandated Davron Projects to raise the R78 million for local housing projects after issuing the promissory notes and a list of council assets lodged with Standard Bank as collateral for one year (Minutes of Ekanlanga Local Council Meeting, 8/1998 : 8-9; The Star, 29 September 1998 : 5). In another example, the Gauteng government requested the Attorney-General to investigate 33 cases of alleged corruption and irregularities against former councillors and officials with regard to the allocation and sale of state-funded residential properties in urban areas of the province. This followed 11 months of investigations by a Commission of Inquiry, during which 2 147 complaints were heard (Gauteng Provincial Auditor-General, 1999 : Interview; The Citizen, 4 September 1998 : 8).

Claims of maladministration and irregularities surfaced in the Krugersdorp Town Council in September 1998. Four councillors were suspended without pay, after they led an illegal protest against the Council in August 1998. The differences led to former Gauteng Premier, Mathole Motshekga, being called to mediate between the 17 feuding ANC councillors in the 30-member council. (Minutes of Krugersdorp Town Council Meeting, 8/1998 : 2-3; City Press, 20 September 1998 : 2). In another example the Khayalami Metropolitan Council and the Kempton Park/Tembisa Town Council spent more than R1 million on overseas trips in the period January to July 1999. Trips were often upgraded from economy class to first class at a cost of R41 318 to the public. Trips were duplicated in which officials flew abroad to study issues already covered by other councils. Another form of inefficient utilisation of funds was the number of delegates sent on overseas trips, with six officials from these councils attending a conference in the United States of America in July 1999. Of the 19 overseas trips undertaken only four report-backs were received (Business Day, 24 August 1999 : 2). From these examples it can be concluded that councils need to put measures in place to exercise control over the activities of councils and municipal officials.

Municipal councils should ensure that municipal officials do not regard control measures as negative, but rather as a positive process to make planned municipal activities happen (Bateman and Zeithaml, 1993 : 539 and Van der Waldt and Du Toit, 1997 : 201). In this regard it is important to get municipal officials involved in establishing standards and control measures. The Delmas Town Council, for example, make use of a yearly strategic work session wherein council and invited municipal officials brainstorm current municipal projects and activities, by determining critical success factors and obstacles. In doing so the Council, together with the municipal officials, are in a position to alter standards and control measures where necessary (Councillor for Delmas Town Council, 1999 : Interview). In this regard control takes place as an uninterrupted monitoring process for comparing planned municipal activities with actual results.

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According to Van der Waldt and Du Toit (1997 : 201) and Smit and Cronje (1997 : 399) effective control systems are necessary for a number of reasons. In this regard control could lead to standardised actions to increase efficiency; improves a council's and municipal officials' efficiency in planning; helps to prevent malpractice and waste of resources and; encourages delegation, as municipal officials (to whom authority has been delegated) can be better monitored. Apart from this, control could facilitate performance appraisal of all employees; will ensure that activities are in line with a municipality's objectives; usually results in better quality services; and enables a council and municipal officials in supervisory positions to respond appropriately in a fast changing environment. By being fully aware of the present status of a municipality or particular operation, a council and municipal officials in supervisory positions can introduce subtle or drastic changes with minimum lag time.

It could be argued that without effective control mechanisms in place, opportunities for unacceptable behaviour are created.   A council has to ensure that effective control mechanisms are in place to ensure that its objectives are realised in the most cost efficient manner.

According to Botes (1997 : 248-249), control should be exercised over public executive institutions for a number of reasons. Firstly, the supreme political authority (council) should maintain control over the executive institutions established by a municipality to meet the needs, demands and requirements of the community. Secondly, local funds allocated by council should be expended correctly. Thirdly, municipal officials are human; they may be tempted to act in an improper or dishonest manner. Fourthly, the legality and legitimacy of municipal officials' actions should remain within the parameters of the law. Finally, order, welfare and peace in society are essential if a municipality is to achieve its goal of improving the level of well-being of the community. Control is exercised to ensure that these prerequisites for effective government are upheld. It could be argued that control is necessary to determine and allocate authority

and responsibilities within a municipality in such a manner that human, technological and financial resources are utilised optimally in an attempt to satisfy the needs, desires and demands of the community it serves.

Rossouw (1999 : 91-93) argues that the executive committee usually has full control over the expenditure of all money provided for in the approved operating budget of a municipality. In the case of capital expenditure, the inclusion of an item in the estimates is not necessarily sufficient authority for the head of department to spend the amount. But the provision of funds for a capital project should usually be formally authorised or voted by a full council, subject to compliance with specific formalities such as borrowing powers granted by the Premier and any approval from higher levels of government. Because the executive committee is in control of all expenditure, its approval must first be obtained for the acceptance of tenders for work to be carried out and services and goods to be procured. Some of the functions of the executive committee may be delegated to officials, but the control function over the expenditure of a municipality may not be delegated.

As far as the operating account is concerned, municipalities expect departments only to report for approval of significant excess on any of its line-item provisions. It is a council itself that grants this approval, although this function may be delegated to the executive committee under particular circumstances, or even to the treasurer (Gildenhuys, 1997 : 101-102). Minor excesses are usually rectified by means of controlled virement (the transfer of items from one account to another), or departments are expected to indicate what savings they can make on other line-item provisions in order to offset the excess in question. If these savings are not possible, or if the savings indicated are not sufficient to cover the excess, a council will have to decide whether to find suitable savings elsewhere in its overall budget, or whether to raise additional revenues to cover the excess concerned. In practice, however, at least in larger municipalities such as the Greater Johannesburg Metropolitan Council and Pretoria Metropolitan Council, it

is usually not too difficult to find some savings elsewhere on the budget items. If this cannot be done, this usually means that the estimated surplus carried forward at the end of a particular financial year will be less than budgeted.

From this it can be deduced that control is an integral part in the effective functioning of a municipality. A council therefore has to ensure that control measures are in place to enhance a municipality's ability to satisfy the needs, desires and demands of the community.

4.3   STEPS IN THE CONTROL PROCESS

According to Robbins and De Cenzo (1998 : 12-20) and Schwella **et al.**, (1996 : 210-214) control consists of a number of interrelated phases; **inter alia** setting performance standards, measuring performance, comparing performance with standards and implementing corrective action. In terms of section 152 (1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) political systems in local government are organised to ensure that municipal councils are accountable, transparent and respond to the needs of their constituencies by allowing the local community to participate effectively in the policy formulation process. It could be argued that a council should be informed that the basic requirements of these interrelated phases are met in the process of satisfying the needs, desires and demands of the community.

4.3.1 Setting performance standards

A council should ensure that every municipal official in a supervisory position and their subordinates know what is expected of them in the workplace. In this regard performance standards answer the questions of **who?, when?, why?, what?** and **how?** (Plunkettt 1996 : 130).   A standard is the level of expected performance for a given objective or goal and such standards can be set with respect to the following (Bateman and Zeithaml 1993 : 540) :

(1) The standards of **quality** involved. A standard, for example, pertaining to the intrinsic qualities of the work can be described as consisting of appearance, neatness, accurateness, value and efficiency. It would therefore be expected of e.g. a municipality's finance department to exhibit exactness in the execution of their responsibilities.

(2) The **quantity** of goods/services required. A standard, for example, pertaining to how many electricity cut-offs or reconnections should be effected per day, or how many service meters should be read per day.

(3) The **time** required and the speed of delivery. For example, the time it takes to process one vehicle license application.

(4) The **costs** involved in providing the goods or service. The fact that a municipality operates with limited funds, obtained predominantly through rates and taxes, places a responsibility on a council to ensure that costs are kept to a minimum whilst benefits are maximised.

It could be argued that when a council or municipal officials in supervisory positions establish performance standards, these standards should be realistic, attainable and measurable (Van Niekerk, 1997 : 131-133). It cannot for example be expected of a new employee to deliver the same quality and quantity of outputs as an experienced municipal official. In order to establish realistic, attainable and measurable standards the importance of accurate, relevant and timely information is paramount for a council and municipal officials in administrative posts. Distorted information will result in incorrect standards being set that will ultimately lead to poor performance.   The Greater Johannesburg Metropolitan Council had, for example, been criticised for the poor state of its municipal roads – specifically potholes and unmarked roads. The Council pointed out that it would be unfair to criticise their Public Works Department, because the department had received only

R950 000 for roads, while R14 million was needed to maintain the roads in an average condition. The Council could therefore not expect municipal officials employed in the public works department to maintain a high standard of road net-works (Chief Engineer for the Greater Johannesburg Metropolitan Council, 1999 : Interview).

It could be argued that standards regarding the quality and quantity of work should be realistic, preferably in writing, easily understood and set in consultation with municipal officials. Kroon **et al.**, (1990 : 447) lists, amongst others, the following key performance standards:

(1) **Production standards** that refer to the performance of a municipality in providing municipal services to its community. For example, the determination of how much time is required in completing a prescribed piece of work and how many of these work items should be completed within a specific time limit, e.g. per hour, or per day, or per week.

(2) **Productivity standards** that refer to input–output ratios within a municipality. A council has to be aware what benefits are received for costs incurred. Thus a council wants to minimise costs and maximise benefits for the community it serves.

(3) **Standards on human resources** that refer to aspects such as personnel turnover and absenteeism in a municipality. In table 4.1 personnel turnover at Attridgeville, Sandton, Soweto, Benoni and Mamelodi is depicted. It is normally expected that personnel turnovers will occur due to retirements, resignations, transfers or deaths. It is however important that these turnovers occur naturally and not because of municipal officials being unhappy with their working environment. According to Radmore (1998 : 5-6) an acceptable yearly personnel turnover percentage varies between 4-8%. It could be argued that any personnel turnover percentage that fall outside this range, is

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unacceptable. A council should monitor **inter alia** the reasons for personnel turnovers and absenteeism.

Table 4.1 : Personnel turnover in 1999

	Attridgeville	Sandton	Soweto	Benoni	Mamelodi
Personnel turnover	5 %	14 %	4 %	2 %	22 %

Source : The Financial Mail, 6 January 2000 :16

Proper standards and the continuous measurement of achievements against the standards will enable a municipal official in a supervisory position to compile proper and reasonable merit reports on municipal officials. This will ensure that municipal officials appreciate standards because these could enable them to determine what is expected of them. Standards will give municipal officials an indication of which quantitative and qualitative levels are required and which methods are needed to achieve predetermined standards. A council should therefore ensure that standards are objective and inspire municipal officials to try and meet the predetermined standards (Jones, 1996 : 44-47; Stewart, 1988 : 218-219).

An integral part of setting performance standards is the use of the technique known as Management By Objectives (MBO). In this regard a council and municipal officials in supervisory positions formulate general goals for a municipality and, subordinate municipal officials participate in the development of departmental and individual goals, objectives and targets. MBO allows for joint participation of subordinates and superiors, in translating broad council goals into specific objectives and targets. Through the correct application of MBO the required performance standards can, to a large extent, be determined by the joint decisions of a council, municipal officials in supervisory positions and their subordinates alike. This participation, involvement and joint decision-making is designed to create a sense of **ownership** amongst municipal officials regarding

performance and the subsequent standard of performance (Reddy, 1996 : 132-135; Cloete, 1996 : 56-58).

It could be argued that a council, by virtue of its municipal officials in supervisory positions, has to ensure the application of MBO in order to set the required performance standards. It is important that a council ensures that standards are properly set in order for a municipality to perform its functions in the interest of the community it serves.

4.3.2 Measuring performance

In the measurement of the actual performance of municipal officials, a council and municipal officials in administrative posts have to determine the answers to the following questions: **what** has to be measured, **how** it should be done and **when** it should be measured?

According to Bateman and Zeithaml (1993 : 541) performance data is usually obtained from three sources, **inter alia** written reports, oral reports and personal observations.

A council should ensure that predetermined standards specify exactly the performance required and to what extent deviation from the standard is tolerated. In some cases deviation is allowed, but in other instances no deviation whatsoever may take place and immediate corrective actions will be required (Van der Waldt and Du Toit 1997 : 203). No council will, for example, tolerate any deviation from the approved budget by municipal officials. In this regard a council would have to grant approval before any deviation from the approved budget would be allowed (Fenwick, 1995 : 21-24; Hendry, 1995 : 2-4).

Written reports often take the form of statistical feedback where data is displayed in various ways. Charts, diagrams, graphs and numerical displays can

be generated for a council to speedily analyze and compare performance parameters (Thornhill and Hanekom, 1995 : 240-241; Beach, 1985 : 45-47). For example, 18 out of 21 or 85% of councils surveyed readily admits that it is expected of municipal officials in supervisory positions to provide monthly reports in writing to the executive committee (Rossouw, 1999 : 102). In this regard councils should prescribe a standardised form of report in order to collect results in a comparative manner.

Personal observation implies observation of work methods, municipal officials' body language (the non-verbal behaviour of municipal officials) and the overall operation of a municipality. According to Robbins and De Cenzo (1998 : 112) personal observation is a widespread practice and is known as "Management By Walking Around" (MBWA). MBWA enables a council and municipal officials in supervisory positions to "read between the lines" and become sensitive to situations that may not be discussed openly or be included in written or oral reports. One disadvantage of MBWA is that observations often cannot be quantified or measured. It may happen that municipal officials interpret MBWA as a sign of a lack of trust, on the part of a council and municipal officials in supervisory positions, in their capabilities (Armstrong, 1991 : 14-15). Although a councillor cannot get involved with executive municipal activities, it can be argued that it would be permissible and even advisable for councillors to apply MBWA to observe the overall operation of a municipality.

Oral communication refers to modern technology such as the telephone, radio, or personal communications. A council should ensure that not too much is relied on oral communication because of the unreliability of hear-say evidence. In this regard a council uses its monthly meetings and executive committee meetings to measure results through reports by officials which may be orally – it is however important that proper minutes be kept for future reference purposes (Fenwick, 1995 : 22).

It can be argued that councils should therefore ensure that municipal officials in supervisory positions utilise one or a combination of the techniques i.e. written or oral, to collect performance data to determine to what extent performance standards are met.

According to Plunkettt (1993 : 132) two aspects of performance measurement should be considered, **inter alia**, **what** should be measured and **how** it should it be measured. In a municipality the production of goods (such as plants and trees for streets or parks and services (such as water and civil protection services) to their community are measurable. Not only are the quantity and quality of goods and services measurable, but also the performance of municipal officials in rendering goods and services.

Failure to appreciate **what** should be measured can result in dysfunctional consequences and result in a completely distorted measurement picture being created through feedback.   A council should not only ensure that municipal officials in administrative positions develop and implement scientific ways of **how** to measure performance, but that they identify **what** key elements of the process should be isolated for measurement purposes.   For example, the punctuality of arrival of municipal officials at eight o'clock could be measured, but it will fail to appreciate that these municipal officials frequent the tearoom until 08h15, after which work commences. If ten municipal officials are involved, then a performance measurement discrepancy of 1,5 man hours per day will occur.

It can be argued that a council and municipal officials in supervisory positions should ensure that performance measurements comply with requirements. Measurements should be reliable; valid in that they measure what they are supposed to measure and; relevant and linked to a municipality's objectives.

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4.3.3 Comparing performance with standards

Performance should be compared to the predetermined standard in order to determine if a council's targets are being, or will be, reached. It is not only of importance to check if standards or performance targets are being reached or not, but also to determine if standards are even being exceeded. The exceeding of standards on an ongoing basis could imply that standards are too low and will merit an investigation (Beatty and Scheier, 1986 : 45-47; Pigors and Myers, 1983 : 276-278).

The **principle of exception** states that control is enhanced by municipal officials in supervisory positions who only concentrate on the deviations or exceptions that occur. This principle of exception is also known as **management by exception** which is a management principle which states that municipal officials in supervisory positions should spend their time on those issues that require their particular expertise (Plunkettt 1993 : 134). It could be argued that a council should ensure that municipal officials in supervisory positions delegate routine tasks (e.g. comparing actual performance measurements with standards) and free themselves so as to be available for tasks delegated by council or to be free to concentrate on responsibilities that require their experience, insight, system understanding, investigative skills and particular expertise.

Management by exception is generally welcomed by competent subordinate municipal officials who regard delegation as an indication of trust in their abilities (Plunkett 1993 : 135). A council should be satisfied that municipal officials in supervisory positions compares performance with standards in order to effectively address exceptions or deviations as they occur.

4.3.4 Corrective action

Once a council and/or municipal officials in supervisory positions have established the cause of the deviation then corrective action can commence. This can be achieved through three possible courses of action (Smit and Cronjé 1997 : 404):

(1) Actual performance can be improved to reach the required standard. It could happen that standards are not reached because, for example, the work has increased beyond proportions, or there were excessive absenteeism among subordinates, or an apparatus has broken down, or power failure, or municipal officials were not properly trained for their respective posts.

(2) The strategy can be revised to meet the performance standard. In this regard the standard could be raised slightly without extra load on municipal officials in order to improve the level of production marginally.

(3) The standard can be raised or lowered to make it more realistic. It has to be determined if the set standards are too high or too low and whether the abilities of municipal officials were underestimated.

It can be argued that it is important for a council to understand that corrective action can be executed in whatever form is necessary - be it municipal officials, material or equipment – and that variables such as training, improved communication, machine serviceability, raw materials, quality control or the work flow may be involved. When implementing corrective action it is important for a council that the real causes of a deviation are identified and not just the symptoms. In particular cases corrective action can even take the form of a change to original plans.

Robbins and De Cenzo (1998 : 119-120) state that there are two different types of corrective action, namely, **immediate** corrective action and **basic** corrective action. Immediate corrective action deals primarily with the symptoms of the deviation. This type of corrective action is often referred to as "putting out fires" and attempts to achieve the same levels of performance as previously. Basic corrective action occurs when a council requires municipal officials in supervisory positions to conduct an investigation into the source of the deviation and makes the necessary adjustments to bring about the required changes (Hepworth, 1984 : 40-45; Reddy, 1996 : 82-84).

It could be argued that a council should have the ability to take, instruct or be informed that appropriate corrective measures have been taken once deviations from standards have been detected.

4.4   KEY PERFORMANCE AREAS (KPAS) AND STRATEGIC CONTROL POINTS

Van der Waldt and Du Toit (1997 : 205) describe key performance areas and strategic control points as follows: "*Key performance areas are the most critical points or areas identified as priorities above the other control points and they are monitored more extensively. Strategic control points are specific points that can be measured within the key performance areas and are used as critical indications of the overall state of the process* ". Kroon **et al.**, (1990 : 270) define key performance areas as follows: "*The unique contribution of a job or group of jobs to the success of a business, expressed as a measurable output of the holder(s) of the job(s) in terms of the interaction with the environment* ".

It can be argued that councils should ensure that key performance areas have been determined by municipal officials in supervisory positions. Key performance areas are crucial for control and of particular importance when considering delegation within a municipality. The Centurion Town Council has, for example,

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identified amongst other the following key performance areas: a high quality of service rendering; a high degree of exactness in the quantity of services provided; cost minimisation and benefit maximisation; maintaining and developing infra- structure; facilitating social integration and creating a climate for economic upliftment (Minutes of Centurion Town Council Meeting, 3/1999 : 12).

4.5   TYPES OF CONTROL

Control should take place as an uninterrupted monitoring process for comparing planned results with actual results. This implies that control spans the entire operational activity in a municipality and is an integral part of this activity. Several types of control can be identified **inter alia**, preliminary control, concurrent control, feedback control and steering control. Councils should be aware of these measures and implement them in accordance with their applicability in specific cases (Botes, **et al**. 1996 : 362-363).

4.5.1 Preliminary control

According to Bateman and Zeithaml (1993 : 542) preliminary control also referred to as **ex ante** control or **a-priori** control, takes place before actual municipal operations commence. This type of control is future directed and its primary aim is to prevent unsatisfactory conditions before they occur. In the case of municipalities preliminary control is concerned with policies, procedures and rules designed to ensure the smooth execution of operations. Examples of preliminary control measures in a municipality are the scheduling of activities, collecting relevant information, preventative maintenance, establishing a code of ethics, safety measures or the proper training of personnel. By requiring each letter, document or press release to be signed by an authorised official or councillor, a council ensures that the document is correct before it reaches members of the community.

From a council's point of view preliminary control is the most desirable form of control because it anticipates and prevents undesirable outcomes. If all problems could be foreseen then municipalities would need no other form of control.

4.5.2 Concurrent control

Concurrent control takes place while the work activity is in progress. These controls are designed to immediately detect deviations once they have occurred. Concurrent control is concerned with directing, monitoring and making small adjustments in the workplace, primarily by municipal officials in supervisory positions (Erasmus and Visser, 1997 : 145-147; Kroon **et al.**, 1990 : 444). Immediate detection will ensure that the situation can be speedily rectified before too much damage has been done or before the situation gets out of control. For example in the case of water restrictions, household meters will give a municipality an immediate indication as to who are using more than the permitted quantity per month and allow a municipality to impose the necessary penalties. Concurrent control can be exercised by MBWA, and it is important for council to determine if municipal officials in supervisory positions are utilizing this control mechanism.

4.5.3 Feedback control

Feedback control, also referred to as **ex post facto** control, takes place at the end of a particular work activity and is primarily concerned with the comparison of performance data with the desired outcome or standard. This type of control therefore focuses on results. Any changes that are instituted in the workplace are as a direct result of some form of feedback whether it be a computer printout, a discussion or personal observation. By controlling the auditor's reports, or by checking the contents of files, a council and municipal officials in supervisory positions are exercising feedback control (Craythorne, 1997 : 370-371).

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From a council's point of view, feedback control is important for two reasons. Firstly, a council will receive feedback on the effectiveness of overall planning. Secondly, the performance of municipal officials can be empirically determined which makes the recognition of achievements and addressing under performers easier. The biggest drawback of feedback control is that if a serious deviation has occurred it may be discovered too late and subsequently have serious consequences – hence the need for immediate concurrent control to supplement feedback control. (Plunkettt, 1996 : 132).

It could be argued that a municipality's budget, for example, encompasses three types of control. A municipality's budget is a **preliminary control** measure because it prevents (or helps to prevent) unauthorised expenditures. It is a **concurrent control** measure because it helps monitor the funds being spent as they were spent and matches actual expenditures against planned expenditures. When a municipality's budget proves insufficient to meet required expenditures, an investigation should be made to determine why. If the budget process is at fault, changes can be introduced to make it more realistic. A municipality's budget has a built-in **feedback control**, because when more funds are requested than has been authorised, it cannot be spent without a council's approval (Van Niekerk, 1997 : 23-25; Andrews, 1988 : 368-369). Unauthorised expenditure, for example, will not be allowed, and therefore not be charged against any fund or account until the responsible authority, in accordance with the normal budgetary procedure, has approved it. Any unauthorised expenditure shall be recovered from the chief executive officer (CEO) failing his/her willingness to recover the amount from the beneficiary or the person responsible for the unauthorised expenditure.

It can be concluded that a council, through its municipal officials in supervisory positions, should exercise control before (preliminary), during (concurrent) and after (feedback) work related activities take place in a municipality.

4.6   THE MANAGEMENT INFORMATION SYSTEM

In order for a council to effectively exercise control in a municipality, information on performance is required. The complexities of local government in South Africa, coupled to the vital importance of information for effective decision-making has resulted in a proliferation of Management Information Systems (MIS). Management information refers to timely, accurate, complete and relevant information that is available regarding a particular situation. MIS entails that data (basic facts and figures) is obtained from various quarters, after which this data is processed and integrated into an information product that a council can use for quality decision-making (Armstrong, 1991 : 54-57; Schwella, **et al.**, 1996 : 189-190). In this regard the Carletonville Town Council conducted a survey amongst its community in 1997 to determine how the community was experiencing the quality and quantity of service rendering. Of the 1322 respondents 72% indicated that they were satisfied with the quality and quantity of service delivery, whilst 12% were uncertain and 16% indicated that they were dissatisfied with service delivery. Respondents were requested to place 14 municipal services into priority order – the results are depicted in table 4.2.

It can be argued that information of this kind will assist a council in making substantiated decisions regarding community priorities and budget allocations. Thus council decisions should be based on an understanding of a community's needs, desires and demands.

Table 4.2 : Survey conducted by Carletonville municipality

SERVICE	PERCENTAGE
Civil protection	100
Supply of water and electricity	93
Promotion of economic development	90
Promotion of tourism	84
Hospital services	81
Infrastructural development	80
Traffic matters	78
Ambulance and fire brigade	72
Environment conservation	68
Land usage	67
Sewerage purification	65
Fresh produce market	59
Refuse dumps	43
Abattoirs	41

Source : Annexure 2 to the Minutes of Carletonville Town Council Meeting : 11/1997

The development in information technology, in the form of computers and data communications systems, enable municipalities to analyse performance statistics on a real -time basis. Whether information technology is used in a MIS or not, the requirement of timely, quality information remains paramount. It can therefore be argued that a municipality will require a tailor made MIS (Van Niekerk, 1997 : 71-73). In the Carletonville survey 86% of councillors indicated that they were not computer literate, in comparison to 45% of municipal officials; whilst 92% of councillors indicated that they believed computer training is a necessity (Annexure 2 to Minutes of Carletonville Council Meeting : 11/1997). It could be argued that the development of information technology would increasingly require councillors to be computer literate. Thus, computer training should form part of the training of newly elected councillors.

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4.6.1   The design of a management information system

When designing a particular MIS for a municipality a council has to ensure that a number of considerations have been taken into account. According to Kroon **et al.**, (1990 : 472), these are:

(1) **Determining the information need**: A council has to determine what kind of information is needed to make decisions, what information is readily available and what kind of data analysis is required. For example, the Carletonville Town Council conducted a survey (see table 4.2) to determine what the community views as priorities when it comes to service rendering.

(2) **The collection and processing of information**. This consideration is aimed at improving the quality of the information by maximising the collection of relevant data and converting the data into pertinent information. Previously the Carletonville Town Council's attempts to gather information failed because it was conducted in a voluntary fashion through the postal service (Councillor for Carletonville Town Council, 1998 : Interview). By conducting a door-to-door survey, the Council managed to target all segments of its community thereby inducing a high success rate and ensuring a response representative of the whole community.

(3) **The utilisation of the information**. The correct information to people requiring it at the time it is needed is important. The information the Carletonville Town Council, for example, gathered was used in the determination of budget priorities. In this regard the Council increased its spending on its civil protection programme by 24% and 18% on tourism (Councillor for Carletonville Town Council, 1998 : Interview).

It can be concluded that a council needs to ensure that a management information system is put in place in order to have appropriate policy-relevant information available on which a council can base its decisions .

4.7   CONTROL TARGETS

A council has to engage in specific aspects of various issues that affect control (Jones, 1996 : 91-93; Andrews, 1988 : 32-35; Beatty and Scheier, 1986 : 159-162; Stewart, 1988 : 245-248). A council should know which particular control issues to consider when designing and implementing control measures, **inter alia**: output-, quality-, time-, material-, cost-, and performance controls.

4.7.1 Output control

Municipalities will always experience a demand for some standard of output or service delivery from its community. When considering output in a municipality, the measure of quantity is of primary, although not exclusive, interest (Stewart, 1988 : 342-345). From a council's point of view every control measure of every individual work process should be aimed at the control target of output or service delivery. In the case of Carletonville only 16% of residents indicated that they were dissatisfied with municipal service delivery. It could be argued that councils would not be able to satisfy all their citizens with the decisions that they make. Thus, apart from citizens who require specialised services, (i.e. the elderly and physically disabled people) a council's decision would be justifiable if only a small percentage of its citizenry are opposed to its decisions.

4.7.2 Quality controls

A council should ensure that quality control checks are implemented and not only consist of an inspection at the end of a municipal work process or a check on service delivery. A council and municipal officials in supervisory positions should

utilise every resource of expertise and information to identify at what stages appropriate quality checks should be conducted. According to Bittel and Newstrom (1990 : 7) quantity and quality go hand in hand and suggest that councils pay attention to a number of quality aspects. These aspects include refusing to allow commonly accepted levels of mistakes; continually searching for unsatisfactory conditions in a municipality and ways to improve; focussing municipal officials in supervisory positions on helping municipal officials to do a better job and; providing the tools and training to enable municipal officials to take pride in their work. It implies eliminating fear in the municipal workplace by encouraging open two-way communication; removing barriers between municipal departments by encouraging teamwork and; the provision of appropriate training courses.

It could be argued that councils should have an ability to determine the quality of current and proposed training courses and the competence to effectively communicate its expectations regarding service delivery to municipal officials.

4.8.3 Time controls

Meeting delivery dates, schedules and deadlines are important considerations for any municipality. The community is particularly sensitive concerning the ability of a municipality to meet deadlines and the credibility of a municipality is at stake when delivery targets are not kept. Time control targets point to the fact that it is not enough to complete a task if that task is not completed on time (Jones, 1996 : 134-137). It could be argued that a council should ensure that municipal officials in supervisory positions do not spend too much time on trivial matters, or creating a false impression by attending the correct meetings, completing the correct reports, recording the correct information, rather than concentrating on greater output, better quality and lower costs.

4.7.4 Material controls

Where a municipality deals with stocks of material, which could range from stationery to vehicles to raw materials, inventory controls will be necessary. The "just-in-time" (JIT) inventory system ensures that stock arrives just at the right time to be utilised and that no stock build-up occurs. In this regard only 12 out of 21 (or 57%) municipalities surveyed indicated that they made use of a JIT inventory system (Rossouw, 1999 : 104-105).

The size of a municipality's inventories should be carefully managed. Ideally there should only be enough stock in reserve to ensure the continuity of the service process. In a study conducted by Little and Prabahkar (1997 : 31-32) it was determined that it costs a municipality as much as 23 cents per rand to keep an inventory, with the biggest costs being the actual cost of the inventory, storage costs and insurance.

A council should take cognizance of the fact that the concepts of delegating and accountability are closely related. A council may delegate responsibilities, tasks and authority to municipal officials in supervisory positions and other subordinates in a municipality. Although subordinate municipal officials are fulfilling aspects of municipal officials in supervisory positions as their general duties, council remains accountable for the proper execution of those duties. From this it can be deduced that a council can not delegate its accountability (Reddy, 1996 : 179-181; Pearce and Robbinson, 1989 : 165-166). Before delegating, a council should appreciate the inherent dangers involved in delegating tasks that municipal officials in supervisory positions do not fully understand or know how to carry out. It could be argued that a council has to ensure that municipal officials in supervisory positions comprehend the nature of their tasks and the responsibilities assigned to them.

The challenge in controlling materials and inventory costs, is to balance the cost of maintaining an inventory as opposed to the costs/penalties which may be incurred when running out of inventory (Hendry, 1995 : 23-24). It can be argued that a council has to be informed that an effective system is in place to control material and inventory costs.

4.7.5 Cost controls

A municipality may reach its service targets, but if insufficient control has been exercised over other aspects of the operation, the cost standard may not be reached.   In a service delivery organization cost controls are vital where the judicious management and administration of local funds determines the capability to deliver (Stewart, 1988 : 52-53). In a municipality there are a number of major cost categories, **inter alia**, direct labour costs which concern labour directly involved in the line function; indirect labour costs which primarily concern municipal officials in the personnel function; raw material costs; supportive supply costs which concern expenditures on items that do not become part of the service provided; utility costs such as water and electricity; maintenance costs and; waste costs.   According to Botes **et al.**, (1992 : 324) personnel expenses vary between 47 and 73% of any organisation's budget. In this regard the personnel expenses of Sandton, Centurion, Akasia-Soshanguve, Westonaria and Mamelodi municipalities were on average 52% of their budgets (Rossouw, 1999 : 43). It could be argued that the percentage of a municipality's personnel expenses, has a direct bearing on a municipality's ability to provide in the needs, desires and demands of the community.

According to Robbins and De Cenzo (1998 : 126) a council should focus on six steps to reduce costs. These steps include improving work methods; leveling the workflow by avoiding high work intensity periods followed by low intensity work periods; reducing waste; installing modern equipment by budgeting for the replacement of obsolete equipment; ongoing training and development to ensure

that skills and knowledge do not become outdated and; being selective when making cuts and avoiding across-the-board decisions. It is however important that when considering the issue of cost reduction that municipal officials support the measures introduced by a council. Municipal officials generally feel threatened by cost reduction efforts because work may be delayed and posts reduced. It could be argued that a council should invite proposals from municipal officials in identifying ways of reducing costs.

4.7.6 Performance controls

Performance appraisals of municipal officials form an integral part of control targets. In this regard Cloete (1995 : 137) lists a number of prerequisites for performance appraisal. Firstly, the performance standards of each municipal official should be established and recorded. These individual performance standards should be linked to the overall objectives of a municipality. In this regard standards should have both qualitative and quantitative parameters. Secondly, shortcomings in conduct and/or performance should be identified with the aim of improving performance and not the penalisation or coercion of municipal officials. Thirdly, the requirements for appointments or promotions should be refined by empirical testing against performance appraisal. Finally, performance appraisal should provide an objective foundation for personnel actions such as promotions, salary increases or sanction (if necessary).

From this it can be concluded that performance appraisal is the most basic form of control in any municipality. This being the case, it is imperative that a council and municipal officials in supervisory positions are adequately trained in conducting performance appraisal. It could be argued that councillors should be trained in the fundamental requirements of performance appraisals to determine if the technique has been undertaken effectively by municipal officials.

4.7.7 Budgetary control

Bateman and Zeithaml (1993 : 546) argue that budgeting is one of the most commonly used methods for exercising control. In this regard municipal budgets serve a threefold purpose. It aids municipal officials in supervisory positions in the preparation of plans; helps to allocate resources more effectively; and serves as an aid in the control and monitoring of a municipality's activities.

A council should understand that although local budgets are primarily a planning tool, the value of budgets in the control process should not be underestimated. Kroon **et al.**, (1990 : 451) describe the value of budgets in the control process as follows: "*The quantitative nature of budgets serves as an excellent criterion for the assessment of human resources, manufacturing, advertising, sales, purchases and materials management. Deviations from set objectives, standards and norms can be spotted and corrected immediately*".

According to Van der Waldt and Du Toit (1997 : 360) a council should develop techniques for each type of control needed in a municipality. In this regard a council should ensure that municipal officials in supervisory positions could exercise control over specific administrative activities such as municipal finances and personnel. A council should therefore hold municipal officials in supervisory positions responsible for the implementation of statutory control regulations and directives from council.

In this regard it can be deduced that control of expenditure in a municipality is possible only if the accounting system used, and the budget, are both accurate and reliable. It will not be of much use, for instance, if the books of accounts are in order only when they are closed at the end of a municipality's financial year, but are in disorder at every other stage. For effective control to be implemented, the books should be substantially accurate throughout the financial year and as up to date as possible (Erasmus and Visser, 1997 : 142-145). It could be argued

that councillors should be able to interpret financial records and have an understanding of the budgeting process and procedures.

The accurate classification of expenditure is vital in sound budget administration. The meaningful use of the line-item budgeting system, as a means of controlling expenditure, requires a sufficient number of clearly-distinguishable line items, and a system which ensures as far as is humanly possible that any expenditure actually incurred is charged to the line item to which it relates. If these two conditions are not substantially met, the control of expenditure in terms of any budget becomes haphazard. The best means of ensuring that the budget system is not seriously undermined by inaccurate coding, is to ensure that the budget is accurate and reliable. Sound budget administration and the operation of a reliable budget system depend to a large extent on one another (Gildenhuys, 1993 : 98-101). From this it can be deduced that unless income and expenditure records are available, a council or any of its committees cannot be expected to ensure that proper control is maintained over the budgets of the various departments.

The treasurer will usually furnish the various local departments with regular statements of income and expenditure. These statements indicate not only what has actually been spent or what has been received by way of income for the period concerned, but also show how the expenditure or income complies with the relevant portion of the budget. The development of computer technology and software applications make the control of the budget a little easier, because it would allow a council to print exception reports of any variances in the budget whenever they are required. The exception reports highlight expenditures that have taken place and which were not included in the original budget (Schwella, et al., 1996 : 178-182). It could be argued that councillors should be trained how to use computer technology as an effective instrument in exercising budgetary control.

Cheminais (1997 : 123-125) identifies five control techniques of which two control techniques (inventory control and quality control) have already been discussed. The remaining three control techniques are **inter alia** formal controls, informal controls and operational control.

4.7.9 Formal controls

Formal controls are those measures that require the submission of written reports, as well as inspection, investigation, cost comparisons, statistical returns and internal auditing.   Internal auditing is carried out in terms of section 10(g)(1)(c) of the **Local Government Transition Act, Second Amendment Act**, 1996 (Act 97 of 1996), which requires every municipality to establish and maintain a system of internal control and to institute internal audit, including audit committees, as an independent appraisal function. Internal auditing is normally carried out by experts on a municipality's activities, procedures and policies. According to Craythorne (1997 : 221; 439-440) the responsibility of keeping accounting records is that of the chief executive officer (CEO). The CEO has to monitor accounting records, transactions and a municipality's financial state of affairs; compile a revenue account reflecting income and expenditure; and a banking account in the name of a municipality into which all moneys received shall be deposited. It could be argued that a council has to be informed that accounting records are properly monitored by the CEO and that any discrepancies are reported to council.

4.7.10 Informal controls

Informal control relates to morale and **esprit de corps**, i.e. the sense of duty, zeal, diligence, natural pride, self development and professional pride of the municipal official (Stewart, 1988 : 148-150). In a municipality informal controls refer to the hierarchical levels in a municipality and clarify lines of authority. This clarification of authority is conducive to better supervision and control. Informal

controls also refer to guidelines with regard to thoroughness, responsibility, honesty and, a respect for political supremacy. In order to achieve an **esprit de corps** it could be argued that a council should appoint municipal officials that respect authority and take pride in their jobs.

4.7.11 Operational control

Operational control is aimed at the ability of those involved in a municipality's purchasing management and materials management to make the required quantities and quality of raw materials, components or services available at the lowest possible costs. In this regard techniques such as linear programming, break-even analysis, and programme evaluation and review technique (PERT) are used (Pigors and Myers, 1983 : 76-79). It could be argued that a council should be informed that the required materials, components and services are provided in the most cost-effective manner.

From this it can be deduced that a variety of different control measures are inherent in the functioning of a municipality. It is however important for a council to ensure that these control measures are properly implemented and executed within a municipality.

4.8   RESPONSE TO CONTROL

Control measures will inevitably direct human behaviour and strive to make future human behaviour predictable. Controlling human behaviour is difficult and resistance to control measures, in the form of non-conformity, will occur. A council needs to be aware that a control system cannot be effective if it does not take the considerations of municipal officials into account. According to Bateman and Zeithaml, (1993 : 555) three types of potential responses to control may be encountered, **inter alia** rigid bureaucratic behaviour, strategic behaviour and resistance.

4.8.1 Rigid bureaucratic behaviour

Rigid bureaucratic behaviour concerns those municipal officials who only focus on the minimum requirements that a control system demands. In a survey conducted by the Carletonville Town Council some of the criticism against the Council was to the effect that municipal officials tend to be insensitive to the community's needs; are slow to respond to complaints; and hide behind rules and regulations (Annexure 2 to the Minutes of Carletonville Council Meeting : 11/1997). Behaviour tends to be rigid and the actual task may become an end in itself with a lack of regard for, and sensitivity to, the requirement for synergy in any municipality. This rigid behaviour therefore occurs when control systems prompt municipal officials to comply with the accountability guideline by following the rules (Pearce and Robbinson, 1989 : 54-56; Van Niekerk, 1997 : 118-119). It could be argued that rigid bureaucratic behaviour may result in poor service and makes the entire municipality slow to act.

4.8.2 Strategic behaviour

Control systems will be ineffective if councillors and/or municipal officials engage in behaviour and tactics aimed at "beating the system". The most common form of this type of behaviour is the manipulation of performance information or the reporting of false performance data. Municipal officials may generate false data concerning what has been done or false data about what can be done. The latter is more common because it is easier to disguise a future prediction than to conceal what has already taken place and this often contribute to municipal officials inflating budgets. A council should be aware that it is possible for municipal officials in supervisory positions to adjust performance data and information to create the impression that they are running a smooth operation while others may supply false information to cover up poor performance (Van Niekerk, 1997 : 62-64). According to Rossouw (1999 : 119-121) it is not

uncommon for municipal officials in supervisory positions to request larger amounts in budget estimates than is required. The Khayalami Metropolitan Council, for example, budgeted for R1,1 million in the 1999/2000 financial year for travelling abroad. However, when it became apparent in June 1999 that the approved budget allocation for travelling abroad was excessive, trips were upgraded from economy class to first class and even duplicated when officials flew abroad to study issues already covered by other municipalities. Apart from this six municipal officials were sent overseas to attend the same conference in the United States of America in July 1999 (Business Day, 24 August 1999 : 2). Another form of strategic behaviour occurs when municipal officials in supervisory positions determine unrealistically low performance standards so that subordinate municipal officials will have little trouble reaching them (Craythorne, 1997 : 430-434). The aim of strategic behaviour is to meet municipal departmental targets at all costs regardless of the lack of value of the actual contribution. It could be argued that councillors should be able to identify these type of behaviours in order to effectively deal with it.

4.8.3 Resistance to control

A council should be aware that some municipal officials do not like to work under rigidly prescribed control measures because control demands standards, uncovers mistakes, requires conformity, can result in criticism and correction, limits autonomy and eventually can threaten a municipal official's job security and status. With the advent of advanced computer software many costing, purchasing and production decisions are now made automatically without significant human input. Such changes could result in negative attitudes from municipal officials who see advanced control methods as a threat to their traditional power bases and expertise (Reddy, 1996 : 45-47).

Bittel and Newstrom (1990 : 100), suggests a number of approaches that could lead to a decline in the occurrence of resistance to control. A council should

emphasize the value of controls by providing feedback to municipal officials and informing them if they are working well or not. Standards reduce the requirement for close supervision as the municipal official knows what has to be done, while supervision will be minimal as long as the municipal official meets the control standards. A council should be informed that scientific standards are applied. This will ensure that standards are carefully determined and examples from the past and/or work-study inputs are used as benchmarks. A council and municipal officials in supervisory positions should avoid general statements regarding the achievement of targets, but rather quantify if at all possible, so that there is no doubt as to what should be achieved. The failure of a municipal official to meet a standard should be seen as an opportunity to work towards improvement and not punishment. In this regard re-training or extra guidance may be the solution. The penalties for non-compliance to standards should be clear to all concerned. This will avert the undesirable situation where municipal officials cannot be disciplined for ongoing sub-standard performance. A council should avoid threats that cannot be realised. Before informing a municipal official what the dire consequences of ongoing poor performance will be, a council should make sure what the regulations stipulates. In this regard a council should consult experienced municipal officials in supervisory positions or gain legal advice if necessary. The consistent application of standards should be applied throughout the workplace. A council should be consistent in granting awards, rewards and punishment; but at the same time be flexible and make exceptions where necessary. It can be argued that there will always be some form of resistance against control. Thus, a council should be informed that appropriate control measures are in place and that municipal officials understand the necessity of control measures.

4.9   ACCOUNTABILITY

In terms of section 152 (1) of the <u>Constitution of the Republic of South Africa</u>, 1996 (Act 108 of 1996) political systems in local government are organised to ensure that municipal councils are accountable, transparent and respond to the needs of

their constituencies by allowing the local community to participate effectively in the policy formulation process. According to Craythorne (1997 : 80-81) devolution of power takes place so as to strengthen the power of municipal councillors to govern. In this regard there should be corresponding checks and balances, i.e. a councillor must be accountable within a council and be accountable to the voters. Accountability is a duty or compulsion, by councillors and municipal officials, to render a full account of deeds and misdeeds. As a legislative institution, a council possesses political power, and therefore has a greater duty for accountability than appointed municipal officials (Hanekom and Thornhill, 1993 : 149-150). The traditional credo of **vox populi vox rex** which means the "voice of the people, is the voice that rules", makes the duty or compulsion to render account to the community stronger than any other duty.

According to Erasmus and Visser (1997 : 18-19) accountability is intensely personal and it is usually a traumatic experience for a councillor or municipal official to stand before the community accused of misdeeds such as corruption, theft, embezzlement, malicious judgement, total disregard for the law, maladministration or total disregard for community values. However, according to Hall (1980 : 95) councillors and municipal officials alike will not be able to live with their conscience and will at all cost try to avoid such humiliation, scandal and pain.

4.9.1 Exposing poor performance and maladministration

Effective accountability is essential if there is to be recourse to the decisions made by councillors. Councillors have to be accountable to their constituents and officials to a council. It could be argued that this relates strongly to community participation and is dependent on the existence and openness of communication channels. Accountability between councillors and communities occurs mainly through reporting back to ward committees and constituencies. In some cases, ward meetings are fixed on a monthly basis; in others they occur in

a more **ad hoc** manner. If the residents are not satisfied with their ward councillors, they can vote for another candidate in the next election (Van Niekerk, 1997 : 43-45).

Cheminais (1999 : 82) argues that it is impossible for every decision to be the product of full democratic processes. It is for this reason that municipalities have executive committees comprising councillors who are mandated to make specific decisions on behalf of the full council. Accountability between officials and councillors usually occurs vertically. Thus, heads of department are responsible for the activities in their departments and they together with the CEO are answerable to a council. In many instances, officials are directly assisted by councillors (Rossouw, 1999 : 112-114; Cloete, 1996 : 78-79). It could be argued that a council should be informed that the roles and responsibilities of municipal officials are clearly defined in order to avoid tension and duplication.

Notwithstanding the fact that officials, heads of departments and councillors tend to hide mistakes, administrative disasters and maladministration, it normally emerges eventually. According to Botes (1997 : 23-25) accountability is acquired in a number of ways, **inter alia** through councillors; courts of law and internal hearings; media; auditors; and municipal officials.

4.9.1.1   Councillors

In terms of section 16(7) and schedule 7 of the <u>Local Government Transition Act,</u> 1993 (Act 209 of 1993), particular acts by councillors are prohibited. These acts are, **inter alia** misleading or influencing council, interference by councillors at the implementation level, and the misuse of council property.

(1) Misleading or influencing council. Councillors should not mislead or attempt to mislead, or unduly influence a council in its consideration of, and decision, on any matter serving before council, nor should a councillor

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encourage, advocate, incite or participate in the taking of an unlawful decision. Unlawful in this regard refers to decisions, which are not allowed by legislation as opposed to an illegal decision, which implies contradiction to legislation.

(2) **Interference by councillors at implementation level**. A councillor should not coerce or put any pressure on any employee of a council to insert in, or to omit from, documents or recommendations to council any relevant information relating to which the public has the right to know of, especially those involving the finances of council. Councillors should furthermore not instruct or order any employee of a council not to implement any decision of a council, or any decision of a committee or council or to implement any such decision contrary to the intent and purpose thereof. A councillor should not give direct instructions of an executive nature to employees, which will cause or contribute towards maladministration. It should be remembered that a councillor as an individual possesses no authority, but that a council as a body corporate only has legislative- and executive powers.

(3) **Misuse of council property**. Councillors should not appropriate for personal use or benefit, or for the use of benefit of any other person to whom he/she is related or associated with, any of a council's movable or immovable property owned, controlled or managed by a council. This includes the unlawful or improper acquiring of any benefits from a right, title or interest to, in or over such property. Misuse of council property includes **inter alia**, the usage of a municipality's office facilities and equipment, including telephone and motor vehicles. It could be argued that council property can, and should only be used for affairs related to the authorised functions of councillors.

In terms of schedule 7 of the Local Government Transition Act, 1993 (Act 209 of 1993), councillors have a duty to report irregularities. When a councillor becomes aware of any irregularity, or if any statement or allegation is made to

him/her, or in writing to that effect, a councillor should inform the CEO thereof for investigation.

Rossouw (1999 : 43-45) states that council meetings are open to the public and this should serve as platform to debate issues, firstly to promote ward interests but also for a municipality as a whole. The image of a council as well as individual councillors can be promoted, especially if issues of a sensitive nature are discussed. Usually the media attend council meetings, thus ensuring that a much broader part of the community is reached. It could be argued that in order to promote accountability, members of the public should be allowed limited time to pose questions on issues which need more clarification. Although this option is not exercised by municipalities, section 152 (1) of the <u>Constitution of the Republic of South Africa</u>, 1996 (Act 108 of 1996) requires that councils promote the participation of communities in the policy formulation process. If structured properly, it could contribute to a council being viewed as promoting accountability and transparency.

If a councillor is a member of an executive committee or any other committee, he/she should make it his/her first priority to attend such meetings since this is the first level at which issues are debated and decisions concluded. Any member of the Executive Committee (EXCO) can be called upon to give account of his/her actions (Rossouw, 1999 : 33-34; Cloete, 1989 : 30).

According to Botes (1997 : 23-24) accountability can be ensured in a number of ways, **inter alia** a motion of no-confidence in a member; the annual budget debate; sessions of the committees of a council; and debates in the public interest.

(1) **A motion of no-confidence in a member**. An opposition party is normally alert in discovering cases of embezzlement and maladministration, and enjoy exposing poor administration to a

community. In this regard the opposition party in the Lydenburg Local Council, for example, exposed 4 cases of corruption by municipal officials in 1999 (Minutes of Lydenburg Local Council Meeting, 11/1999 :6).

(2) Annual budget debates. In terms of section 10(g)(3) of the Local Government Transition Act, Second Amendment Act, 1996 (Act 97 of 1996) councils have to annually compile a municipal budget. During the annual budget debates problems regarding financial maladministration can be raised by councillors bringing poor financial management and administration under the spotlight (Cheminais, 1999 : 56-58). It could be argued that it is important that councillors question the cost effectiveness of the utilisation of funds against the available facilities and human power.

(3) Sessions of the committees of a council. During sessions of the committees of a council it is possible to detect maladministration and mismanagement (Cloete, 1989 : 30). It is therefore vital for councillors not to hide such actions, but to act as their conscience may require to expose maladministration whenever municipal officials acted with malicious intent or **mala fides**.

(4) Debate in the public interest. A council can question the members of the EXCO or any municipal official on any matters related to mismanagement of affairs. In order to be accountable to the community incidents of misconduct should be reported to a council so that those transgressors could be punished (Rossouw, 1999 : 114-115).

It could be argued that it is necessary for councillors to adhere to the stipulations of a code of conduct as set out in Schedule 7 of the Local Government Transition Act, 1993 (Act 209 of 1993). If not, it is possible that service delivery could deteriorate, personal interest could displace local interest, indecision and aversion

could increase, the foundation for faithfulness could be thwarted and mismanagement and maladministration could be fastened. Apart from this, councillors should ensure that municipal officials are acting in accordance with the ethical guidelines as set out in Chapter M of the Public Service Act, 1994 (Act 103 of 1994). However, although a code of conduct will not necessarily eliminate unethical behaviour, it should inspire councillors to base their actions on sound moral grounds.

4.9.1.2   Courts of law and internal hearings

The proceedings in the South African courts are under normal circumstances not held in secret and the public as well as the press are allowed to be present. According to Ehlers (1997 : 12-16) criminal acts involving i.e. embezzlement, theft and negligence on the part of councillors and municipal officials are rare but should they occur, the public will see that justice is done against perpetrators. In administrative law hearings, for example, in cases of state liability, land expropriations, unfair administrative practices and claims for damages, are under consideration and any malpractices will be exposed and transgressors named in the press. It could be argued that courts of law and internal hearings can expose maladministration, mismanagement and negligence.

4.9.1.3   The media

The public media plays an important watch-dog function. Newspapers, radio and television, thrive on sensational news items and any maladministration or mismanagement are important news items (Cloete, 1989 : 30).

4.9.1.4   The auditors

In terms of section 14 of the Auditor-General Act, 1989 (Act 52 of 1989), the office of the Auditor-General can audit the accounts of any municipality. The

accounts of a municipality will immediately expose maladministration, embezzlement and theft of money and goods. The auditor's report is not a secret document, and can be read by any person who is able to obtain it. In this regard the maladministration, embezzlement or theft exposed by the Auditor's report is usually taken in a serious light, merely because public funds are involved. The accounting systems of at least 10 municipalities in Gauteng were in such a state that the provincial-auditor was not able to express an audit opinion. This was due to uncertainties arising from unverified records, deficient accounting systems, incomplete records, lack of supporting vouchers and the failure to submit financial records (Gauteng Provincial Auditor-General, 1999 : Interview)

According to Ehlers (1999 : 17) it is the responsibility of the CEO or an appointed internal auditor to appraise and report on internal financial control; the extent of compliance with established policies and legal requirements regarding finances of municipalities; and the extent to which a municipality's assets and interests are accounted for and safeguarded from losses. This includes losses through fraud; waste, extravagance and inefficient administration; incorrect management and financial data; as well as computer programmes, -data and -security. The Krugersdorp Audit Committee, for example, released a statement on 31 May 1999 that the Municipality had a need to engage suitably qualified and competent personnel. Accurate financial statements were a major concern and it took 18 months to finalise the statements for the financial year ending June 1998 and that the financial audit for June 1999 was still incomplete (Member of Krugersdorp Audit Committee, 1999 : Interview).

In terms of section 10(g)(2)(c) of the <u>Local Government Transition Act Second Amendment</u>, 1996 (Act 97 of 1996) a municipality has to establish an internal control system and, as far as possible, a system of internal audit and an audit committee. Setting up an internal control system is an administrative function normally undertaken by the CEO or heads of department. It could be argued that if municipal officials in supervisory positions are expected to report

periodically to a council, cases of mismanagement or maladministration could be exposed at an early stage or even inhibited.

4.9.1.5 Municipal officials

Municipal officials are normally honest, respectable and highly ethical officials, and most cases of maladministration and mismanagement in municipal administration are exposed by officials (Cloete, 1989 : 30). In terms of Schedule 1 of the Municipal Systems Bill, 1999 (Government Gazette no. 20357 of 1999) municipal officials have the authority to expose any mismanagement during personal inspections, ratification and pre-approval of matters, periodical reporting, analysing auditor's reports, compilation of statistical data and meticulous daily control systems. According to Botes (1997 : 26) these municipal officials should not be seen as whistle-blowers, because they cannot tolerate an untenable situation. They should do it because of their own conscience and conviction. It could be argued that a council should be informed that the CEO and heads of department are acting in terms of their delegated responsibilities and that these officials report to council on a regular basis.

It can be concluded that a council remains accountable to the community and has to render a full account of deeds and misdeeds. It is therefore important for a council to have effective control mechanisms in place to ensure transparency and accountability in governing and representing its community.

4.10 CONCLUSION

Control is concerned with the monitoring of local activities to ensure that they are being accomplished as planned and implementing corrections when significant deviations occur. Control is essential to determine if local activities are going as planned, not going as planned or if circumstances have changed. The

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implementation of proper control by a council contributes to standardisation, reduced waste and better quality services.

There are basically three types of control, **viz.** preliminary control, concurrent control and feedback control with strategic control points and key performance areas being an important consideration. In the local government context control should target key components such as output, quality, time, material, costs and performance of municipal officials. Resistance to control, from municipal officials, is to be expected and various types of behaviour can be predicted. An ongoing emphasis on the positive aspects of control is necessary to foster co-operation from municipal officials. Budgetary control remains fundamentally important for municipalities and techniques need to be developed to exercise control in the unique municipal environments.

From this chapter it can be deduced that control should not be instituted merely for the sake of control, but to determine whether the section or division in a municipality has contributed to the fulfilment of the goals of a council, namely to make the individual and community good. In this regard a number of training areas for councillors have been identified which will allow them to effectively execute the control function in a municipality. In this regard effective control mechanisms should be implemented to ensure that a council's objectives are realised in the most cost efficient manner. The determination and allocation of authority and responsibilities within a municipality should be done in such a manner that human, technological and financial resources are utilised optimally in an attempt to satisfy the needs, desires and demands of the community it serves.

Guidelines for the training of newly elected councillors should include the correct determination and application of performance standards. Performance measurement should coincide logically with a municipality's objectives and critical points, which contribute to those objectives, should be isolated.

Performance data should be collected to determine to what extent performance standards are met. It includes the implementation of appropriate corrective measures once deviations from standards have been detected. A training programme should include the utilisation of different forms of control measures for different types of work activities. A councillor should be informed that municipal officials are properly trained and have the ability to create proper channels of communication.

A councillor should ensure that performance appraisals are conducted and that control measures are properly implemented and executed within a municipality. A training programme for newly elected councillors should provide an understanding of the necessity of control measures and how to ensure accountability to the community by rendering full account of deeds and misdeeds.

In chapter 5 the findings of this thesis are summarised and a number of conclusions regarding the training of councillors are made.