

Performance Management and Accountability Practices in South African Municipalities

Critical Considerations

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ABSTRACT

To institutionalise performance management and accountability in municipalities, the South African government has managed to develop regulations and strategies to guide the development of the municipalities' performance management system as part of the local government reforms. Despite the existence of oversight committees within municipalities, challenges in terms of functionality and performance continue to impact general accountability practices in municipalities. This article briefly focuses on a municipal performance management framework and how performance indicators are set, as guided by various National Treasury documents. Performance and accountability are technical, managerial tools that can support decision-making and enhance public sector organisations' efficiency and effectiveness. The article also reviews accountability practices in terms of internal accountability structures such as sections 79 and 80 committees. The article found that the review process is an ongoing challenge for committees to perform their oversight work, and this does not only relate to the committees' functionality but also to those councillors with little or no expertise in scrutinising financial and other complex reports serving on these committees.

INTRODUCTION

This section discusses the performance management and accountability practices of municipalities in contemporary South Africa, incorporating performance measurement, performance indicators and performance reporting factors. A significant challenge impacting municipalities' performance is the lack of accountability. The performance management system of a municipality should identify underperformance and ensure that performance indicators are linked to measurable performance, outcomes and the impact of the priorities as set out in the Integrated Development Plan (IDP). It should set measurable targets to include performance monitoring elements, review, performance improvement and regular reporting. Nkuna (2015:157) argues that the IDP is critical in developing a municipal performance management system and promoting effective service delivery.

Toxopeüs (2019) believes that the lack of experienced personnel and weaker oversight committees are key to a lack of accountability, impacting the municipalities' ability to take appropriate action against poor governance and maladministration. Furthermore, Toxopeüs (2019) argues that another challenge of responsibility is the operational capabilities of oversight committees. Some of the councillors serving on these committees lack the necessary capabilities to comprehend the information provided, such as financial reports. Auditing has become one of the instruments to promote accountability. The Auditor-General of South Africa (AGSA) audit reports are used as a measure of accountability to measure the work performed by municipalities.

Madumo (2017:119) states that the municipal council's control work, which is associated with accountability, is imperative because it contributes to detecting and preventing abuse of power. It monitors whether municipalities comply with policies and predetermined objectives, enhancing the municipality's ability to provide services, thus promoting community trust. Pretorius (2017:196) adds that municipalities need to be responsive and accountable in performing their constitutional obligations. The nature and extent of various powers and functions should be clarified to contribute and promote effective accountability. The approach includes addressing the political-administrative relations and challenges that have a significant impact on accountability.

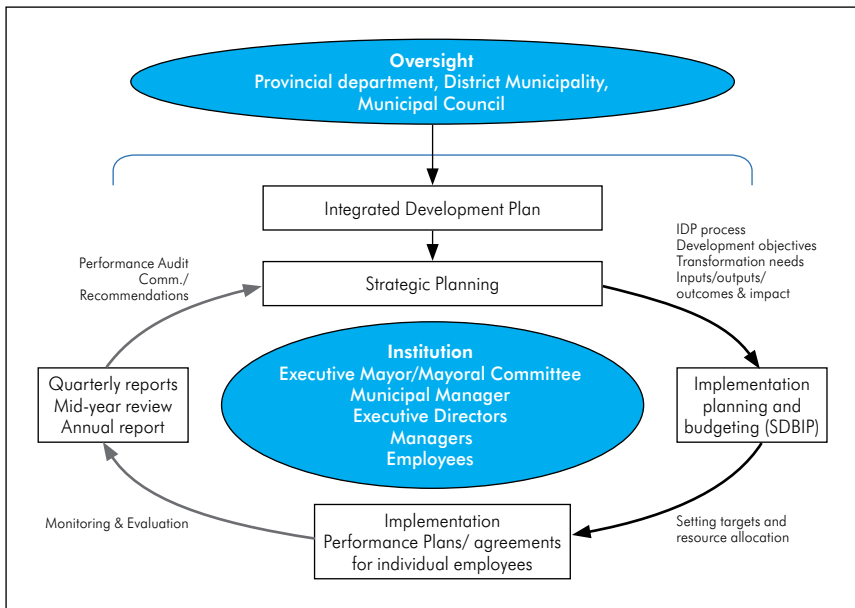
The sections below are based on a conceptual and contextual analysis of the performance management and accountability practices of municipalities in contemporary South Africa and include aspects that concern performance measurement, performance evaluation and review process, performance indicators and performance reporting, financial, legal and hierarchical accountability. It discusses the context of a municipal performance management framework as well as the context of national strategies to improve municipal performance and accountability. It also addresses several challenges in this regard.

MUNICIPAL PERFORMANCE MANAGEMENT FRAMEWORK

Asmah-Andoh (2015:171) argues that before 1994, there was limited use of service delivery standards to measure local government performance. This led to the development of legislation, which required accountability through reporting to citizens, and it further prescribed generic guidelines on how the municipality should develop its performance management system in terms of three steps focusing on: starting the performance management system, creating the system and implementing the plan.

Municipalities are required to develop key performance indicators to measure their performance according to established priorities and objectives (South Africa 2000). Masenya *et al.* (2018:113) argue that work can be clarified through performance management, as well as how responsibilities will be delegated among officials. Lastly, performance management can also help the municipality to have data sources that will contribute to accountability. Radebe, Vyas-Doorgapersad and Grobler (2015:93) opine that the performance management system comprises the processes to plan, review, reward and develop performance. This process should also be linked to employee performance to help employees improve their performance, thus contributing to overall

Figure 1: Municipal planning and performance management cycle



Source: (Merafong Local Municipality 2016:19)

municipal performance. Figure 1 depicts the performance management cycle of municipalities.

Figure 1 confirms that the IDP is an overarching guide to municipal planning that fits the performance management system of a municipality. The system should also monitor, assess, evaluate, and manage individuals' performance. Merafong Local Municipality (2016:19) reports that its performance management policy requires each employee to link their performance objectives with their departmental goals to contribute to municipal performance.

Setting performance indicators

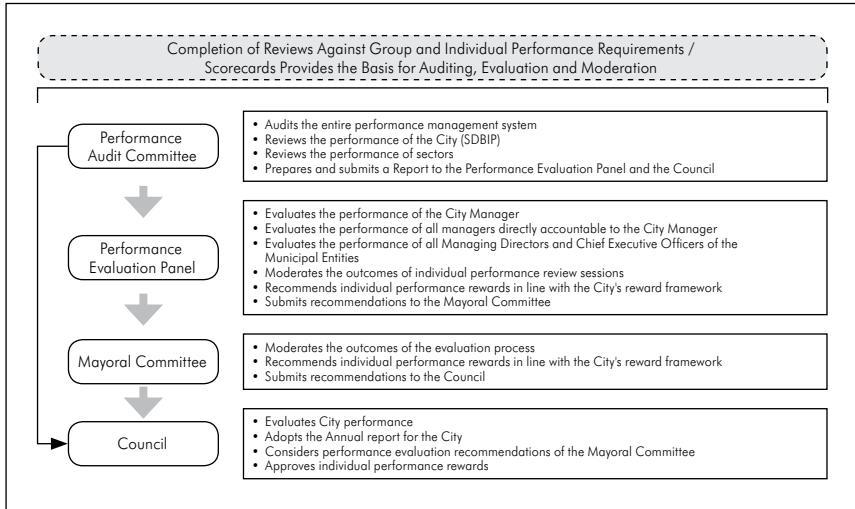
Despite each municipality being required to develop its performance management system, the National Treasury has further developed and prepared a national circular to guide metropolitan cities. The purpose of the Municipal Circular on Rationalisation Planning and Reporting Requirements for 2018/19 (MTREF) is to assist metropolitan municipalities in preparing statutory planning and reporting documents (National Treasury 2017). Furthermore, the circular states that performance reporting is driven by the National Treasury, in collaboration with the Department of Cooperative Governance and Traditional Affairs (CoGTA), Statistics South Africa and AGSA, among others. The broader objective is to enhance the reporting requirements of metropolitan municipalities. The circular provides metropolitan cities with a guide to develop performance indicators, and the results-chain level to inform the selection and application of their indicators. The emphasis is on the set of indicators to ensure a streamlined relationship between the output and outcome levels.

Performance evaluation and review process

Performance evaluation and review are critical components of the performance management system. As part of performance management, municipalities need to evaluate and review their performance quarterly and annually. Selepe (2018:546) emphasises that performance evaluation examines the factors relating to under-performance, assessing whether performance targets were met or not met, reviewing the reasons for non-performance and further recommends corrective action.

Figure 2 depicts the performance evaluation process of the City of Johannesburg as a metropolitan municipality. Figure 2 illustrates the procedure provided by the City of Johannesburg's performance policy management. As illustrated the municipality's performance audit committee audits the performance management system and conducts reviews. The committee then presents its reports to the performance evaluation panel and the council. The performance evaluation

Figure 2: Performance management system review of the City of Johannesburg



Source: (cited from Radebe, Vyas-Doorgapersad and Grobler 2015:95).

committee evaluates the city manager’s performance, all those reporting directly to the city manager, managing directors and chief executive officers of the city entities. In completing the process, the performance evaluation committee recommends that the mayoral committee moderate the evaluation process and submit its recommendations to the council. As an ultimate accountability structure of the municipality, the council evaluates the overall performance of the City, adopts the annual performance report, and considers individual senior employees’ evaluation recommendations for rewards.

Figure 2 provides a comprehensive approach to the performance management system review of the City of Johannesburg. The City of Johannesburg’s performance review system provides for four accountability structures that are responsible for the performance review. These structures are: the performance audit committee, performance evaluation panel, the mayoral committee and the council. The challenge is that the process might be different in another category of municipality and is based on the availability of resources, creating a challenge of applications of various methods and systems. The next section discusses performance reporting informed by the packaging of performance measurement, evaluation and information monitoring. As a critical component of the performance management system, performance reporting provides various stakeholders with the required information to measure and evaluate municipalities’ performance.

Performance reporting of municipalities

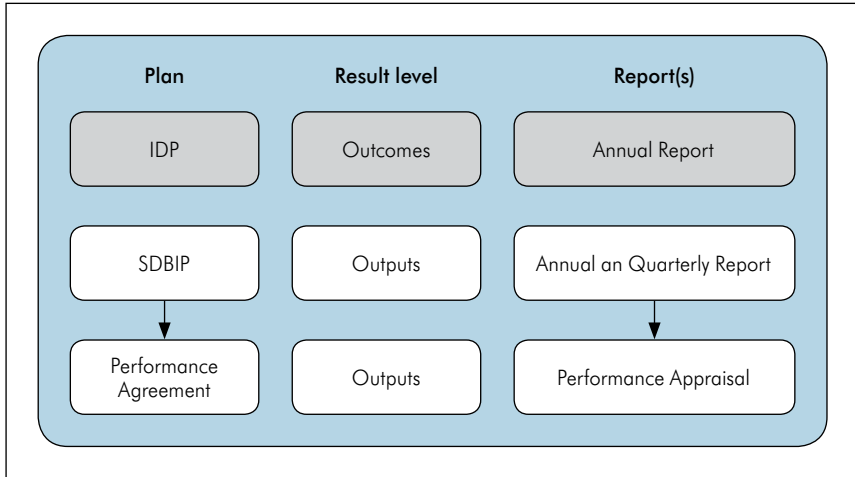
Van Dooren, Bouckaert and Halligan (2015:131) argue that an important component of performance management and measuring performance entails the reporting of the information. They state that for reporting performance information, the format should be suitable for the target group. Furthermore, they suggest that reporting formats to report to top management will be different from reporting to the media or community organisations. The reporting formats intend to package the performance information to suit other target groups. In the context of municipalities, various reports are produced for multiple accountability structures, such as the council, oversight committees, the provincial legislature and national departments, such as the National Treasury. To create performance reports, Van Dooren *et al.* (2015:131) advise that two questions need to be answered: “who is using the information, and what is the right format for that target group?” The questions raised by Van Dooren *et al.* (2015:131) become a guide for the development of reports to multiple accountability structures that need to use the performance information for decision-making. An example of the report by the municipality encompasses the state of the budget of the municipality in terms of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA).

As a response to questions posed by Van Dooren *et al.* (2015:131) above, the information for this report should cover the municipal revenue and resources, existing borrowings, expenditure per municipal vote and any allocations. The report should also include the actual spending on those allocations, excluding expenditures for its share of the local government equitable share. Additionally, the municipality presents performance assessment reports to the mayor, provincial treasury, and the National Treasury. There are also other assessments of performance focusing on monthly financial statements, half-yearly service delivery performance reports, and implementation plans for the approved budget (South Africa 2003).

Similarly, Bothoko (2017:96) states that the MFMA requires municipalities to prepare and adopt an annual report, which must cover the performance recorded against the allocated budget, as well as financial performance. Hence, annual reports are about progress against the performance targets and budgets of municipal plans. Bothoko (2017:98) further highlights the importance of annual performance reporting. Figure 3 presents examples of performance reporting that are required in line with planning requirements, as per the National Treasury guidelines.

Figure 3 further depicts the critical relationship between the outcomes and the output indicators found in annual reporting. The National Treasury provides strategic and logical linkages that municipalities can make in their performance reporting. The importance of performance reporting is illustrated by Ntshakala

Figure 3: Planning and reporting instruments



Source: (National Treasury 2017)

and Nzimakwe (2016:115) when stating that reporting critical matters and outcomes contributes to motivate employees and to develop interventions where required. After analysing the available literature on municipal reporting, Botlhoko (2017:100) opines that there are different types of reports used continuously in the public sector for performance and accountability. For example, internal reports, external reports, interim reports and performance reports. Table 1 indicates the type of reports used for performance reporting by the municipalities.

Table1: Overview of current performance reports by municipalities

Type of report	Purpose	Frequency of reporting	Type of report
Financial reports	MFMA Section 71 requires municipalities to submit monthly reports. Their purpose is to provide information on expenditure and revenue collection.	Monthly	Internal External Performance
Mayor reports	The MFMA requires a mayor to submit a report to the council. The purpose of the report is about finances and implementation of the budget.	Quarterly	Internal Performance
Performance assessments reports	The Accounting Officer must table to council the performance assessment considering Section 71 monthly reports and municipal service delivery.	Mid-Year	Internal Performance

Type of report	Purpose	Frequency of reporting	Type of report
In- year financial reports	National Treasury Circular 70 provides that National Treasury should conduct performance measurement for the in-year reporting framework.	Mid-Year	Internal Performance External
Annual report	Annual reports provide information on the municipality's financial and service delivery performance.	Annually	Internal Performance External
IDP and Service Delivery and Budget Implementation Plan (SDBIP) reporting	The information on revenue is monitored and reported monthly and quarterly to help the municipality monitor its revenue to adjust the budget.	Quarterly	Internal Performance
DPLG report and budget	MFMA needs the accounting officer to table the report on performance to the mayor, National Treasury and Provincial Treasury.	Mid-Year	Internal Performance External
Oversight reports	As part of accountability and performance, the council needs to approve the oversight reports on the annual report	Annually	Internal Performance External

Source: (Author's own construction)

The above-indicated reports in Table 1 serve as instruments to account for the performance of the municipalities. They provide various role players and forums with a platform to justify their acts and help municipalities improve where they have identified performance gaps and challenges.

MUNICIPAL ACCOUNTABILITY PRACTICES IN SOUTH AFRICA

The above sections provided a foundation on the regulatory requirements governing performance and accountability within municipalities. This section explores South African municipalities' current accountability practices, including forms of accountability and accountability mechanisms. In addition, it identifies possible gaps that should inform the development of the performance and accountability framework. Kraai, Holtzhausen and Malan (2017:63) note that the *Constitution of the Republic of South Africa, 1996* is the foundation of accountability in the South African public sector, including in municipalities. They argue that ministers, departments, councillors, and state-owned entities are compelled to explain and

validate their actions to structures, such as Parliament and its committees, constitutional structures, and the public at large.

Municipal accountability is driven by key strategies; for example, the IDP that sets out the vision and objectives of a municipality and informs the budget that determines how revenue should be raised in terms of the expenditure plan. As part of their accountability cycle, municipalities produce yearly reports on implementing the IDP, SDBIP and budgets to the council and its various oversight committees. Botlhoko (2017:137) points out that a municipality should develop an organisational structure that defines the roles assigned to politicians and officials. The purpose of posting such responsibilities is to demonstrate accountability levels, including forms of accountability required from each group of officials and politicians. As reported by the Financial and Fiscal Commission (FFC) (2017:54), accountability in municipalities is not easy, due to the role and availability of many players that are involved with governance and management responsibilities. Furthermore, accountability in municipalities seems to be conflated by various socio-political factors. South African municipalities also experience multiple forms of accountability, such as political, legal, financial and hierarchical accountability.

The following sections discuss various forms of accountability in municipalities, such as political accountability, financial accountability, legal accountability and hierarchical accountability. Roycroft (2018:9) argues that the concept 'accountability' needs some coherence and meaningful understanding, done through different "lenses" that provide various types of accountability mechanisms and help to structure the concept. The review focuses on political, financial, legal, hierarchical and professional accountability.

Political accountability in municipalities

The council of the municipality has both executive and legislative powers as per the provisions of the Constitution. In this regard, the council is responsible for the mayor's election to exercise executive authority and the council's speaker to chair the council sittings. Furthermore, the mayor appoints the mayoral committee to assist with the municipality's day-to-day running from a political perspective (FFC 2017:62). The executive mayor must be politically accountable to the council on behalf of both the administration and the mayoral committees. The council, as elected by the community, must also be politically accountable to its electorate.

Kraai, Holtzhausen and Malan (2017:64) state that according to the Local Government: Municipal Structures Act 117 of 1998, municipalities must establish section 79 committees to play an oversight role over the administration and the executive committee. The section 79 committees play an oversight role, which contrasts with section 80 portfolio committees, because they do not report to the executive. Their function as delegated by the council is to oversee

the executive committee and the mayor. These committees provide an opportunity for political accountability by those appointed as mayoral committee members and the mayor. An example of this committee is the Municipal Public Accounts Committees (MPACs) and the Municipal Audit Committee (MAC) (FFC 2017:62).

Furthermore, the FFC (2017:62) reports that the MPAC's mandate is to hold the executive to account and to ensure that municipal resources are used effectively and efficiently. The MPAC considers AGSA's reports and determines whether municipal funds are appropriately spent. In the case of wasteful, irregular, unauthorised and fruitless expenditures, the MPAC can, if necessary, call the executives to account. As indicated by the FFC, the MPAC provides a platform for both financial and political accountability by both the executive and administration members. In contrast to section 79 committees, the mayor establishes section 80 committees that focus on a specialised area of municipal work such as, finance, housing, economy, infrastructure and social welfare (FFC 2017:62). These committees provide various forms of accountability, such as political accountability, financial and legal accountability; due to their oversight functions to check compliance with different legislation.

As part of political accountability, Maimela and Mathebula (2015:143) argue that community participation in municipalities' decision-making processes in terms of programmes such as the IDP, is important. The creation of community structures provides platforms for councillors to account to their constituencies through community meetings. This form of accountability is crucial to councillors' elections, as they are the stewards of their communities by driving their developmental needs.

The next section discusses financial accountability, which is linked to both political and legal accountability.

Financial accountability in municipalities

Sebola (2015:127) argues that the MFMA provides a foundation for municipalities' financial accountability and chapters 12 and 15 of the Act prescribe measures of financial accountability as well as sanctions concerning financial mismanagement of municipalities. Bothoko (2017:33) contends that municipalities should openly account for the allocation and utilisation of approved budgets by their councils to maintain financial accountability. Financial accountability of municipalities aims to enhance their budgetary control measures and guard against fraud and corruption, which is prevalent in South African municipalities.

Raga *et al.* (2018:168) state that as part of municipalities' financial accountability, they must present all information needed to evaluate whether their operating and capital budgets are funded as per the municipal budget and reporting

regulations. As part of strengthening financial accountability, the MFMA prescribes that municipalities' budgets must be transparent, reliable and consistent across the municipality. A delegation system that clarifies the mayor's, the councillors', and the administration members' responsibilities should be developed (Raga *et al.* 2018:168). As part of financial accountability, Chapter 3 of the Act refers to possible linkages in terms of accountability and performance reporting. The financial reporting according to Botlhoko (2017:96), is essential to municipalities due to its prescription by the legislation, requiring that spheres of government provide timely, accessible, and accurate information to the public.

Furthermore, for Botlhoko (2017:103) the annual financial accounts are prepared as part of financial accountability that measures performance against the approved budget and related financial matters for the year.

From the above and accountability literature, it is quite clear that financial accountability has a possible link to legal accountability because of compliance with legislation. The next section discusses legal accountability.

Legal accountability in municipalities

Legal accountability is associated with compliance with legislation governing the role and functions of municipalities. It is also connected to other forms of accountability, such as political, financial and hierarchical accountability because of specific legislative requirements. As part of legal accountability, Motabutse (2016:64) states that the AGSA is one of the Chapter 7 Constitutional structures that audits the annual financial statements and annual performance reports. The AGSA refers to the compliance audit, where they conduct assessments to evaluate whether municipalities have complied with specific procedures, rules, and regulations applicable to local government.

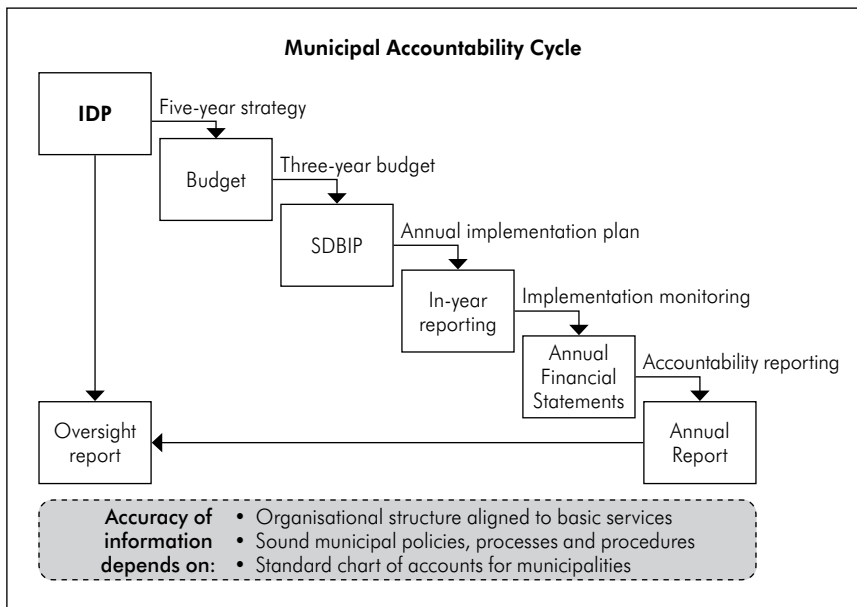
Sections 47 and 48 of the Local Government: Municipal Systems Act 32 of 2000 provide for additional legal accountability where the members of the executive council (MEC) and the minister responsible for local government are also required to provide Parliament with the state of municipalities' performance reports. Similarly, the Act states that both the minister and MEC's accountability reports must address and identify municipalities that do not perform and propose corrective action. Therefore, municipalities must comply with various pieces of legislation, guidelines, and circulars from the National Treasury (South Africa 2000). All these requirements contribute to municipal legal accountability requirements and expectations. Legal accountability forces municipalities to be accountable to various departments, such as CoGTA, the Presidency, the Office of the Premier and Provincial Treasury. These departments play an oversight role and are required to assist municipalities where possible without encroaching on their functions as a third sphere of government.

Hierarchical accountability in municipalities

Kraai *et al.* (2017:64) argue that municipalities are required to create a delegation system to improve their administrative and operational efficiency. Furthermore, Pretorius (2017:120) states that municipalities must appoint managers to report directly to the municipal manager. These officials head various departments or sections responsible for assisting in implementing council programmes.

Municipal managers are accountable for establishing an effective, efficient, and responsible administration. Furthermore, the Act states that a municipal manager should approve the staff establishment in line with relevant pieces of legislation mechanisms to evaluate staff (South Africa 2000). The establishment of staff within the municipality is in line with hierarchical accountability. Tshishonga (2015:71) refers to hierarchical accountability as a form of accountability, emphasising the municipal managers' strategic role in signing performance agreements with senior managers reporting directly to them for implementing their relevant functional area of responsibilities. As part of hierarchical accountability, the managers are accountable to the municipal manager to deliver the performance agreement deliverables they have agreed upon.

Figure 4: Municipal accountability cycle



Source: (National Treasury MFMA Circular No 63 2012:20)

As reported by the FFC (2017:57), municipalities are responsible for implementing various infrastructure projects, and most of them rely on transfers for which the senior manager responsible for infrastructure is accountable to the municipal manager. In addition, managers are responsible for the work and accountability of the lower-level staff, through signing with them performance agreements and assisting them in implementing municipal programmes.

The review of the forms of accountability in municipalities in this section indicates an overlap and complexity of reporting requirements. These complexities relate to the number of reports required for accountability and the existence of various role players, such as council committees, and external legal structures, such as Parliament, the auditor-general and communities. There is also evidence of linkages between multiple forms of accountability, such as financial, legal, and political accountability, because of legislative requirements regarding municipalities' role and functions. Figure 4 highlights the municipal accountability cycle as determined by the National Treasury.

Figure 4 illustrates the relationship between accountability instruments and their key focus areas. For example, the IDP guides the three-year budget, which influences the development of the SDBIP. In addition, the SDBIP is the foundation for municipal in-year reporting, which includes the development of quarterly reports used for accountability of performance on the delivery of services. Furthermore, the accountability cycle encourages municipalities to align their organisational structures to provide essential services.

In addition to the alignment of the organisational structure, this cycle requires municipalities to have sound policies, procedures and processes that should enhance accountability to various oversight structures. Accordingly, the IDP is a pillar of performance and accountability of municipalities as depicted at the top of Figure 4, and related to other instruments. Hence, the budget, in-year reporting, annual financial statements and annual report are instruments driving accountability in municipalities.

NATIONAL STRATEGIES TO IMPROVE PERFORMANCE AND ACCOUNTABILITY OF MUNICIPALITIES

Sithole and Mathonsi (2015:18) argue that despite legislative provisions to perform and be accountable, municipalities continue to face several challenges ranging from capacity constraints, funding mechanisms, political-administrative incoherence, and governance. To mitigate and address these challenges, Madumo (2017:213) notes that various strategies are developed to contribute to building capacity and repositioning councils for municipalities and to respond adequately to the community's needs. These strategies include the Local Government

Turnaround strategy (LGTAS), Project Consolidate and Back-to-Basics strategy. This article briefly pays attention to the Turnaround strategy and Operation Clean Audit Programme (2009–2014), and the Back-to-Basics strategy (2014-to date).

Local Government Turnaround Strategy and Operation Clean Audit Programme (2009–2014)

Madumo (2017:216) points out that the 2009–2014 LGTAS focused on four critical thematic interventions: accountability, responsiveness, efficiency and effectiveness. The strategy intended to reposition municipalities to be responsive to their community's needs and to assist councillors in being stewards of their communities by delivering public value-oriented services. The strategy aimed to strengthen municipal accountability and their engagements with communities on decision-making that concern their development and services.

Tshishonga (2019:165) argues that the LGTAS was developed due to a growing political interference in the administration, corruption, fraud, bad management, increasing violent service delivery protests, factionalism in parties, and municipal capabilities to deliver services. Furthermore, the author posits that the strategic vision is to achieve effective service delivery, better planning and to address challenges of constitutional and legislative weaknesses impeding municipalities' efficiency.

In reporting on the progress made against the LGTAS 2009–2014, PARI (2016:9) states that "50% of municipalities and municipal entities had missed achieving clean audit as part of the key objective of the government turnaround strategy. There is recorded improvement for 2009–2014; opinions increased from 46% to 50%. Unqualified opinions 'without findings' increased from 1 to 9%, and opinions 'with findings' decreased from 45 to 41%". In addition to the clean audit objective, PARI (2016:9) further reports that those municipalities and their entities who missed the Auditor-General's cut-off date to complete the audits and adverse or disclaimer findings declined during this period. While there is no precise quantification of its success around its critical thematic areas, progress made on audit outcomes as reported by PARI (2016:9) needs to be acknowledged. The next section discusses the Back-to-Basics strategy which followed the LGTAS.

Back-to-Basics Strategy (2014–to date)

The Back-to-Basics strategy formulated in 2014 acknowledged the progress made concerning the delivery of services and continuous challenges confronting municipalities. The plan cites institutional incapacity challenges, the viability of individual municipalities, and the low rate of revenue collection, which impact municipalities' ability to have enough financial resources to fund the delivery of

services (CoGTA 2014:4). Furthermore, Madumo (2017:217) comments that the Back-to-Basics strategy is a continuation of the LGTAS and others that preceded it.

The Back-to-Basics strategy focuses on improving municipal capacity to deliver essential services to the people: water, electricity, adequate sanitation, and weekly removal of refuse. The author also argues that these services serve as crucial performance indicators of municipalities, and effective delivery will improve municipalities' performance and sustainability.

According to Madumo (2017:217) it implies that more and effective service delivery leads to revenue generation and contributes to the sustainability of municipal finances. In comparison, this might be a challenge to municipalities in rural areas, which do not have an adequate revenue base. Tshishonga (2019:167) states that the Back-to-Basics strategy is about responding to delivery challenges municipalities face when maintaining municipal traffic lights, fixing potholes, delivering clean water, and collecting refuse in time, supplying electricity, and maintaining municipal infrastructure.

The development of these interventions and strategies is in line with national and provincial governments' constitutional responsibility to support the local government. Furthermore, due to South Africa being a unitary state, its central government has a responsibility to make sure that money transferred to municipalities in the form of conditional grants is used to achieve national priorities. Therefore, the development of these strategies is part of the central government's contribution to municipalities' performance and accountability.

The challenges with these strategies are that every five years after elections, the new administration does not assess the previous strategy's impact and focuses rather on developing new interventions. It can be argued that the above strategies were not evaluated for their contribution, and some of the challenges identified years ago continue to exist. The challenges relating to the performance and accountability of municipalities are explored in the next section. Municipalities are a building block to manage the historical imbalances of the past, and direct engagement and access to services is part of the South African developmental agenda. The importance of improving municipalities' performance and accountability is reflected by CoGTA (2014:4) when reporting that municipalities are the critical point of interaction with the communities.

PERFORMANCE AND ACCOUNTABILITY CHALLENGES OF MUNICIPALITIES

Ndevu and Muller (2018:185) argue that the lack of public confidence in municipalities continues to grow and continuous service delivery protests reflect these challenges. Further, Ndevu and Muller (2018:185) suggest that the growth

of service delivery protests are not only about inadequate delivery of sanitation, water, electricity, and housing but reflects poor performance and a lack of accountability of elected officials.

Performance challenges of municipalities

Van der Waldt (2014:7) posits that some municipalities continue to experience challenges to implement their IDPs, and as a result, their performance becomes a topical issue. In addition to the inability to implement their plans, municipalities also experience challenges with performance management system implementation due to a lack of alignment between the budgets, IDP and performance processes.

Scheepers (2015:86) states that the National Planning Commission (NPC) identified factors contributing to municipalities' poor performance. These include: tensions within the political/administrative interface; instability of the administrative leadership; skills deficit; erosion of accountability and authority; poor organisational design; inappropriate staffing; and, low staff morale. Some of the indicators of poor performance are raised by Ledger and Rampedi (2019:1), who state that municipal infrastructure is in a state of disrepair. This is the infrastructure that contributes to revenue generation, such as water and electricity meters. Poor performance on revenue generation contributes to poor infrastructure maintenance and lack of service delivery to communities. Despite national interventions, these ongoing challenges and poor performance led various provinces to initiate a section 139 intervention of the Constitution.

Ledger and Rampedi (2019:8) state that, since 1998, 140 section 139 constitutional interventions (involving 143 municipalities) were initiated, of which 15 were set aside either by agreement with the province or by court order. They

Table 2: Provincial distribution of the Section 139 constitutional interventions

Performance	Number of interventions
Eastern Cape	15 (including 3 set aside)
Free State	14
Gauteng	3
KwaZulu-Natal	40 (including 2 set aside)
Limpopo	2 (including 1 set aside)
Mpumalanga	11
North West	43 (including 7 set aside)
Northern Cape	3
Western Cape	9 (including 2 set aside)

Source: (Ledger and Rampedi 2019:7)

argue that almost “all section 139 intervention cases (the exceptions are few and far between, particularly over the past five years), the intervention comes when the municipality is in or very close to a state of complete operational and financial collapse, and after many years of serious problems, including some or all of the following: poor audit outcomes, deteriorating finances, multiple allegations of corruption, severe political in-fighting that has paralysed the council”. Table 2 depicts the distribution of section 139 interventions per province since 1998:

Mamokhere (2019:4) believes that municipalities’ poor performance since 2007 to date continues to be the most significant contributor to growing service delivery protests and communities’ anger. Furthermore, despite interventions made by the national government, performance challenges continue to persist. There is no clear assessment of whether the interventions contribute to improving performance.

Auditing as an instrument to promote accountability

In tabling the municipalities’ audit reports of 2017/2018 and 2018/19, the AGSA identified three indicators that impact and are the root causes of deteriorating accountability in municipalities. The three critical indicators identified are: the (1) regression of audit outcomes, (2) rising irregular expenditure, and (3) lack of consequences. The crucial factor leading to the three indicators is that the municipalities have failed to provide the AGSA with credible financial statements and performance reports, which led to regression of audit outcomes, irregular expenditure and there being no consequences.

This challenge is further elaborated by the AGSA when reporting that during the 2018/19 auditing year, the municipalities provided worse financial statements than previous years, to audit the 2017/18 financial year. “Only 19% of the municipalities were able to provide financial statements without material misstatements” (AGSA 2019:22). Furthermore, the AGSA (2019:23) reports that 65% of municipalities could not provide performance reports free from material flaws. These reports were deemed not credible for council use, public use and parliamentary use.

The brief review of performance and accountability challenges, as discussed above, provides a picture that needs intervention. These challenges are evident in the operational environment that lacks a performance and accountability framework. The challenges, therefore, provide an opportunity for the development of a performance and accountability framework.

CONCLUSION

This article highlighted the current accountability and performance practices of municipalities in contemporary South Africa. Accordingly, a brief assessment

was done on current performance and accountability practices. The discussion highlighted an example of a municipal performance management framework and how performance indicators are set, as guided by various National Treasury documents. The discussion went further to review the process of performance evaluation and review of which the City of Johannesburg was used as an example. Various forms of accountability, such as political accountability, financial accountability, hierarchical accountability and legal accountability were contextualised within the environment of municipalities. The assessment made when discussing performance and accountability practices also revealed that there are a number of regulations and practices from the National Treasury governing these practices.

Furthermore, the article briefly highlighted national strategies developed by the national government to improve performance and accountability. The national strategies were reviewed from 2009 to 2020. The focus of the review was on the Turnaround strategy and Operation Clean Audit 2009–2014 and the Back-to-Basics strategy (2014–2020). Notably, in playing its constitutional role, the national government has initiated various strategies to improve municipalities' performance and accountability. Municipal performance and accountability are guided by the IDP, which is a five-year strategy of the municipality, as required by legislation.

The assessment of performance practices reveals several performance reports that need to be prepared for internal and external stakeholders, and these reports are required by various legislation, regulations and departments. The analysis of the number of required reports appears to place more demands on officials, which might lead to compromising the quality and accountability within the municipality. There is a need to assess whether these reports can be reviewed and to limit the number thereof by developing a performance and accountability framework.

The article also reviewed accountability practices, including internal accountability structures such as sections 79 and 80 committees. The review process highlights an ongoing challenge emanating from the capacity of committees to perform their oversight work, and these not only relate to the committees' functionality but also to those who serve on them. This challenge relates to councillors serving on these committees, who, other research reveals, have little or no expertise in scrutinising financial and other complex reports submitted by the officials.

NOTE

- * This article is partly based on a PhD: Public Administration and Management thesis of Fezile Ngqobe, under the supervision of Prof David Fourie as supervisor and Dr M Tshiyoyo as co-supervisor, entitled, *'Development of a performance and accountability framework for the Gauteng municipalities'* to be submitted at the University of Pretoria in 2021.

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