

**THE ROLE OF POLITICAL AND ADMINISTRATIVE LEADERSHIP IN FINANCIAL  
MANAGEMENT OF LOCAL GOVERNMENT: A CASE OF VHEMBE DISTRICT  
MUNICIPALITY**

BY

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## DECLARATION

I, Mashudu Lucky Ramaleba, Student Number: 8901447, hereby declare that this Mini-Dissertation titled “The role of political and administrative leadership in financial management of local government: A case of Vhembe District Municipality” for the Master of Public Management (MPM) in OR Tambo Institute of Governance and Policy Studies at the Faculty of Management, Commerce and Law, University of Venda has not been submitted previously for any degree at this or another university. It is my original work in design and in execution, and all reference material contained therein has been duly acknowledged.



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**02 June 2022**

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**DATE**

## DEDICATION

This study is dedicated to my children, Rialivhuwa, Murendeni, Unarine, my wife, Mrs Tendani Ramaleba, my parents, my late father, Mr. Jackson Fox and mother, Mrs. Phophi Ramaleba for their love, inspiration and encouragement.

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## ABSTRACT

The relationship between political and administrative leadership in local government has been a subject of debate in recent years. At the heart of the debate is that the poor relationship between politicians and administrators in municipalities contributes to financial mismanagement. Despite efforts to stabilise the relationship, financial mismanagement and corruption continue to bedevil municipalities. This study, therefore, examines the relationship between political leadership and administrative leadership in the management of finances in municipalities. The study adopted the mixed-method approach which encompasses quantitative and qualitative research design. Data collection was done using an interview schedule and questionnaires. Data was collected from elected political office bearers and appointed senior administrative officials using interviews and questionnaires. The study findings reveal that the Vhembe District Municipality's financial management is regularly compromised due to poor relationships between the politicians and the administrative public officials who play a critical role in ensuring that there is good governance for Municipality financial management. The study recommended that a good relationship between politicians and administrators would enhance sound financial management in the Municipality. The political and administrative leadership should work in harmony with each other to advance the mission and vision of the municipality.

**Keywords:** Role, Political Leadership, Administrative Leadership, Financial Management, Local Government, Municipality

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## LIST OF ACRONYMS USED

AG	:	Auditor General
AGSA	:	Auditor General of South Africa
ANC	:	African National Congress
CFO	:	Chief Financial Officer
COGTA	:	Cooperative Governance and Traditional Affairs
COSO	:	Committee of Sponsoring Organizations of the Treadway Commission
DA	:	Democratic Alliance
EM	:	Executive Mayor
MFMA	:	Municipal Financial Management Act No.56 of 2003
MM	:	Municipal Manager
MPAC	:	Municipal Public Accounts Committee
NCOP	:	National Council of Provinces
PFMA	:	Public Finance Management Act No.1 of 1999
PPPFA	:	Preferential Procurement Policy Framework Act No. 5 of 2000
RSA	:	Republic of South Africa
USA	:	United States of America
SCM	:	Supply Chain Management
VBS	:	Venda Building Society
VDM	:	Vhembe District Municipality
WPLG	:	White Paper on Local Government

## CHAPTER 1

### INTRODUCTION AND BACKGROUND OF THE STUDY

#### 1.1 INTRODUCTION

In South Africa, the Constitution of the Republic of South Africa, Act 108 of 1996 positions the local government as the third tier of government. Section 151(1) of the Constitution of the Republic of South Africa, 1996 (herein referred as the Constitution, 1996) prescribes that the local sphere of government consists of municipalities, which must be established for the whole of the territory of the Republic. This emphasizes an important role of municipalities in the new democratic dispensation in South Africa. The government regarded the local sphere as an important instrument in the democratization of the state.

Section 195 (1) of the Constitution, 1996 prescribes that resources should be used in an economical, viable and accountable way in all facets and tiers of government by an effective public administration and management. Furthermore, the municipalities are empowered to govern through their initiatives, the affairs of their communities in conformity with the national and provincial legislation (Constitution, 1996).. The local government is closest to the people, is expected to provide an array of services and goods to the community (Sekopo,2012:20). Therefore, the administration component is the locus of implementation of legislative and policy frameworks guiding the municipal management of finances.

The Auditor-General South Africa (2019: Annexure 3) raised a concern that the Vhembe District municipality has received disclaimed reports with findings for three consecutive years between 2015 and 2018. The findings indicate that the Municipality is characterised by failure to prevent unauthorized, irregular expenditure, non-compliance with legislation such as Public Finance Management Act,1999 (PFMA) and the Local Government Municipal Finance Management Act(MFMA),2003 The non-compliance is also prevalent in supply chain management prescripts.

Section 53 of the Local Government: Municipal Systems Act, 2000 prescribes that the roles and responsibilities of political office bearers and the municipal manager must be clarified and confirmed in writing. Furthermore, Section 6(2) of the Local Government: Municipal Systems Act, 2000 prescribes that the administration of a municipality must facilitate a culture of public service and accountability amongst staff. The political and administrative officials are expected to answer for their actions and duties to the communities which they serve. The

municipal leadership is required to be efficient, effective, and accountable in the use of municipality funds.

In addition to the above, Section 53 (5) of Local Government: Municipal Systems Act, 2000 indicates that, when defining roles and responsibilities, the municipality must decide on the relationships among political structures, political office bearers, and the municipal manager, how they interact. The afore-mentioned sentiment is shared by Pretorius (2017: iv) who found that the relations between political and administrative leadership may be strained and affect financial management systems and processes, and have negative implications for service delivery. It can therefore be deduced that, in municipalities, clarification and separation of roles is important in ensuring that there is a smooth relationship between the political and administrative components.

The municipal leadership is expected to make decisions on how financial resources are distributed. Political leadership influences the way the decisions are taken during the implementation of policies, which has implications for the administration of finances in the local government. The role of administrative and political leadership is salient during the implementation process which is based on the administration of the systems and processes.

The focus of this study is to examine the role of the administrative and political interface in the process of financial management at Vhembe District Municipality. According to Botlhoko (2017: 33), "Municipal financial management has three interrelated components: Planning and budgeting; Revenue and expenditure management; and Reporting and oversight". The politicians and administrators at the municipal level are therefore expected to play their different roles in these interrelated components of municipal financial management. The promulgations of the PFMA, 1999 complemented by the MFMA, 2003 were meant to regulate the roles which the political and administrative officials will play in the management of finances in the national, provincial and local spheres of government.

The process of ensuring sound financial management does not occur in a vacuum. Municipalities rely on human capital to achieve this mandate. The human capital namely the political and administrative officials play roles in financial management, which determine sound or poor financial administration and financial governance. Van Der Horst (2016: 1) describes a role as the expected behaviour associated with a social position. Politicians and administrators, by virtue of positions they occupy, are expected to be accountable to the

mandate of local government by structuring and managing the budget to meet the basic needs of communities.

The afore-mentioned sentiments are echoed by Vilakazi and Adetiba (2020: 49) when they state that the collaborative relationship between political and administrative components in municipalities helps municipalities to achieve their objectives for the benefit of local communities. Cardillo(2021:368) argues that the political and administrative spheres should work together in a harmonious way in order to deliver services as part of satisfying public interests. Pretorius (2017: iv) adds that the interaction between political and administrative leadership has a bearing on the way municipalities' functions are managed. This implies that analysis of municipal financial planning, implementation, monitoring and accountability would be incomplete without considering the role of leadership and its interface in the financial system of the municipalities.

The relationship between the political and administrative leadership is viewed as the prerequisite of sound financial management systems within municipalities. It is evident that for municipalities to realize their mandates, a sound relationship among officials is crucial. Ncalane (2018:29) posits that success in the delivery of services in municipalities depends on the reciprocal relationship between politicians and administrators. This assertion is echoed by Shazi (2016:110) who regards the good working relationship between the political and administrative components of government as essential because administration exists in a political environment.

Therefore, this study examines the role of the political and administrative leadership interface and its implications on municipal financial management at the Vhembe District Municipality. These roles are examined as the prerequisite for sound financial management and accountability. The study also discusses the challenges facing politicians and administrators in financial management. The implications of political interference in the financial management roles of administrators are also discussed to clarify the interface.

## **1.2 BACKGROUND OF THE STUDY**

Mbulawa (2019:1) contends that the financial state of municipalities is well documented across the world from the New York fiscal crisis in the 1970s and other studies in Israel, Czechoslovakia and Italy. Globally, governments pursued various forms of public financial management to enhance local governance performance in areas such as accountability and

transparency. Reagan (2017: 11) remarks that the fiscal crisis, like in New York City was partly caused by poor accounting practices which threatened to bring down the city and its state finances. Okibe (2020: 132) reported that after independence, the federal state in Nigeria still controlled the finances of the local government despite the presence of both the elected and appointed officers at the local government level, which culminates in the fiscal crisis, a pre-cursor of poor governance in terms of financial resource allocation. The authors Mbulawa (2018), Reagan (2017) and Okibe (2020) concur that globally, the financial crisis is mainly perpetrated by the failure of political and administrative leadership interface.

In South Africa, the Constitution, 1996 describes in section 152 (1) the aims of local government as to “ provide a democratic and accountable government for local government, to ensure the provision of services to communities in a sustainable manner and to promote socio-economic development”. The developmental duties as indicated in Section 153 of the Constitution maintain that the municipality must organise its administrative, budgeting, and planning processes to give priority to the basic needs of the community and promote the social and economic development of the community. In subsection (2) of Section 152 of the Constitution, 1996, municipalities are allowed to strive within their financial and administrative capacity to fulfil the aims that are set out in subsection (1).

The government introduced the White Paper on Local Government (WPLG) in 1998 to establish municipalities. The WPLG, 1998 prescribed several regulations, policies and support programmes to capacitate the municipalities to achieve their mandate. Section G of WPLG, 1998 emphasised that politicians in municipalities should be held responsible and accountable for the use of public funds as part of sound financial management. This was aimed at promoting financial accountability by politicians in municipalities.

Since the beginning of democracy and the transformation of local government, financial management in South African municipalities has received much attention. Kleynhans (2019: 2) indicates that there has been widespread reporting on the worsening state of municipalities around South Africa, particularly in financial management and accountability. This view is shared by Ncube and Pillay (2020: 22) who found that financial mismanagement is rampant in the local government sector with many municipalities spending more than the available resources. Mhlaba (2018: 146) maintains that the financial situation of any government institution can be better understood through the publication of Auditor-General reports issued each year.



Unfortunately, successive audit reports continued to raise a concern about the state of financial governance in many municipalities around South Africa. Most of the Auditor-General (AG) reports cite poor governance principles, mismanagement and poor internal controls as causes of the state of despair in municipalities. The challenge is that the mandate of the government of earmarking local government as a developmental state is compromised.

According to Tseng (2020: 118), since the beginning of democracy and the establishment of local government, South Africa has implemented a series of support programmes in financial management. In 2003, the Local Government Municipal Finance Management Act (MFMA) No. 56 of 2003 was promulgated to regulate the financial management in municipalities to promote sound and lasting management of financial matters of municipalities. Although there was the existence of the Municipal Financial Management Act No. 56 of 2003 and various support programmes, financial management challenges continued in municipalities. These financial management challenges led to the introduction of the Local Government's Turnaround Strategy in 2009. Among its key priorities was to enhance financial management capacity.

Zengethwa, Thakhathi and Oyelana (2019: 125) argue that in 2014, the Back-To-Basics programme was introduced to further look at financial management challenges. The Back-To-Basics programme encourages sound financial management, which was overlooked by the municipal leadership. It is evident that the Turnaround Strategy and Back-To-Basics programme, PFMA, and MFMA attempt to respond to Section 195, (1) (b) and (f) of the Constitution.

The Constitution, 1996 section 195 (1) (b) promotes that resources must be used in an efficient, economical and effective way and that accountability should prevail in public administration. Furthermore, Section 214, (2) (e) of the Constitution, 1996 provides that in the allocation of resources, in this case, revenue to local government, municipalities must have the fiscal capacity and efficiency. During the period when municipal budgets and budgetary processes are embarked upon, political and administrative leadership should encourage the management of finances in a transparent and accountable way through positive collaboration.

### 1.3 PROBLEM STATEMENT

According to the Auditor-General South Africa (2019: 11), more than half of municipalities in Limpopo Province have reported a shortfall because expenditures were higher than the revenues. The Auditor-General Report of 2018/2019 entitled *Not much to go around, yet not the right hands at the till* is an indication that despite recommendations and support provided to improve financial management in municipalities, financial challenges continue to bedevil municipalities. Literature and research conducted revealed the state of various municipalities in South Africa. Most of the municipalities are characterised by a lack of accountability, tolerance of transgressions and disregard for internal controls.

Furthermore, there is a concern that 67% of the reports were flawed and not reliable for use by the Council or the public (AGSA, Media Release, 2020:21). Another 91% of the audited reports reflect non-compliance with legislation (AGSA, Media Release, 2020:22). The statement raised a concern that these challenges occur despite progressive policies put in place to regulate financial management in municipalities.

The Vhembe District Municipality as a focus of this study is no exception. In the analysis of municipalities, the Auditor General South Africa Report (2019: 132) found that repeated transgressions such as non-compliance with legislation, irregular expenditure, poor internal controls and poor procurement management continue to weaken enforcement of oversight and accountability frameworks. The community raised concerns about the heightened crisis of leadership. The acts of transgression such as nepotism, fraud, poor public ethics, and values continue under the watch of the political and administrative leadership. During the oversight visit to Vhembe District Municipality, the Select Committee on Co-operative Governance and Traditional Affairs (COGTA), Water, Sanitation and Human Settlements (2019: 9) expressed their dissatisfaction about how the Municipality's affairs are conducted.

Financial mismanagement in Vhembe District Municipality is further revealed in the investment of R300 million in VBS Mutual Bank. According to the National Council of Provinces (NCOP) report during an oversight visit in Vhembe (2019: 4) the Municipal Manager and the Chief Financial Officer who approved the investment, failed to comply with the cash management and investment policy of the Municipality and the Municipal Investment Regulation. Madumo (2016: 310) indicates that lack of expertise and experience is an area of concern in most South African municipalities. The Auditor-General South Africa (2019: 8) further states that many engagements with the political and administrative leadership in local

government on accountability and the lack of consequences culminate in poor governance in municipalities.

Section 32 of MFMA prescribes that any political office bearer and senior municipal officer are liable for unauthorised or irregular expenditure. Lack of managerial expertise is often cited as one of the discrepancies between policy planning and implementation. The policy implementation has suffered from the absence of a people-driven process, which determines the success or failure of the financial management. This implies that there is an ongoing culture of lack of accountability coupled with poor oversight on the state of finances by leadership.

Section 151(2) of the Constitution states that the executive and legislative authority of a municipality is vested in its Municipal Council. In local government, there are no separate executive and legislative divisions as in other spheres of government which often lead to political interferences into the administration (Van Niekerk & Dalton-Brits, 2016: 120). The political leadership of the Vhembe District Municipality was involved in the illegal investment with Venda Building Society Mutual Bank (VBS). This assertion is supported by Van Rensburg (2020: 99) who states that the Mayor of Vhembe District Municipality managed investments in the office through prevention of withdrawals by municipal officials; evidence of lack of leadership interface in municipal finances.

Shava and Chamisa (2018: 4) admitted that some municipalities in South Africa face grave challenges of political interference. Political interference was cited as the centre of poor performance by municipalities. The Cadre Deployment Policy which is the deployment of ANC cadres to higher positions in the public sector worsened the problem of accountability and transparency due to limited or lack of expertise in financial management. A series of Auditor General's reports raised endless concerns about the lack of expertise in municipal governance which resulted in unclean audits.

Lack of consequence management is partly exacerbated by protecting fellow members of the governing party. This creates a cycle of unresponsiveness to AG's recommendations, lack of transparency and unaccountability to gross misappropriation of municipality funds. Schultz-Herzenberg, Mukadam and Felton (2012: 3) revealed that poor financial management, lack of control and lack of accountability by leadership expose municipalities to the abuse of state resources. This questions the role of leadership in financial planning, budget coordination,

control, implementation and accountability towards financial management within municipalities.

#### **1.4 AIM OF THE STUDY**

The study aims to investigate the role of political and administrative leadership in the financial management of Vhembe District Municipality and recommend the strategies that can be used to improve the financial management of Vhembe District Municipality.

##### **1.4.1 Specific Objectives of the Study**

To achieve the aim, the study will be guided by the following objectives:

- To determine the role of political and administrative leadership in financial management.
- To describe the challenges facing political and administrative leadership in financial management.
- To identify the importance of the relationship between political and administrative leadership in the financial management of Vhembe District Municipality.
- To assess the implication of political interference in the financial management of Vhembe District Municipality.
- To recommend the strategies that can be used to improve the financial management of Vhembe District Municipality.

##### **1.4.2 Research Questions**

The following are the research questions of the study:

- What is the role of political and administrative leadership in financial management?
- What are the challenges facing political and administrative leadership in financial management?
- What is the importance of the relationship between political and administrative leadership in financial management?
- What are the implications of political interference in the financial management in municipalities?
- What are the strategies that can be used to improve the financial management of Vhembe District Municipality?

## **1.5 JUSTIFICATION FOR THE RESEARCH**

The study is important as it will contribute to the insight of existing research on the roles of political and administrative leadership in financial management in municipalities. Misunderstanding of these roles leads among others, to interference in financial management by politicians. Leaders will be able to comprehend factors of sound financial management for municipal financial sustainability. Good governance is the cornerstone of sound financial management, as such leadership must strive to be impartial, fair, equitable and without bias.

The findings of the study will help Vhembe District Municipality to have clarity on the separation, distinctness and complementarity of roles between political and administrative leadership in financial management. The importance of the study will not only benefit Vhembe District Municipality but all other municipalities in South Africa which continue to face service delivery protests and regular negative audit reports from the Auditor General. Furthermore, the findings will strengthen leadership, improve oversight, ensure financial accountability and internal controls. The discussions on the legislative framework in this study will enhance knowledge of political and administrative leadership towards the legislative framework underpinning financial management in municipalities. Leaders will be able to know what is expected of them by the residents as principal agents of local government.

## **1.6 DELIMITATIONS OF THE STUDY**

This study specifically focuses on the role of political and administrative leadership in financial management in the local government of Vhembe District Municipality. Vhembe is a component of the five districts of Limpopo province of South Africa. Vhembe District Municipality is a Category C municipality located in the northern part of the Limpopo Province. It shares borders with Zimbabwe and Botswana in the northwest and Mozambique in the southeast through the Kruger National Park.

## **1.7 DEFINITION OF OPERATIONAL CONCEPTS**

The definitions that researchers adopt in different fields of study are not the same and, this implies that terms are often open to different interpretations. The terms defined below are intended to be applied within the context of this study:

**Leadership:** According to Sashkin (2018: 2), “leadership is the process of interactive influence that occurs when, in a given context, some people accept someone as their leader to achieve common goals”. It is all about getting people to work together to make things happen that might not otherwise occur, to prevent things from happening, that would ordinarily take place. The definition implies that leadership is a process and not just a personal quality, it also involves a series of actions to get the intended results. In this context, municipality leadership has the necessary influence which can determine the outcome of financial management.

**Political leadership:** Political leaders in municipalities are municipal councillors elected by local communities and they serve in councils to represent the desires of communities (Pretorius, 2017: 152). Political leadership is led by the mayor and mayoral committees, council and council committees, all of which are councillors deployed to serve the people.

**Administrative leadership:** The Municipal Manager has an administrative task to lead the administration of a municipality, working together with directors in directorates. Mehlape (2018:330) argues that the municipal manager leads the administrative component of the municipality and is vested with powers and duties to lead the administration.

**Role:** According to Collins English Dictionary (2014), “a role means the rights, obligations, and expected behaviour patterns associated with a particular social status”. In this case, social status is the political or administrative position in the municipality. Svara (2006:954) describes roles as functions that an official performs such as making policy for politicians or elected officials and policy implementation for administrators. This means that each person is accountable for the role he or she plays towards the outcome of financial management in municipalities. Roles enable the administrative and political leaders to realise their responsibilities in terms of the vision, mission and mandate of such institution.

**Financial management:** According to Enwereji and Uwizeyimana (2019: 153) financial management is a task that comprises planning, coordinating, controlling and monitoring the financial resources which enable entities to realise their objectives. Nyamita, Dorosamy and Garbharran(2015: 26) opine that financial management entails budgeting, financing, expenditure management, accountability, financial reporting and auditing. Financial management, according to Sibanda (2017: 315), is a process in which an organization obtains and allocates its financial resources based on its priorities, using methods and

controls for effective and efficient use. The practice of efficient financial management should be upheld by all the municipalities in the Limpopo province to achieve financial accountability.

## **1.8 OUTLINE OF THE STUDY**

This study comprises five chapters described below:

### **Chapter 1: Introduction and Background of the Study**

This chapter presents the introduction and background of the study, problem statement, aim of the study, specific objectives of the study, research questions, significance of the study, the delimitation of the study, the definition of operational concepts and organization of the study.

### **Chapter 2: Literature Review**

This chapter focused on the theoretical and legislative framework underpinning financial management in a municipality setting. Amongst the theories discussed, the complementary theory is deemed in this chapter as ideal to promote administrative and political interface. An overview of legislative frameworks is presented as the basis for regulating behavioural conduct, separation of functions, and requirements of financial management at the local level.

### **Chapter 3: Research Methodology**

This chapter covers a detailed research methodology used in undertaking this study. The study adopted the mixed methodology of research in examining the role of the administrative and political interface and how it influences the state of financial management in Vhembe District Municipality. The discussions highlight the research paradigm, research design, study setting, population, sampling, data collection instruments pilot study, data analysis as well as ethical considerations.

### **Chapter 4: Data Presentation, Analysis and Interpretation**

The data which were gathered using questionnaires and interviews were explained in this chapter. Data collected through the interviews were transcribed through a procedure known as coding and identification of themes, and it was presented in a narrative form. The data collected using questionnaires were analysed using IBM: Statistical Product and Services Solutions (SPSS).

## **Chapter 5: Findings, Recommendations and Conclusion**

The major findings of the study are discussed in this chapter. The chapter further presented a summary of research, conclusions as well as recommendations for further studies.

### **1.9 CONCLUDING REMARKS**

This chapter set out the tone for the study by stating the introduction, background of the study and problem statement. It also examined the research questions and research objectives. The chapter further presented the justification for the research, delimitations, definitions of operational concepts and outline of the chapter. The research methodology adopted in the study was mixed-method research. The following chapter shall focus on conceptual overview, theoretical framework and legislative guidelines upon which this study is based. The chapter shall also discuss financial accountability, financial internal control mechanisms and oversight mechanisms. The roles and responsibilities of political and administrative leadership in financial management will be discussed through an extensive review of the literature.



## CHAPTER 2: LITERATURE REVIEW

### 2.1 INTRODUCTION

This chapter reviews empirical and theoretical literature that relates to the research questions and objectives of the study. In this chapter, the theoretical and legislative framework which underpin the political and administrative interactions are discussed in detail. The literature review will present the theory of administrative and political interface and their effect on financial management. The South African government, through the Constitution, 1996 promulgated a series of legislative frameworks which form the basis of regulatory precepts aimed at promoting good governance of financial management in municipalities. These frameworks guide the political and administrative interface in their daily execution of duties. Therefore, the discussions centred on the role of the legislative framework in enforcing accountability for the sound financial management system. Furthermore, the legislative framework assigns the responsibilities of each role player in the management of finances in municipalities. It, therefore, can be argued that the financial administration and governance in municipalities are regulated by the legislative and regulatory frameworks to be discussed in this chapter.

This chapter also presents an overview of the conceptual framework and how the concepts relate to the role of political and administrative public officials in the formulation of financial policies, administration of financial processes and the implementation thereof. This overview provides an insight into the importance of leadership interface in managing financial resources within the Vhembe District Municipality. The conceptual framework is important as it describes the relationship between and among the main concepts that underpin the study (Adom, Hussein & Agyem, 2018: 439). The conceptual framework will also expose reasons why the topic is worth studying (Adom, Hussein & Agyem, 2018: 439).

The theories underpinning the relationship between administrative and political role players will be explored and highlighted. The focus will be on the complementary theory as the most relevant in assessing the interface between political and administrative leadership. Challenges of administrative and political interface and their influence on financial management were analysed and discussed. Furthermore, this chapter acknowledges that although there are challenges in leadership interface, the study reveals strategies and recommendations to enhance financial management within the Vhembe District Municipality. Professionalism, ethics and legislative reforms will be discussed as part of the

recommendations and strategies for effective financial management in Vhembe District Municipality.

## **2.2 CONCEPTUALISING AND CONTEXTUALISING MUNICIPAL LEADERSHIP INTERFACE**

The conceptual overview sets out the relationship between the variables and how their interrelatedness will contribute to finding solutions to the problem of the study (Adom, Hussein & Agyem, 2018: 439). This indicates that conceptualisation provides a background to the understanding of the concepts in regulating the relationship between variables of the study such as leadership, role and functionaries of local government, of which financial management is a part. In this section, the phenomena of financial management; and political and administrative leadership will be analysed and described to give a better understanding of what they entail and how they relate. The roles that the political and administrative leadership play determine sound financial management in municipalities.

### **2.2.1 Political and Administrative Leadership Interface**

The successful management of finances in municipalities rests with the leadership. According to Naido and Thani (2010:2), the successful performance in institutions lies with its leadership. These views are shared by Kalonda and Govender (2021:9) who mention that leadership is important in the sustainable management of finances for the improvement of the performance of municipalities. Leadership is about the influence which a person has on the followers towards achieving a goal (Aliyu,2013 :3). Dibie and Dibie 2017:2) describe leadership as an art of influencing people to work towards achieving a collective goal.

Mbandlwa and Mishi (2020: 5) further explain that “ A leader is regarded as the person who has the authority to make decisions on behalf of other people and show the direction that has to be followed”. In municipalities, there are two categories of leaders namely the political and administrative leaders (Dweba, 2017:412). Each category of leadership has the authority to decide in respect of those they lead especially on how finances should be managed. The relationship between these two components has always been characterised by clashes that affected the administration and governance in municipalities (Reddy,2016:1).

The Auditor-General South Africa (2019: 35) describes the political leadership as comprised of the mayor and members of the council whose role is to take key decisions and oversee the operations of the municipality. Pretorius (2017:152) notes that political leaders are

municipal councillors who are elected to make decisions on policies and the allocation of resources. The political leadership oversee the management of finances in municipalities.

The Auditor-General South Africa (2019: 35) points out that administrative leaders are those who run the administration in municipalities and comprise the municipal manager and senior managers. Pretorius (2017: 150) notes that administrative leaders are appointed, and include the municipal manager with heads of departments. In congruence with the above views, Sebakamotse and Van Niekerk (2021: 6) advocate that administrative leadership is vested in the municipal manager and the heads of directorates. Sibanda (2017: 320) further states that the municipal manager as the accounting officer has a role to make it a point that there are proper administrative plans to enhance the accountability of administrative duties.

Pretorius (2017: 149) also asserts that “effective and efficient financial sustainability have strong political and administrative systems with strong financial management structures”. The statement emphasises the integrity of financial accountability as the role of political and administrative leadership. Both categories of leadership are accountable for financial resource mobilisation and distribution within municipalities’ functions. Furthermore, the (Auditor-General Report, 2018) confirmed that most of the decline in the financial accountability in municipalities is worsened by the failure of municipal role players to enforce accountability, which includes both administrative and political role players.

The COGTA report (2009) emphasises that the political leadership must be frontal in leading effective governance in local government and governance. In the provincial assessments, COGTA Report (2009: 10) found that the reasons for distress point to:

- “Tensions between the political and administrative interface,
- Poor ability of many councillors to deal with the demands of local government,
- Insufficient separation of powers between political parties and municipal councils,
- Lack of clear separation between the legislative and executive,
- Inadequate accountability measures and support systems and resources for local democracy, and
- Poor compliance with the legislative and regulatory frameworks for municipalities”.

The abovementioned COGTA Report, 2009 confirmed that the role of the political and administrative leadership is mandatory and important in realising the objective of the local

government. Therefore, the execution of the political and administrative leadership roles requires a clear separation of roles, a harmonious relationship between the political and administrative interface to promote sound financial management.

### **2.2.2 Financial Management Concept**

According to Sibanda (2017: 315), the concept of financial management is a process in which an organization obtains and allocates financial resources on identified priorities. In the context of the public sector, financial management is the management of the people's money invested in the care of the government (Nsingo, 2014: 45). It is therefore critical that municipal political leadership should be held accountable for the use of public funds as they are the custodians of such funds (Mbatha, 2020: 5). On the other side, Ashnee (2017:15) describes financial management as an activity that is performed by the administrative functionaries such as the accounting officer, chief financial officer and managers.

Adekaya (2020: 345) refers to the concept of financial management as the management of finances to realise what ought to be achieved as indicated in the Constitution, as a crucial element of municipal management. The definition is expanded by Botlhoko (2017: 34) in confirming that there are broad areas of financial management, which need to be managed for the sustainability of municipal resources. Municipalities have three components of financial management: planning and budgeting, revenue and expenditure management as well as reporting and oversight (Botlhoko, 2017: 34). Ashneee(2017:15) identified four functional areas of financial management which are budgeting, supply chain management, expenditure management and internal control.

Nsingo (2014: 45) describes financial management as the management of money of the people and it encompasses making decisions on:

- “What financial resources are needed to implement government programmes and projects;
- Where to obtain these resources;
- How to collect and utilize the resources; and
- How to control all financial processes within given time frames”.

Pretorius (2017: iv) maintains that municipal role-players determine the way the fiscal affairs of municipalities are mobilized and distributed. Mantzaris (2014: 90) echoes (Pretorius)

sentiments in that leadership is responsible for strategic thinking and direction, which are the crucial steps towards financial planning as a process of resource allocation. Sewrathan (2016:15) declares that financial management is the planning, directing, monitoring, organizing and controlling of the monetary resources of an organisation. Therefore, financial management, in the context of this study is an integral part of the administrative aspect, it helps municipalities to plan, mobilize, and use financial resources efficiently and effectively.

Municipalities are entrusted to provide solid financial management. According to Phokanoka (2016: 3), the MFMA,2003 was promulgated to promote management of finances in the local government sector for the delivery of finances. Public institutions, although they exist to serve the needs of society, they need money to do so. According to Madumo (2016: 90), no organisation can function without financial resources. Municipalities deliver services to their clients and communities because they have money available to cover their operational and capital expenses.

## **2.3 THEORETICAL FRAMEWORK**

A theory, according to Van der Waldt (2017: 184), is a systematic and formalised expression of previous observations and is predictable, logical and can be tested, and its basic functions are to describe, predict, or control phenomena in many situations. The theoretical framework is a plan consisting of a theory or theories which underpin(s) the knowledge base of the phenomenon to be studied (Adom, Kamil & Agyem, 2018: 438). The relationship between politicians and administrators is essential in the provision of services to the people (Ndulula, 2013:16). The following theories; politics-administrative dichotomy, politicized bureaucracy and complementary provide insight into the role of political and administrative leadership interface in the municipalities:

### **2.3.1 Politics-Administration Dichotomy Theory**

The debate around the separation of politics from administration began centuries ago with Wilson Woodrow's view of the politics-administration dichotomy. According to Ndulula (2013: 16), Woodrow Wilson was one of the earliest writers who in his writing advocated for the separation of roles between politicians and administrators in public administration. Mbatha and Mutereko (2021:131) mention that "The study of the political-administrative dichotomy has been based on the presumed relationship between politics and administration in the organs of government." The relationship in the municipal context means that the

municipal manager should be neutral and apolitical but professionally qualified to implement the decisions of politicians (Mafunisa, 2010:546). Administrators should be neutral or apolitical to serve all the people without looking at their political affiliations.

The politics-administration dichotomy according to Svava (2006: 957) seeks to distinguish politics from administration and most importantly to protect administrators against politicians and political parties that may interfere with administrative functions. Madumo (2016: 84) argues that the administration of municipalities should be spared from political interference in the provision of services to all. In support of the above assertion, Sebola (2014: 210) regards the dichotomy model as a model which promotes the idea that it is not appropriate for politicians to interfere with administrative duties because it destroys the efficiency of administration and adversely affects the neutrality of public officials. Municipalities should strive for a clear separation of roles between political and administrative components as envisaged in the politics-administrative dichotomy if quality services are to be realized.

Despite the distinct and separate roles, political leaders quite often interfere with the roles of administrators which affects financial management. Madumo (2016: 85) argues that the influence and interference of political leaders in administrative matters of municipalities causes a delay in service delivery. This view is shared by Masuku and Jili (2019: 2) who found that when there is an interference of politicians in the duties of the administrators, services provided to citizens tend to be slow. Political interference according to Mfuru, Sarwatt and Kanire (2018: 21) “occurs when the political leader(s) interfere with decision making in public administrative matters such as planning, organizing, staffing, directing, coordinating, reporting, and budgeting as well as allocation and use of public funds”.

In local governments, worldwide, political interference is prevalent. According to Usang and Salim (2016:111), local governments in Nigeria experience varying levels of interference from politicians which influences local government performance. This view is shared by Mfuru, Sarwatt and Kanire (2018: 21) who argue that in many African countries, politicians extend their dominance in every section of administration in public affairs, thereby politicizing administration which leads among others to corruption and appointments without considering merit.

This model emphasises that there should be a separation of roles between politicians and administrators in local government affairs. When roles are separated, it protects administrators from interference by the politicians. The neutral administrative component is more efficient in serving the people. Political interference leads to corruption and appointments without regard for merit.

### **2.3.2 Politicized Bureaucracy Theory**

In this model, politicians either serving in government or political party structures control the state and government. Mafunisa (2003: 88) argues that in a politicized bureaucracy model, “there is no distinction between politics and administration and between party and state, giving political party structures a chance to impose their decisions on administrators”. Politicians are given the power to control services of government using policies of the ruling party (Mehlape, 2018: 329). But Ugyel (2017:158) states that politicization increases in a situation in which the capacity of the state is weak and where there is no transparency and accountability.

The politicization of government is observed when the African National Congress introduced the cadre deployment policy to get its cadres to lead the government and the state after the 1994 elections in South Africa. According to Shava and Chamisa (2018: 2), the African National Congress (ANC) government developed the cadre deployment policy to enable party loyalists to occupy prominent positions in the public sector. This view is corroborated by Twala (2014: 160) who indicates that the African National Congress (ANC) wanted to centralize and systematize the deployment of ANC cadres to different power centres which include the economy, education, sports, arts and the media, to obtain ANC rule and dominance. Sebola (2014: 210) found that when this model is used, rewards and appointments in public administration are done looking at blind loyalty to the ruling party.

After the Democratic Alliance emerged victorious in the Western Cape elections around 2001, according to Cameron (2003: 54), it introduced a policy on appointments in political positions in municipalities that it governs which outlined the grounds to appointments in certain positions. It did so on certain political positions that were delicate and not only administrative. While this model was adopted by many African countries after liberation from colonial rule, Nzo (2019: 35) argues that African bureaucracies that have used political appointments to recruit and appoint public servants have paid less attention to appointments based on merit,

even in the most trivial positions in government. In contrast, Rahman (2015: 177) promotes that in the politicized system, the recruitment of politicians and administrators who are competent should be recruited to help the government to achieve its set objectives.

The Politicized-Bureaucracy model promotes a government that does not have a clear separation of roles and that does not differentiate between the political party and state. The African National Congress when it ascends to power in South Africa introduced immediately cadre deployment policy that supports the politicisation of the state. The Democratic Alliance also does the same in the Western Cape when it gains power in the provincial government. All these deployments are done based purely on political ties than merit.

### **2.3.3 Complementary Theory**

Ncalane (2018:12) explains the complementary model as a model that is premised on the understanding that politicians and administrators co-exist and should be interdependent on one another in realizing the objectives of the government. The relationship between politicians and administrators should be that of interdependence to work towards good governance (Tladi, 2021: 89). The complementary model recognizes the distinct roles as envisaged in the politics-dichotomy model but emphasises that there are areas of working together for achieving the plans (Mafunisa, 2010: 550).

Complementarity in the context of municipalities means that the different components of municipal officials should work together to achieve municipal plans especially in the management of finances. The elected politicians should complement appointed officials and vice versa. In the complementary model, the relationship between politicians and administrators is that of complementing each other as one cannot work without the other. Their roles are separate but interdependent. According to Mehlape (2018: 329), complementarity emphasizes interdependence, distinct roles, independence, respect for political supremacy, respect for the rule of law and compliance with professional standards.

Mehlape (2018: 329) argues that administrators should co-operate with politicians as policymakers through the implementation of such policies. However, despite the dominance of politicians in administrative affairs, politicians are forced by respect for administrative competence to co-operate with administrators. Svava (2006: 954) corroborates the above view and also argues that the separation of roles affords different officials' opportunities to discharge their duties separately with elected politicians making policies, identifying services



and allocating resources, while administrators implement policies and deliver services as well as managing resources. The office-bearers are dependent on each other although they perform different roles in the best interest of the communities they serve (Masuku & Jili, 2019: 3).

### **2.3.3.1 Relevance of Complementary Theory**

The complementary theory emphasises that politicians and administrators have different roles but need to support each other for sound financial management in municipalities. Municipalities are comprised of the political and administrative components which are assigned different roles but work harmoniously for financial management success. The political component is responsible for financial governance and the administrative component is responsible for financial administration. The administrative component should co-operate with the political component to implement regulations, policies and legislation in financial management.

Vhembe District Municipality is comprised of the political and administrative leadership components that work together to promote sound financial management. The politicians are responsible for making financial management policies, whereas the administrators implement the approved policies (Vhembe District Municipality Annual Report, 2019/2020: 19). Therefore, the complementary theory is found to be appropriate for the understanding of the role of political and administrative leadership in this study. The complementary theory acknowledges that municipal role players should complement each other to improve leadership interface towards the process of financial management in municipalities.

## **2.4 LEGISLATIVE GUIDELINES**

This section presents the legislative framework for the role of political and administrative leadership in financial management in South Africa. In the public sector such as a municipality, the roles of the political and administrative leadership in financial management are prescribed and guided by legislation. After the 1994 elections in South Africa, the new democratic government introduced many legislations to promote sound financial management. The most relevant pieces of legislation that are going to be discussed are among others, the Constitution of the Republic of South Africa, 1996; Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998); Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000); Local Government: Municipal Finance Management Act, 2003

(Act No. 56 of 2003); Public Audit Act, 2004 (Act No. 25 of 2004); Framework For Supply Chain Management, 2003; Treasury Regulations, 2000 and Municipal Supply Chain Management Regulations, 2017.

#### **2.4.1 Constitution of the Republic of South Africa, 1996**

The Constitution of the Republic of South Africa, 1996 sets the tone for financial management in local government. Section 215(1) of the Constitution, 1996 states that the municipal budgetary processes must promote effective financial management in municipalities. The budgetary processes should include in terms of Section 215(3) a budget that contains estimates of revenue and expenditure. Section 217(1) provides that Treasury should develop guidelines on how the expenditures will be controlled.

Apart from revenue and expenditure management, financial management involves supply chain management. Section 217(1) of the Constitution, 1996 promotes that municipalities should develop procurement systems that are transparent, competitive and cost-effective. Section 217(2) of the Constitution, 1996 promotes that local government must implement procurement policy that has categories of preference and protection of previously disadvantaged individuals. According to Sewrathan (2016:49) the Constitution directs that all financial role players should manage finances in a transparent manner ensuring that there is value for money.

Chapter 10, Section 195 (1) of the Constitution, describes basic values and principles as follows :

“Public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles

- (a) A high standard of professional ethics must be promoted and maintained.
- (b) Efficient, economic and effective use of resources must be promoted.
- (c) Public administration must be development-oriented.
- (d) Services must be provided impartially, fairly, equitably and without bias.
- (e) People’s needs must be responded to, and the public must be encouraged to participate in policy-making.
- (f) Public administration must be accountable.
- (g) Transparency must be fostered by providing the public with timely, accessible and accurate information.

- (h) Good human-resource management and career-development practices, to maximize human potential, must be cultivated.
- (i) Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.”

The Constitution describes the budget and the budgetary processes as cornerstones of financial management. These processes should adhere to the provisions of relevant treasury regulations. The Constitution further state that supply chain management should be transparent and be cost effective. The role players in financial management should manage finances in adherence to the basic principles which include transparency, accountability, impartiality, ethical conduct; and efficiency and effectiveness in the utilization of financial resources.

#### **2.4.2 Local Government: Municipal Structures Act,1998 (Act 117 of 1998)**

One of the aims of the Municipal Structures Act, 1998 is to regulate internal systems, structures and office-bearers. Section 23(1) (a) and (b) states that a district municipality is comprised of the councilors elected by voters and councilors appointed by local municipalities within the district to represent such local municipalities. Section 82 (1) provides that the municipal council must appoint a municipal manager of the municipality who possesses the relevant skills and expertise to perform the duties associated with that post. The municipal leadership is constituted of the political and administrative leadership that works together to promote sound financial management.

The executive mayor is involved in financial management duties like recommending to the council in terms of Section 56(2) (c) the estimates of revenue and expenditure. Section 56 (3) (c) (iii) empowers the mayor to evaluate the operationalisation of the revenue, credit control and debt collection systems. These are oversight roles that the mayor performs. The municipal manager as the administrative head manages the income and expenditure and ensures that there is compliance with the provisions of the Municipal Finance Management Act, 2003(Vhembe District Municipality Annual Report, 2019: 18).

### **2.4.3 Local Government: Municipal Systems Act,2000 (Act 32 of 2000)**

The Municipal Systems Act, 2000 states in its preamble that the Act provides for the legal nature of the relationship between political and administrative structures. Section 2(b) (i) shows that a municipality should be composed of political and administrative officials. In its functioning, the municipality as per Section 2(c) of the Municipal Systems Act, 2000 should determine the relationship between political and administrative structures. The relationship between political and administrative officials is important in promoting sound financial management in municipalities.

Section 51(d) states that municipalities should ensure that the relationship between political and administrative officials is clear and complementary in the execution of roles. Section 53(1) provides that municipalities should further clarify the roles and responsibilities of the political and administrative office-bearers. Section 51(d) indicates that these roles when clarified should be aligned to the priorities of the integrated development plan(IDP). These roles and responsibilities as set out in Section 53(2) (a) and (b) of the Municipal Systems Act,2000 must be confirmed in writing and acknowledged.

The Local Government: Municipal System Act, 32 of 2000 section 53 (5) further states that in defining the roles and responsibilities, the municipality must determine:

- “Relationship among the political structures, political office bearers and the municipal manager and how they interact;
- Appropriate lines of accountability and reporting;
- Mechanisms, processes and procedures to minimize unnecessary overlapping of responsibilities between political structures, political office bearers and municipal manager; and
- Mechanisms, processes and procedures for interaction between political structures, political office bearers and municipal manager and other staff members; interaction between councillors and the municipal manager and other staff”.

It is inevitable that municipalities are comprised of political and administrative office-bearers.The relationship between politicians and administrators should be legitimised by ensuring that it is contained in the laws governing municipalities. It is important that the relationship between these office-bearers is clarified in terms of defining their roles in financial

management. The laws and policies should be developed to illustrate the division of roles and how the roles will be performed to minimize role conflict.

#### **2.4.4 Local Government: Municipal Finance Management Act,2003 (Act 56 of 2003)**

In South Africa, the financial management in municipalities is regulated by the Local Government: Municipal Finance Management Act (MFMA), 2003. In terms of Section 2 of MFMA, 2003 the object of the Act is to secure sound and sustainable management of the fiscal and financial affairs of municipalities. According to Botlhoko (2017: 11), one of the key principles of the MFMA, 2003 is to promote sound financial governance by explaining the duties and functions of councillors, politicians and administrative officials. Chapter 8 and Chapter 9 of the MFMA,2003 explain distinct and complementary roles of politicians and administrators in financial management respectively.

Sections 52 of MFMA, 2003 classify responsibilities of politicians as general responsibilities. Section 52(b) states that the mayor provides general political guidance and oversees the roles of financial administrators but is prohibited from interference in their responsibilities. Sections 53 and 54 of the MFMA,2003 describe the budgetary roles of the mayor in relation to the responsibilities of financial administrators. In a case of non-approval of the budget or serious financial problems, Section 55 of MFMA,2003 empowers the mayor to liaise with the Member of the Executive Council(MEC) of the province for provincial intervention.

Section 60 of MFMA,2003 empowers the municipal manager to provide guidance and advice on compliance with financial management prescripts to the politicians and administrators. It reveals that politicians and administrators should complement one another in the exercise of financial administration and governance. Section 62 outlines the general financial management functions of the accounting officer which include record-keeping of financial affairs, keeping a system of internal control and the prevention of unauthorised, irregular or fruitless and wasteful expenditure. Sections 63,64 and 65 of MFMA,2003 further outline the assets management, revenue management and expenditure management roles respectively of the accounting officer.

The objective of MFMA,2003 is to regulate the fiscal and financial affairs of municipalities. The roles of politicians as outlined in sections 52,53, 54 and 55 are largely to provide political oversight on the financial administration. Sections 60,61,62,63,64 and 65 outline the roles of

financial administrators led by the municipal manager which include guidance and advice on how to comply with the provisions of the MFMA, 2003. The politicians and administrators have distinct and complementary roles that they should perform in terms of the provisions of the MFMA, 2003.

#### **2.4.5 Public Audit Act, 2004 (Act 25 of 2004)**

Section 122(2) of MFMA, 2003 prescribes that municipalities should prepare an annual financial statement and consolidated annual financial statements. Section 4 of the Public Audit Act, 2004 sets out the constitutional functions of the Auditor-General and among them is that the Auditor-General audit and reports on financial statements and financial management of all municipalities. Section 14 of the Public Audit Act, 2004 states that financial statements that are submitted to the Auditor-General must be timely, in an acceptable format and must contain all the information in compliance with relevant pieces of legislation. After auditing the statements, the Auditor-General issues reports with recommendations on what municipalities should do to remedy some identified misstatements.

Section 5 (1) of the Public Audit Act, 2004 explains that the Auditor General has a duty to follow up within a reasonable time on the accounting officer about the implementation of the recommendations made on the audit report. In terms of Section 5 (2) of the Public Audit Act, 2004, the Auditor-General refers irregularities identified during the audit to a public body for investigation and in turn, the body reports back on the outcome of investigations. The none or slow implementation of the recommendations from the audit reports has been a concern raised continuously by the Auditor General in various reports. The Auditor-General South Africa (2019: 8) found that various role players have been slow in implementing recommendations and others blatantly disregarded recommendations.

Section 20 of the Public Audit Act, 2004 directs that the Auditor-General prepares an audit report which shows an opinion or findings on financial statements and compliance with legislation related to financial management. The problem with Auditor General Reports is that despite several recommendations to municipal role players, the municipalities continue to receive unclean audits. The assertion is an indication that human error plays a pivotal role in the accountability of municipal fiscus. The role players such as administrative leadership should possess skills and expertise to implement recommendations so that the audit reports of the coming year do not reflect the past mistakes that culminate in the unclean audit.

#### **2.4.6 Framework for Supply Chain Management, 2003**

The Framework for Supply Chain Management Regulations, 2003 are regulations that are developed in terms of section 76(4) of the Public Finance Management Act, 1999. They are congruent with MFMA, 2003 section 81(e) which stipulate that the role of the chief financial officer is to perform the supply chain management duties. Section 3 of the Framework for Supply Chain Management, 2003 gives authority to an accounting officer to develop a supply chain management system that is fair, equitable, transparent, competitive and cost-effective.

Section 4 of the Framework for Supply Chain Management, 2003 provides that the accounting officer should establish a unit that will be comprised of staff who will implement the supply chain system. Furthermore, Section 5 of the Framework for Supply Chain Management, 2003 empowers the accounting officer to ensure that these officials are properly trained in supply chain management. Section 8 of the Framework for Supply Chain Management, 2003 provides that the administrators in supply chain management should comply with ethical standards such as disclosure of conflict of interest, the equitable treatment of suppliers, non-acceptance of gifts and never use their positions to improperly benefit.

The Framework for Supply Chain Management Regulations, 2003 authorises the accounting officer and the chief financial officer to develop the supply chain management system. Furthermore, the accounting officer should in terms of these regulations establish the supply chain management unit comprised of administrative personnel that will operationalise the supply chain system. The administrative staff in the supply chain management unit should undergo relevant supply chain management training. The staff should also be trained on compliance with ethical values that will serve as a deterrent to corruption and other malpractices in supply chain management.

#### **2.4.7 Treasury Regulations, 2000**

According to Majam (2020: 152), treasury regulations are designed to control or govern financial conduct. The primary objective of treasury regulations is to provide comprehensive direction to all stakeholders on requirements for effective, efficient and economical financial management (Sewthran, 2016: 54). This view is shared by Ngobeni (2016: 34) who advocates that in ensuring proper public financial management, the treasury should make regulations to tighten the control and management of public finances. The Treasury

Regulations, 2000 provide guidelines to the accounting officer on matters of managing revenue and expenditure.

The management of finances requires that systems of managing revenue, expenditure management and; unauthorised, irregular fruitless and wasteful expenditure are developed and implemented by the political and administrative officials. Section 7 of Treasury Regulations, 2000 empowers the accounting officer to manage the revenue through developing and implementing processes that ensure that revenue collected is safe and there is reconciliation about the revenue. Section 8 of the Regulations, 2000 gives the accounting officer a role to develop an expenditure management system. The accounting officer is also given a role to develop a system that prevents and detects unauthorised, irregular, fruitless and wasteful expenditure in terms of Section 8 of Treasury Regulations, 2000.

The Treasury Regulations, 2000 have been developed by the treasury to regulate the control and management of finances. The accounting officer should develop venue management processes to manage revenue. The regulations also give the accounting officer powers to develop an expenditure management system to ensure proper spending. The accounting officer is further given a role to develop a system that prevents and detects unauthorised, irregular, fruitless and wasteful expenditure

#### **2.4.8 Municipal Supply Chain Management Regulations, 2017**

Section 2 of Municipal Supply Chain Regulations, 2017 provides that each municipality must implement a supply chain management policy to give effect to Section 217 of the Constitution, 1996. Section 2 of Municipal Supply Chain Regulations, 2017 further states that municipalities should act by following its Supply Chain Management policy.

In terms of section 3 of Municipal Supply Chain Regulations, 2017, the accounting officer of a municipality must prepare a draft supply chain policy for council adoption. Section 4 of Municipal Supply Chain Regulations, 2017 directs that the council delegates supply chain management powers and duties to the accounting officer. The accounting officer sub-delegates as empowered by Section 5 of Municipal Supply Chain Regulations, 2017, duties and powers to the chief financial officer, senior manager or bid adjudication committee to make the final award on tenders which can be above R2 million but not more than R10 million.



## 2.5 FINANCIAL ACCOUNTABILITY

Political and administrative leadership have distinct and complementary roles in municipal financial management. These leadership components are expected to account for the performance of their financial management roles. Section 195 (1) (f) of the Constitution, 1996 states that public administration must be accountable. Section 152 (1) (a) of the Constitution, 1996 states that local government should be a democratic and accountable sphere of government that accounts to the communities they serve.

Financial accountability according to Kiyemba (2018: 10), means that public officers need to be open by following the official processes and provide feedback to properly explain for funds that they manage. Van Niekerk and Sebakamotse(2020: 276) argue in support of the above assertion and indicate that politicians and administrators in municipalities should be made to account for their roles regarding funds that are entrusted to them. According to Botlhoko (2017: 32), public officials should take it as their task to explain and justify how they discharge their financial responsibilities. “It is also a commitment required from politicians and officials for public responsibility for their actions because they have to act in the public interest, which has to be done according to their conscience, based on professionalism” (Maropo, 2018: 48).

Ramalho (2016: 43) posits that those who lead from a governance angle of an organization should be prepared to account for the performance of their responsibilities. According to Sikhakhane and Reddy (2011: 91) accountability is an important element of good governance and is heightened by the leadership that promotes participation of citizens, that is transparent, responsive and representative. Mbatha(2020:10) states that local municipalities should exercise people-centred governance and be accountable to the people for the use of resources. Pauw, Woods, Van der Linde, Fourie and Visser (2010: 255) go further and argue that the political and administrative officers should make it a point that there compliance and accountability in the implementation of municipal financial management policies.

The constitutional provisions in Sections 152 and 195 of the Constitution, 1996 provide for a local government that should be accountable to the local communities. The political and administrative leadership should account for the different and complementary roles in financial management. It is an element of good governance to be accountable for the use of financial resources. According to Sikhakhane and Reddy (2016: 86), there are four types of accountability, namely; hierarchical, professional, legal and political accountability.

### **2.5.1 Hierarchical Accountability**

Hierarchical accountability is based on the relationship between senior officials and junior officials in institutions of government (Pimpong, 2017: 52). According to Romme (2019:2), hierarchical accountability is a sequence of accountability levels in which there is a ladder of decision making authority levels. In municipalities, the hierarchical relationships consist of political, administrative, and community structures of which politicians are accountable to communities while administrators account to politicians (Maropo, 2018: 50). In congruence with the above sentiments, Sebakamotse and Van Niekerk (2021: 2) state that the administrative officials account for the performance of their financial management roles to the political office bearers of the municipality.

### **2.5.2 Professional Accountability**

Professional accountability is when public officials account for the use of financial resources to the professional body that regulates their conduct in financial management (Pimpong, 2017 : 53). Pimpong (2017: 53) goes further to indicate that administrative officials are professionals who are appointed on the basis of their professional qualifications which also require them to register with professional bodies. These professionals should follow the code of conduct set out by the professional bodies. In support of the above assertion, Svava (2006: 1082) posits that administrators are committed to execute their tasks in accordance with the professional values and competence, loyal to their agency and acting ethically.

Sikhakhane and Reddy (2011: 88) advocate that it is through professional accountability that public officials discharge their responsibilities in conformity with the ethics and standards set by the municipal leadership but at the same time are conscious of the consequences of unprofessional conduct. Zondo (2022:437) recommends that administrative functionaries should uphold the highest form of accountability because they are employed to run public institutions. A professional body should institute disciplinary measures to its members who are suspected of wrongdoing. In a state of capture report, Zondo (2022: 445) recommended that a professional body, the South African Institute of Chartered Accountants(SAICA) had to investigate an administrative official about skills and qualifications and determine if such an individual can continue to practise the profession of chartered accountancy.

The administrative officials should be appointed based on their profession, qualifications and experience. Section 56 of the Municipal Systems Act,2000 states that a manager who reports

to the municipal manager is expected to possess relevant skills and expertise to perform the functions linked with the positions. The Municipal Structures Act,1998 in terms of Section 82 also provides that the municipal manager must be appointed based on the relevant skills and expertise to discharge the responsibilities linked to the position. The appointments based on the merit system as per the Municipal Systems Act,2000 and Municipal Structures Act,1998 promote sound financial management.

### **2.5.3 Legal Accountability**

There are constitutional and legislative mandates that local government functionaries must comply with and are held accountable. Legal accountability is best enhanced through essential mechanisms, namely, constitutional bodies, laws and policies. The political and administrative officials account for their actions or inactions through submission of reports to bodies such as the Auditor General, Public Protector, courts and commissions of inquiry (Khanyile, 2016: 21). These bodies act within the parameters of the law particularly legislations passed by the parliament and enacted into law such as the Public Audit Act 25 of 2004.

Municipalities are expected within the ambit of the law to submit annual financial activities to the Auditor General to account fully for public funds. Section 4 of the Public Audit Act,2004 provides that the Auditor General audits and reports on the accounts, financial statements and financial management of among others all municipalities. In terms of this law and as part of accountability, municipalities are expected to submit statements of finances and financial reports to the Auditor General at the end of their financial year. It is legal accountability to submit financial reports to the Auditor General.

### **2.5.4 Political Accountability**

Political accountability is a type of accountability of the elected office bearers who account for policies that emanate from the roles they play in South African municipal institutions (Maropo, 2018: 52). This view is shared by Pimpong (2017: 51) who advocate that politicians are accountable to their constituencies about the use of financial resources. Politicians in municipalities are elected by the local communities to represent them and therefore should account to these voters on how the municipality is performing its roles ( Sebakamotse & Van Niekerk, 2021: 2)

In local government, political leadership include mayors, proportional representatives and ward councillors as well as political structures. According to Accountability in Public Services in South Africa (2011: 26), proportional representative councillors account to their political parties and ward councillors are directly accountable to the electorate and their political parties. Political leadership is accountable to parliamentary, provincial and municipal legislative bodies which include the office of the Auditor-General. In essence, it is a way of ensuring political leaders carry out their duties by following the provisions of the policies and acts of government.

## **2.6 MUNICIPAL INTERNAL CONTROL MECHANISMS ON FINANCIAL MANAGEMENT**

Mbua (2016: 33) regards internal control as an instrument that is used to handle the financial affairs of municipalities, thus, identifying, mitigating and managing risks that may hinder the accomplishment of the objectives of municipalities. On the other hand, Malefane (2017: 75) contends that internal control includes policies, plans, procedures and structures which are designed and adopted by managers to ensure the undesired events are prevented, detected and corrected. The financial activities of municipalities include the management of revenue, expenditure and safeguarding of assets.

Internal control enables municipalities to achieve their objectives in the “effectiveness and efficiency of operations, reliability of financial reporting, compliance with laws and regulations” (Scholtz, 2014: 18). Eton, Murezi, Mwosi & Ogwel (2018: 107) concur with the above assertion and argue that internal control gives enough assurance regarding compliance with relevant laws and regulations, and accurate reporting of finances.

The MFMA, 2003 sets out the laws and regulations that municipalities through their officials should follow to manage finances effectively and efficiently. Section 62 of the MFMA, 2003 empowers the Accounting Officer to take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The weaknesses in financial control in local government leads to challenges which include financial reporting not being made timely (Eton *et al.*, 2018: 107). The financial internal control system is crucial to the success of municipalities. The effectiveness of financial internal control system prevents and detects fraud in an organization. There are integrated areas of internal control which are discussed in the subsequent paragraphs.

## 2.6.1 Five Integrated Components of Internal Control

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) developed an internal control framework in 2013 with five integrated components. According to Schandl and Foster (2019: 5), the five integrated components of internal control are the following: control environment, risk assessment, control activities, information and communication as well as monitoring activities. As adapted from Nevhutanda and Mamaile (2020: 79), Figure 2.6 below illustrates components and principles of the five integrated components of internal control. A detailed discussion of each component follows in the succeeding paragraphs.

**Figure 2.1 Five Integrated Components of Control**

**Table 1: Components of Internal Control**

Components	Principles
1. Control environment	"A set of standards, processes and structures that provide a basis for carrying out internal control in an organisation." 1. "Tone at the top: this represents the integrity and ethical values of the organisation 2. Exercises oversight responsibility 3. Establishes structure, authority, and responsibility 4. Process of attracting, developing and retaining competent individuals 5. Enforces accountability"
2. Risk assessment	"A dynamic and iterative process for identifying and assessing risks to the achievement of objectives." 6. "Specifies suitable objectives related to operations, reporting and compliance 7. Identifies and analyses risk to those objectives 8. Assesses fraud risk 9. Identifies and analyses significant changes that may render internal control ineffective"
3. Control activities	"The actions established through policies and procedures that help ensure that management's directives to mitigate risks are carried out and the achievement of objectives is reached." 10. "Selects and develops control activities within all business processes 11. Selects and develops general controls over technology 12. Example, authorisation/ approvals, reconciliation and segregation of duties"
4. Information and communication	"Information is necessary for an organisation to carry out internal control responsibilities in support of achievement of its objectives." 13. "Organisation obtains and uses relevant, quality information to support the functioning of internal control 14. Internally communicates information, i.e. Objectives and internal control responsibilities 15. Externally communicates matters affecting functioning of internal control"
5. Monitoring	"Ongoing evaluations to determine whether each of the five components of internal control are present and functioning." 16. "Conducts ongoing and/or separate evaluations 17. Evaluates and communicates deficiencies"

Source: Committee of sponsoring organisations (2017: 5)

### 2.6.1.1 The control environment

The control environment is an environment in which policies and systems are followed to give effect to internal controls of an organisation (Makgatho, 2013: 21). The leadership should be able to account for the implementation of internal control if they are ever to be effective and

efficient (Malefane, 2017: 77). In municipalities, political leadership should oversee that the administrators are implementing the internal control system. The leadership must monitor the systems to ensure that there is ethical and honest conduct, especially in financial management (Sewrathan, 2016: 40). In the control environment, monitoring is performed for assessing compliance with laws and regulations as well as protecting the assets against losses (Schandl & Foster, 2019: 5).

#### **2.6.1.2 The risk assessment**

In the risk assessment component, risks of an organisation are assessed to determine how they affect the performance of an organisation. According to Schandl and Foster (2019: 5), a risk is about the chances of an event happening in a way that negatively affects the implementation of the goals of the organisation. The likely possible impact of risks on stakeholders should always be assessed. Malefane (2017: 77) states that risk assessment should always be conducted to analyse the extent to which internal and external risks need attention. After risk assessment, a plan should be developed to look at how such risks will be mitigated.

#### **2.6.1.3 Control activities**

The control activities are actions that the leadership embarks upon to mitigate risks and to ensure objectives are achieved (Nevhutanda & Mamaile, 2020: 79). The activities may include approval, reconciliation and separation of roles between and among different components of officials (Nevhutanda & Mamaile, 2020: 79). It is the role of these officials to make it a point that there is compliance and general adherence to the procedures (Malefane, 2017:78). This view is supported by Agyapong (2017: 52) who argues that control activities assist the leadership to ensure that risks are being dealt with for the fulfilment of the objectives of an organisation.

#### **2.6.1.4. Information and Communication**

According to Nevhutanda and Mamaile (2020: 79), an organisation should communicate its information to internal and external stakeholders. Schandl and Foster (2019: 5) argue that it is crucial that communication is used to share important information in and out of the organisation. The information on how finances are managed in municipalities should be shared with internal and external stakeholders through different communication channels. The Vhembe District Municipality uses its website, newsletter and local radio stations to

communicate its reports on integrated development plans, budget, annual and financial reports.

### **2.6.1.5 Monitoring**

It is an evaluation of all components of internal control and where necessary, inadequacies are communicated (Nevhutanda & Mamaile, 2020:7 9). Schultz (2014: 20) describes monitoring as an internal control component that helps in identifying the control deficiencies to ensure that they are rectified timely. (Agyapong, 2017: 52) contends that *it is necessary to monitor internal control to know whether it is functioning as expected and whether changes are needed*. It is important that the leadership should regularly monitor policies and procedures to be satisfied that they are working well and where necessary, weaknesses are timely resolved (Gauthier, 2007: 35).

## **2.7 ROLES OF POLITICAL AND ADMINISTRATIVE LEADERSHIP**

According to Nkuna and Sebola (2014:158), there are many structures involved in local government financial management which include the political and administrative components. These structures have specific financial management roles and responsibilities assigned to them in terms of legislation and policies. Pauw *et al.*, (2010: 266) distinguish financial management role players in local government as the appointed administrative officials and councillors as elected politicians. This section seeks to outline the roles in respect of individual officials and structures in municipal financial management.

### **2.7.1 Political Leadership Role**

To ensure that financial management is carried out professionally in municipalities, there is a need for political structures and office bearers to execute their roles well. The role players at a political level are the Municipal Council, Municipal Public Accounts Committee (MPAC), Executive Mayor, Mayoral Committee and Councillors. Nsingo (2014: 158) identifies the municipal council, the executive committee of the council and the mayor as but some of the political role players in financial management in municipalities. Pauw, Woods, Van Der Linde, Fourie and Visser (2009: 266) describe role players in financial management at a political level as an important component that deal more with development and oversight on the financial management policies that govern municipalities.

### **2.7.1.1 The Municipal Council**

The Council of a municipality is the highest decision-making body in a municipality on matters of financial management. Section 23 of the Municipal Structures Act, 1998 stipulates that councils of district municipalities consist of councillors elected to proportionally represent political parties and councillors appointed by councils of local municipalities within the district municipality to directly represent those local municipalities. The Vhembe District municipality council has legislative and executive authority and consists of 24 councillors who are directly elected and 35 councillors who represent four local municipalities (Vhembe District Municipality Annual Report, 2019/2020:09).

According to Majam (2020: 174) council has a role to approve policies that relate to financial management and also provides oversight in the implementation of the policies. The council supervises the work of administrative officials in the performance of financial management. Munzhedzi (2020: 52) argues that municipal councils oversee the work of administrators by ensuring that they account for their successes and failures. The municipal council executes its financial management roles through committees.

The municipal council constitutes council committees in terms of Section 79 of the Municipal Structures Act, 1998 which delegates authority to execute its duties. Mathiba (2019:32) argues that committees which council appoints are answerable to the council and get their mandate and powers from resolutions of the council. Mathiba (2019: 32) further identifies council committees responsible for financial management as the Municipal Public Accounts Committee and Finance Committee. These committees account to the council through reports in which they make recommendations for council approval (Napier, 2018: 182).

### **2.7.1.2 Municipal Public Accounts Committee (MPAC)**

Section 79 of the Municipal Structures Act, 1998 gives municipal Councils powers to establish committees to which it delegates some of their functions of which the Municipal Public Accounts Committee (MPAC) is one of them. The MPAC is established in municipalities to promote accountability and effective financial management (Makhado, Masehela, Motimele, Mokhari & Nyathela, 2012: 2). Van Niekerk and Sebakamotse (2020:284) argue that the MPAC is a political structure that oversees and helps the municipal council to hold the executive and administrative officials to explain and give answers for the use of municipal resources. However, the MPAC reports its oversight roles of financial management to the council of a municipality which takes the final decisions (Suka, 2021:55).



Van der Waldt (2015: 10) found that the MPAC is delegated to consider annual reports, financial statements and audit reports of a municipality. Suka(2021: 54) defines the MPAC roles of overseeing the annual reports, annual financial statements, audit reports, compliance reports and reports on disciplinary actions for transgressions of Municipal Finance Management Act,2003 as permanent roles. The South African Local Government Association (2012:13) states that the MPAC closely scrutinizes financial reports of the municipality including unauthorized, irregular or fruitless and wasteful expenditure; financial statements, annual reports and matters raised by the Auditor-General in audit reports. The Vhembe District MPAC consists of nine members who are councillors and it primarily oversees annual reports and also closely examines annual financial statements (Vhembe District Municipality Annual Report, 2020: 16).

In addition to the functions mentioned above, Phokanoka (2016: 26) further describes MPAC as a body that evaluates progress on the implementation of the report of the Audit Committee and recommendations of the Auditor General. Enweregi and Uwizeyimana (2019: 151) see the most important function of the MPAC as holding the executive leadership of municipalities to account for expenditures and outcomes from the Auditor-General. While the executive leadership oversees the work of administrative leadership, MPAC holds the executive leadership to account for all financial management decisions. When there are cases of losses and wasteful, fruitless, unauthorized and irregular expenditure, the MPAC should summon executive leadership to account and to further show corrective measures for the prevention of recurrence (Kolisang, 2019: 61).

The MPAC is a political committee that is established in accordance with the provisions of Section 79 of the Municipal Structures Act, 1998. It is a committee of the council that ensures accountability on the use of finances and effective financial management. The financial oversight roles of the MPAC include assessment and recommendations on annual reports, annual financial statements, audit reports, compliance reports as well as reports on disciplinary actions for financial misconduct. The MPAC, therefore, oversees the performance of the financial management roles of both the political and administrative officials in municipalities.

### **2.7.1.3 The Executive Mayor**

The AGSA (2019: 164) the mayor plays a monitoring and oversight role in the management of municipal finances. Section 52 (b) of the MFMA,2003 states that the mayor monitors and

oversees the discharge of financial management roles of the municipal manager and then chief financial officer. The MFMA, 2003 Section 52 (d) empowers the mayor to submit to the council a report on the management and state of finances. The mayor is further in terms of Section 53 of MFMA, 2003 given a role to provide political guidance on the budget, budgetary processes and the implementation of the budget.

As part of political guidance, they may supervise the work of the Municipal Manager and the chief financial officer without necessarily interfering with their financial management roles. According to Nkuna and Sebola (2014: 160), the mayor is prohibited from interfering with the work of administrative officials in financial management. The mayor ensures that the municipal manager and chief financial officer perform their responsibilities as assigned to them in terms of the Municipal Financial Management Act, 2003 (Pretorius, 2017: 112). The mayor is further empowered to identify financial difficulties the municipality faces and initiates steps to rectify such challenges. Khanyile (2016: 30) argues that the mayor considers financial reports and upon identification of such challenges, takes remedial steps as part of corrective measures.

The municipality council delegates its executive authority to the executive mayor in municipalities with an executive mayoral system. Vhembe District municipality has a mayoral executive system with its executive authority vested in the executive mayor who is assisted by the mayoral committee (Vhembe District Municipality 2021/22 IDP Review: 01). The most important role which the mayor plays in financial management is to give political guidance on the fiscal and financial affairs of the municipality (Mathiba, 2019: 35).

#### **2.7.1.4 Finance Committee**

Section 79 of the Municipal Structures Act, 1998 empowers municipal councils to appoint the finance committee. It is a committee that reports its activities to the council. According to Mathiba (2019: 33) finance committee oversees the execution of financial management roles by the municipal manager and the chief financial officer. According to Vhembe District Municipality Annual Report (2019: 43), the finance portfolio committee of the Vhembe District Municipality comprises eight members. The finance portfolio committee considers reports among others: unauthorised, fruitless and wasteful expenditure; supply chain management implementation, annual budget and assets management reports

### **2.7.1.5 Audit Committee**

According to Mbua (2016: 7), an audit committee performs oversight roles to make it a point that the preparation of financial statements is done effectively and also attend to matters identified by the Auditor General in audit reports. Kolisang (2019: 60) describes an audit committee as a body that advises the municipal council, the political office-bearers, the accounting officer and the management staff on matters which relate to internal financial controls and internal audits. In its advisory role, the audit committee makes certain that the municipality fulfils provisions of relevant legislation in the management of municipal finances (Libate, 2019: 28). The audit committee scrutinizes outcomes of audit reports submitted to a municipality from the auditor general. The audit committee is expected to give feedback and advise the municipal council on how it addresses matters raised by the Auditor-General in the audit report (Mathiba, 2019: 34)

The Vhembe District Municipality Audit Committee is an independent committee comprised of four members responsible for advising political and administrative leadership on financial statements and outcomes of the audit reports. The Audit Committee in Vhembe District Municipality is primarily responsible for reviewing audited financial statements and Auditor General Audit reports (Vhembe District Municipality Annual Report 2019/2020, 2020: 30). The AGSA (2019:164) maintains that the audit committee advises the administrative officials and politicians on internal control, risk management, performance management and compliance with financial laws. The AGSA (2019:164) also indicates that the audit committee assesses the reliability and accuracy of financial information.

The audit committee assists in advising on the preparation of financial statements. The committee also scrutinises the outcomes of the audit report. It also helps in correcting matters raised by the Auditor General. In the main, the audit committee advises the political and administrative leadership on internal financial control and internal audit.

## **2.8 ADMINISTRATIVE LEADERSHIP ROLE**

Section 77 of the Local Government: Municipal Finance Management Act, 2003 classifies the high-ranking officials in the administration of finances as the municipal manager followed by the chief financial officer and senior managers. These officers and managers assist the municipal manager in managing and coordinating the financial administration of municipalities. Nsingo (2014: 158) identifies the accounting officer, the chief financial officer, heads of departments and other administrative officials as the administrative role players in

financial management in municipalities. Pauw, Woods, Van Der Linde, Fourie and Visser (2009: 268) describe role players in financial management at the administrative level as an important component in managing the finances of municipalities.

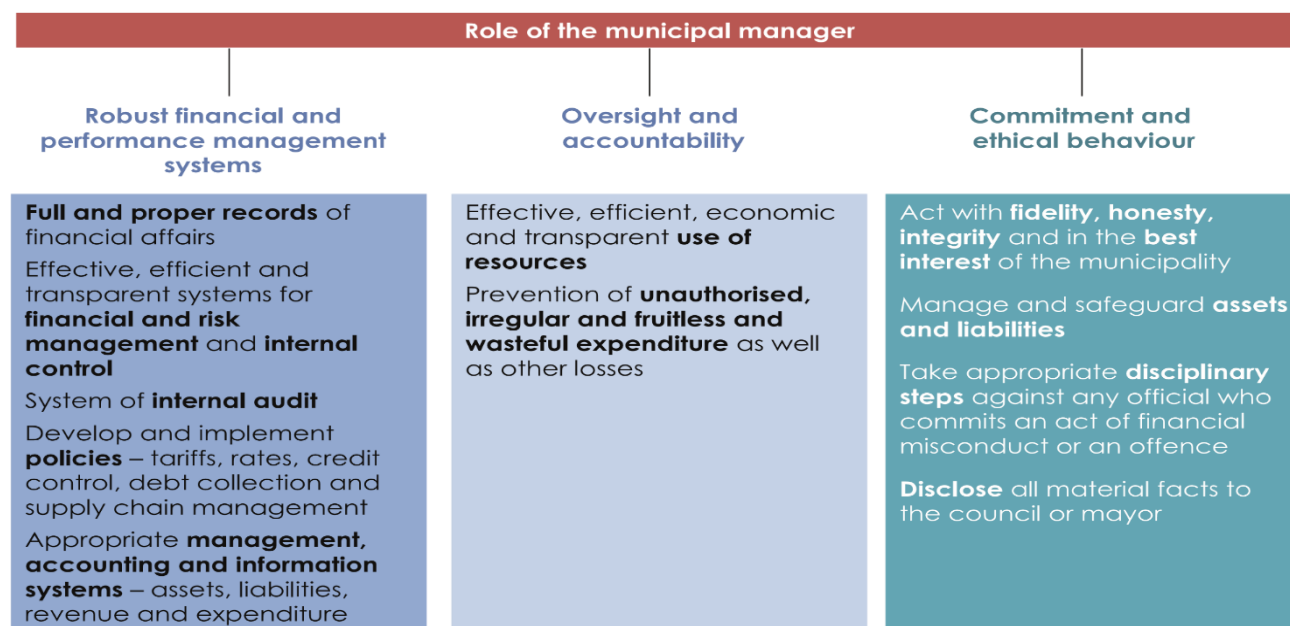
### 2.8.1 Municipal Manager

Libate (2019: 26) describes the municipal manager as the accounting officer of the municipality. As an accounting officer, the municipal manager gives guidance and advice to the mayor, councillors and administrative officials on financial matters of the municipality (Motubatse, 2016: 85). According to a Guide to Municipal Finance Management for Councillors (2006: 40), the municipal manager manages municipal financial administration and makes certain that:

- “Full and proper financial records are kept;
- An effective, efficient and transparent system of financial management is maintained;
- Unauthorised, irregular or fruitless and wasteful expenditure is prevented;
- Officials who commit financial irregularities face consequences and are disciplined;
- The municipality keeps and maintains an effective system of expenditure control; and
- The supply chain management policy is implemented”.

The AGSA (2019: 164) summarizes the role of the Municipal Manager in financial management in the diagram below.

**Figure 2.2: The Role of the Municipal Manager**



The **role of the municipal manager** is critical to ensure: timely, credible information + accountability + transparency + service delivery  
(Source, AGSA, 2019:164)

The figure above categorises the role of the municipal manager into financial and performance management systems; oversight and accountability; and commitment and ethical behaviour. The financial and performance management systems which the municipal manager must put in place include systems of internal control, internal audit; and management, accounting and information systems. The municipal manager also plays oversight and accountability roles such as overseeing and being accountable for the use of resources and the prevention of unauthorised, irregular and fruitless and wasteful expenditure. The municipal manager should in his conduct and conduct of others ensure ethical conduct which involves performing roles with fidelity, honesty, integrity, safeguarding assets, taking disciplinary actions against financial misconduct and disclosure of information to the council.

### **2.8.2 Chief Financial Officer**

According to the Chief Financial Officers Handbook for Municipalities (No date: 14), the chief financial officer (CFO) helps the accounting officer in performing financial management duties in areas such as budgeting, financial reporting and policies of internal control. The overarching role of the chief financial officer is to advise the municipal council and municipal manager on all matters of finances in the municipality (Majam, 2020: 181). Mculu(2008: 21) argues that one of the most important functions of the chief financial officer in the council of the municipality is to give advice on financial management. Section 81 of the MFMA,2003 stipulates the role of the chief financial officer of a municipality as follows:

“(1) The chief financial officer of a municipality

- (a) is administratively in charge of the budget and treasury office;
- (b) must advise the accounting officer on the exercise of powers and duties assigned to the accounting officer in terms of this Act;
- (c) must assist the accounting officer in the administration of the municipality's bank accounts and in the preparation and implementation of the municipality's budget;
- (d) must advise senior managers and other senior officials in the exercise of powers and duties assigned to them in terms of Section 78 or delegated to them in terms of Section 79; and
- (e) must perform such budgeting, accounting. analysis, financial reporting, cash management, debt management, supply chain management. financial management, review and other duties as may in terms of Section 79 be delegated by the accounting officer to the chief financial officer.”

The chief financial officer performs advisory duties to both the political and administrative leadership of the municipality on financial matters. Most of the duties of the chief financial officer are delegated by the accounting officer. While most of the duties of the CFO are delegated by the accounting officer to whom he reports, the CFO advises both leadership components of the municipality. The chief financial officer is therefore the engine that runs the finances of the municipality.

### **2.8.3 Senior Managers and other officials of the municipality**

According to Sebakamotse and Van Niekerk (2021: 9), senior managers are appointed by the council in consultation with the municipal manager. Section 79 of MFMA, 2003 empowers the municipal managers to delegate some of their financial management roles to the senior managers to promote maximum efficiency in financial administration. These senior managers answer for their financial management roles to the municipal manager (Sebakamotse & Van Niekerk, 2021:9). They are therefore expected in terms of Section 77(2) of MFMA, 2003 to assist the municipal manager in the coordination and management of financial administration.

Each senior manager of a municipality and each official of a municipality according to Section 78 of MFMA,2003 must in exercising financial management responsibilities, take all reasonable steps within their respective areas of responsibility to ensure:

- “That the system of financial management and internal control is carried out diligently,
- The financial resources are utilized effectively, efficiently, economically and transparently;
- That any unauthorised, irregular or fruitless and wasteful expenditure and any other losses are prevented.
- That all revenue due to the municipality is collected;
- That the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained to the extent necessary; and
- That all information required by the accounting officer for compliance is timeously submitted to the accounting officer”.

The municipal manager guides and advises the political and administrative officials in the management of finances in the municipality. Furthermore, some of the specific roles of the

municipal manager ensure that there is an implementation of financial management policies and that systems of financial control are kept and maintained. The chief financial officer is a financial expert in the municipality who advises the municipal manager and council on financial management. The senior managers are delegated financial management responsibilities to execute in their directorates such as ensuring that the financial management policies are implemented and that the systems are in place.

## **2.9 CHALLENGES OF FINANCIAL MANAGEMENT IN MUNICIPALITIES**

There are several challenges which hamper the effective and sound financial management that are regularly faced by municipalities in the quest to promote sound financial management. The AGSA (2019: 8) identifies a lack of skills in financial management, weak internal control systems, poor financial reporting, and political interference in supply chain management as some of the challenges which hamper sound financial management in most municipalities. Several studies including Reddy (2016), and Shava and Chamisa (2018) cite cadre deployment as another challenge that affects the financial management in municipalities. In the succeeding paragraphs weak financial internal control systems, financial reporting, political interference in supply chain management, lack of skills and expertise in financial management as well as cadre deployment and its implications to financial management are discussed.

### **2.9.1 Weak Financial Internal Control Systems**

The AGSA Media Release (2019:10) point out that the political and administrative leadership failed to develop internal control systems that are effective. There was a breakdown in internal controls as daily, monthly and annual controls were not implemented and monitored throughout the year (AGSA, 2019: 127). It was found that in Limpopo province, the political and administrative leadership failed to work together to address the weaknesses in internal control (AGSA Media Release, 2019:16). This is taking place after the AGSA emphasised in vain for eight years that the leadership in municipalities should pay attention to the controls to ensure municipal finances are used in compliance with financial management legislations (The AGSA Media Release (2020:3). Again, in the 2021 Audit findings, the AGSA expressed concern that there is no improvement in control systems (AGSA Media Release, 2021: 6).

The weak internal control negatively affects audit outcomes of municipalities and leads to fraud and corruption(Ncgobo & Malefane, 2017:75). This view is supported by Makgatho

(2013: 92) who advocates that internal control systems that are weak may encourage officials to perform irregular financial activities which personally benefit them. On the other hand and in the same vein, Mbatha (2020:18) describes internal control as monitoring systems that if poor increase the chances of mismanagement and corruption. Motubatse and Ngwakwe (2020:53) echo the aforementioned sentiments and state that weaknesses in internal control plays a huge part in the likelihood of fraud.

Nevhutanda and Mamaile (2020:76) argue that weak internal control is more evident when the leadership in municipalities invested R1.2. billion in VBS mutual bank against investment policies that prohibit such investments. These are fruitless and wasteful expenditures, expenditures that could have been avoided if investment policies as part of internal control were followed. It is difficult to prevent irregular expenditure among administrative officials when internal control systems are deficient (Motubatse & Ngwakwe, 2020:52). Makgatho( 2013:91) further argue that when internal control systems are not implemented, irregular, fruitless ad wasteful expenditure cannot be prevented.

### **2.9.2 Financial Reporting**

Khanyile (2016:38) argues that the MFMA,2003 is financial legislation that determines procedures to ensure transparent financial reporting by municipalities. This view is shared by Mabena (2016: 20) who sees the MFMA,2003 as the legislation that prescribes that all municipalities should prepare financial reports for each financial year. The municipal leadership therefore in terms of the law expected to report on the expenditure and income as per the approved budget (Libate, 2019:43). Financial reporting which include submission of financial statements and using prescribed guidelines for submission of financial reports have been flagged as the challenge that municipal leadership grapples with.

The AGSA Media Release (2019:4) states that the financial statements of 51% of municipalities that made submissions were very bad as compared to those submitted in the 2016-2017 municipal financial year. It means that these reports were not of a quality that municipal councils could use(AGSA Media Release, 2019:4). The submission of reports which are not credible recurs in the 2021 municipal audit reports. According to the AGSA Media Release (2021:3) municipalities still fail in producing quality financial reports and over R5 billion was used to hire consultants to perform this task.

Botlhoko (2017:99) maintains that the timely completion and submission of annual reports and annual financial statements to oversight structures helps in improving the performance



of municipalities. However, the AGSA Media Release (2019:5) complained that the annual reports of all municipalities in Limpopo Province were not timely submitted to municipal councils. Visser and Erasmus (2002: 355) argue that if there is a distortion of financial reports, it impedes an efficient reporting system. The AGSA found that the financial statements of Vhembe District Municipality were not timely reviewed as per the previous recommendations (Vhembe District Municipality IDP Review 2021/22, 2021:783).

### **2.9.3 Political Interference**

Political interference in supply chain management according to Mfuru, Sarwatt and Kanire (2018: 21) happens “when the political leader(s) interfere with decision-making in public administrative matters such as planning, organizing, staffing, directing, coordinating, reporting, and budgeting as well as allocation and use of public funds”. On the other hand, Usang and Salim (2016: 112) describe political interference as the influences exerted by politicians on the administration of local governments. Ali, Saleem, Bashir, Riaz and Sami (2017: 253) argue that political interference happens when the political heads instruct accounting officers to make decisions that are inconsistent with legislation e. g. tender allocation to certain individuals. Political interference in municipalities is most evident in supply chain management.

The above statement is supported by the AGSA (2019:35) who found that in certain municipalities, political interference in the administrative roles has been taking place. The political interference in procurement creates a situation in which corruption and mismanagement of funds happen in municipalities (Munzhedzi, 2016: 6). In congruence with the aforementioned view, Mantzaris(2017:128) states that fraud and corruption manifest themselves as a consequence of political interference in procurement processes and systems. Ndebele and Mdlalose (2021: 540) argue that political interference in municipal procurement opens possibilities for corruption and mismanagement of financial resources. Reddy (2016: 6) also argue that politicians take advantage of procedures in supply chain management “for self-enrichment, patronage and the favouring of family members and friends”.

Political interference is prevalent in municipalities, especially in supply chain management. The AGSA has repeatedly warned municipalities against this anomaly. Various writers as shown above found that politicians are involved in supply chain management against

municipal prescripts such as the Municipal Financial Management Act, 2003. Political interference in supply chain management is linked to the manifestation of corruption, fraud, and mismanagement of financial resources in general.

#### **2.9.4 Lack of Capacity**

Nekhavhambe (2017:5) posits that lack of capacity in terms of skills and expertise is a universal challenge in workplaces and municipalities are no exception. Mafunisa(2014:1102) states that South Africa suffers from inadequate skills in the management of finances. According to Reddy (2016:5), the appointment of municipal officials who do not have relevant expertise and skills disturbs municipalities in optimal performance and it sets them for failure. In congruence with the above assertion, Ramutseli and Van Rensburg(2015:108) indicate that municipalities fail to achieve their objectives because of a shortage of skills needed for the performance of roles in an efficient and effective way.

Reddy (2016:5) further points out that the political and administrative components of the council lack the necessary skills which negatively impact on the municipal capacity. This view is shared by Ramutseli and Van Rensburg (2015:11) who found that senior administrative officials who occupy these positions are without the minimum qualifications and skills needed for the positions. In the same vein, the AGSA Media Release (2019: 10) found that when senior officials in financial management lack relevant skills and competencies, it affects financial planning and financial reporting in a negative way. These officials are appointed to run municipal finances without the appropriate qualifications and expertise.

This is an indication that lack of skills and expertise, particularly in financial management is a problem that affects municipalities. Municipalities are unable to perform optimally because of skills shortages, especially in financial management. Municipalities are failing in their planning and reporting in compliance with relevant legislation and policies due to officials that lack skills and expertise. It can be inferred that municipalities are failing because their financial staff members do not have the expertise and skills to deal with financial management.

#### **2.9.5 Cadre Deployment**

Cadre pose serious negative implications to sound financial management. Deployment, as alluded by (Tshishonga, 2014: 894), is a practice of deploying politicians and administrators into political and administrative positions in state institutions. "Cadre deployment is, therefore,

a strategy in which politically committed party members are strategically and operationally assigned tasks to various spheres of government”. According to Ramaphosa (2021: 12), cadre deployment is the deployment of politicians into key positions and it is a practice used by different political parties in South Africa and over the world. In the same vein, Reddy (2016: 6) maintains that “no political party in the world can implement its manifesto without loyal troops that understand and subscribe to its principles”.

Shava and Chamisa (2018: 4) posit that the implementation of the cadre deployment policy of the African National Congress (ANC) contributes to many challenges which include financial mismanagement, corruption and fraud. This view is shared by Tshishonga (2014: 891) who states that when politicians are deployed with trust as the only consideration, it contributes to the mismanagement of financial resources. This practice as Reddy (2016: 6) puts it, lowers the processes of recruiting candidates that are suitable for the job. Sebake and Sebola (2014: 749) share Reddy’s sentiment by stating that requirements for the job that are advertised are lowered to suit candidates who are unsuitable for the job.

Cadre deployment is a practice of ruling political parties worldwide. It is a practice of identifying politicians and administrators who will support the promises made in the manifesto during electioneering processes. However, this practice leads to mismanagement of funds, corruption, and fraud. These unethical conduct activities are performed by politicians and administrators who are deployed without the relevant skills and expertise in financial management.

### **2.9.6 Lack of Financial Accountability**

The AGSA (2019: 8) expressed concern that “accountability and the need for appropriate consequences for accountability failures featured as elements through the many engagements we had with the political and administrative leadership in local government”. In the same vein, the AGSA went on to indicate that many recommendations to improve accountability were made, yet accountability continued to deteriorate (AGSA, 2019: 80). Lekala (2019: 65) argues that the leadership which fails to take serious decisions is the cause for the absence of accountability and consequence management and that there are many cases in the public domain of government officials who are reportedly acting with a sense of exemption from punishment. While good governance demands public accountability,

accountability remains a buzzword and not taken seriously and is a challenge to politicians, officials and civil society (Sikhakhane & Reddy, 2011: 85).

Reddy (2016: 05) takes this matter of lack of accountability further as a 'big man syndrome' of local leaders who think that they have political protection and are untouchable. It is an attitude that makes leaders arrogant and refuses to account for their actions. When political and administrative officials fail to account for their actions, it affects service delivery. The AGSA (2019: 11) found that accountability failures in financial management influences service delivery.

Some municipalities have the insufficient capacity in managing finances to an extent that they even fail to give evidence to account for the revenue they received when faced with audit queries (Koma, 2016: 116). When municipalities fail to account for their finances, it impacts negatively on service delivery in communities (Beyers, 2015: 125). In support of the above assertions, the Auditor-General South Africa (2019: 129) found that failure to account in municipalities affected service delivery adversely in the Nandoni project of the construction of bulk water pipeline which started in 2016 and hadn't been completed in 2019. The Auditor-General further stated that deteriorating accountability in Vhembe District Municipality for financial management was not being addressed because of lack of consequences for those who fail to comply with legislation (Van Zyle, 2019: 10).

The audit outcomes of 63 municipalities regressed while those of 22 municipalities improved (AGSA, 2019: 8). Municipalities are failing to produce credible financial statements and performance reports to enable accountability. There are only 19% of municipalities whose financial statements are without misstatements and 65 % of performance reports had material flaws and were not credible (AGSA, 2019: 8). The AGSA(2019:8) reported material non-compliance with key legislation at 92% of the municipalities. The AGSA(2019: 8) further reported that irregular expenditure remains high though slightly decreased from the previous year from R29.7 billion to R25.2 billion.

- **Lack of consequences for transgressions and irregularities**

Municipalities do not heed consistent and insistent calls for consequences on transgressions and irregularities. It is evident from 74 % of municipalities that did not adequately follow up on allegations of financial and supply chain management misconduct and fraud (AGSA, 2019: 9). Moreover, 62% of municipalities failed to take sufficient steps to recover,

write off, approve or condone unauthorized, irregular and fruitless and wasteful expenditure as required by law (AGSA, 2019: 9).

- **Reasons for the accountability failures**

According to the AGSA (2019: 12-13), the causes of failures in accountability are:

- “Vacancies and instability in key positions
- Lack of skills and competencies in financial reporting
- Lack of performance management and reporting systems
- Poor monitoring by management results in errors that go undetected
- Leadership failure to take repeated recommendations and warnings of risks seriously
- A blatant disregard for controls and compliance with key legislation
- Political infighting at the council level and interference in the administration weaken oversight”.

The AGSA further states that the leadership leads by example and when they are unethical, have disregard for governance, compliance and control, and are not committed to accountability, it cascades to lower-level employees, breeding a culture of poor discipline, impunity and ultimately a collapse of the municipality. The political, municipal and provincial leaders must take responsibility for the failures of municipalities (AGSA, 2019:12)

## **2.10 Municipal Audit outcomes**

According to the AGSA (2019:127) in Limpopo Province, none of the municipalities improved outcomes to achieve a clean audit. The Vhembe District Municipality spent R19 million towards consultants but obtained a disclaimed opinion (AGSA, 2019:127). The report further revealed that the entirety of municipalities in Limpopo obtained findings with serious matters such as failure to prevent unauthorized, irregular, fruitless and wasteful expenditure. It means that some municipalities did not investigate irregular expenditure to find out officials who could be held accountable for the losses (AGSA,2019:128).There are various types of municipal audit outcomes and in this study four audit types are explained in the succeeding paragraphs.

### **2.10.1. Unqualified Opinion**

It is an opinion in which the auditor concludes that the financial statements give a true and fair view in terms of the financial reporting framework used for the preparation and presentation of the financial statement. There is an unqualified opinion without findings and an unqualified opinion with findings. The unqualified opinion without findings also known as the clean audit is one in which auditees produce financial statements free of errors or omissions that are so significant that they affect the credibility and reliability of the financial statements, measure and report on their performance in line with the predetermined objectives in their integrated development plans and or service delivery and budget implementation plans in a manner that is useful and reliable and comply with key legislation (AGSA, 2019: 156).

The unqualified opinions with findings are those that can produce financial statements without material misstatements but are struggling to align their performance reports to objectives committed in the integrated development plans and or service delivery and budget implementation plans, set clear performance indicators and targets to measure their performance against their objectives and unable to report if they achieved performance targets (AGSA, 2019: 156).

### **2.10.2 Qualified Opinion**

Khanyile (2016: 41) describes a qualified opinion as an opinion that the AG gives in situations that are not in conformity with generally recognized accounting principles (GRAP). Apart from challenges in the areas of reporting on performance and compliance with key legislation, the auditee fails to produce credible and reliable financial statements., financial statements contain misstatements that they cannot correct before the financial statements are published (Auditor-General of South Africa, 2019: 157).

### **2.10.3 Adverse Opinion**

According to Seitheisho (2019: 13), this type of opinion is given in instances where enough evidence has been gathered to show that financial statements are tainted by many mistakes and also that dishonesty in a form of fraud is suspected. The financial statements in this situation cannot be trusted because they are not prepared in the format prescribed by the

Auditor General. When an improper format of reporting finances is not followed, it is one such indicator that compels the AG to classify the report under adverse opinion (Mathiba, 2019: 27).

#### **2.10.4 Disclaimer Opinion**

Disclaimer Opinion is issued when the auditor could not form an opinion and, consequently, refuses to present an opinion on the financial statements. According to Nevhutanda and Mamaile (2020:81), a disclaimer opinion is an outcome of the audit in which the auditor after considering various reasons decides not to express an opinion. One of the reasons for a disclaimed opinion report is when an auditee does not provide sufficient evidence which is supported by relevant documents (Mathiba, 2019: 27). This view is shared by Mojapelo and Ngoepe (2021: 39) who maintain that a disclaimer opinion indicates a lack of supporting evidence to an extent that the auditor is not able to form an opinion on the financial statements. Seitheisho (2019: 13) adds that the disclaimer opinion report is issued when the top management of an organization fails to properly maintain financial records. The AGSA (2019: 157) found that auditees with disclaimed opinions fail to give evidence about amounts and disclosures in the financial statements. Sambo (2019: 116) concludes by stating that a disclaimed opinion report is released after the auditor has examined financial statements which do not present a true and fair view of the auditee's financial affairs.

### **2.11 CONCLUDING REMARKS**

It is evident that throughout the discussions from this chapter, the relationship between the role of administrative and political leadership determines the state of financial management in municipalities. Both categories of leadership are regarded as indispensable in ensuring sound financial management which is needed to achieve the mandate of the local government and foster development. The chapter reveals that municipalities have enough mechanisms prescribed by legislative frameworks that enable the achievement of sound financial management. The theoretical analysis provides background on the thinking and action of leadership which affect how decisions are taken and implemented. Furthermore, theories serve as a lens to municipal functional roles and how such roles influence the implementation of policies. Leadership interface in local government is a prerequisite for sound financial management, towards sustainable local development.

## CHAPTER 3

### RESEARCH METHODOLOGY

#### 3.1 INTRODUCTION

This chapter discusses the research design and methodology used to conduct the study. In this chapter, population, the sampling method, sampling size, data collection, pilot study, data analysis and ethical considerations are outlined. The methods used sought to find out the role of political and administrative leadership in financial management and its impact on financial management in Vhembe District Municipality. According to Bacon-Shone (2020:15), research is a process of solving a problem in a systematic and unbiased way by answering research questions or hypotheses based on data obtained. On the other hand, Mishra and Alok (2019: 1) maintain that research involves defining and redefining problems, formulation of hypothesis, collection, organization and evaluation of data to reach conclusions. According to Almalki (2016: 289), the research aims at getting answers to problems using planned and systematic collection, analysis and interpretation of data. It is clear from these definitions that research seeks to find answers to problems.

#### 3.2 RESEARCH PARADIGM

According to Perera (2018: 5), “a research paradigm is a set of common beliefs and principles about how problems should be understood and addressed”. Kaushik and Walsh (2019: 1) describe the research paradigm as “the basic set of beliefs that guide the actions and define the worldview of the researcher”. There are four research paradigms namely, positivist, interpretivism, critical and pragmatic paradigms (Kivunja and Kuyini, 2017: 35). For this study, the researcher chose a pragmatic research paradigm. A pragmatic paradigm arose to have more practical and pluralistic approaches which advocate for the use of mixed methods to understand human behaviour (Kivunja and Kuyini, 2017: 35). In support of the above assertion regarding the pragmatic paradigm, Kamala (2019: 1391) argues that in research, there cannot be one truth and many truths are constructed in a collaborative way.

Pragmatism was chosen for the study because it seeks to use the best approaches in gaining knowledge and use every method which helps in discovering knowledge (Kivunja *et al.*, 2017: 36). The approaches and methods selected should answer research purposes.



Maarouf (2019: 5) states that pragmatism supports every method that answers the research questions which means opening all methodological choices like mixed methods.

### **3.3 RESEARCH DESIGN**

Osuagwu (2020: 48) states that research design is the plan which leads a researcher to the task of collecting, analysing and interpreting data and information for explaining and answering problems. Cook and Cook (2016: 190) indicate that research design helps researchers to collect and analyse data in certain ways to answer the research questions of the study. Creswell (2009: 3) refers to a research design as “the general plan and procedures for research that extend decisions from broad assumptions to detailed methods of data collection and analysis”. Kumar (2014:122) broadens the scope of a research design in that it is the direction that one decides to use during a research journey to get answers to one’s research questions in a more valid, objective, accurate and economical way. Another version of research design is given by Mouton (2001: 55) and refers to it as a plan a researcher contemplates to conduct research. It is a process that leads the researcher into the collection, analysis and interpretation of observed facts.

According to Cook and Cook (2016: 191), there are numerous research designs. These different designs serve different purposes and answer different questions. Rahi (2017: 2) classifies exploratory research, descriptive research and explanatory research as the basic forms of research. In this study, the researcher adopted a descriptive, exploratory and explanatory research design. In the succeeding paragraphs, these research designs are described as a way of supporting their selection for this study.

#### **3.3.1 Descriptive Research Design**

Descriptive research focuses on obtaining information about the present state of the phenomena to provide profiles of situations, people and events (Rahi, 2017: 2). Khaldi (2017: 21) shares this view and states that this type of research helps the researcher in collecting data about the conditions, situations and events that happen in the present. Askarzai (2017:22) puts it differently and argues that descriptive research describes the nature and attributes of a subject. Creswell (2009: 321) refers to descriptive research design as intrinsic as it attempts to describe, analyse and interpret a phenomenon.

In this research context, the descriptive research design was used to describe the role of political and administrative leadership and how their interface affects the management of finances in municipalities. Councillors and municipal managers would be able to describe their experiences with the phenomenon. Financial management in municipalities is a process that requires detailed description to enhance the understanding of the leadership in financial planning, implementation and monitoring. This study describes processes that influence decision-making towards financial management in municipalities. The description will assist to evaluate the current state of financial management situations in municipalities. Policies that regulate political and administrative interface and their role in financial management need to be described and analysed in the context of the study.

### **3.3.2 Exploratory Research Design**

Exploratory research investigates a phenomenon that was not studied before (Askarzai, 2017: 22). According to (Ivankova, Creswell & Clark, 2020 337) this research approach is appropriate when a topic being studied has no theory and the researcher does not know appropriate constructs or how variables would be measured. Rahi (2017: 2) posits that in exploratory research, new insights are explained through asking questions and assessing phenomena from different perspectives. In support of the above assertions, Reiter (2017: 144) argues that exploratory research gives new descriptions about a phenomenon that was ignored before by involving the researcher in clarifying concepts to unearth new understanding from a different angle.

This study would shed new light on the distinct and complementary roles that political and administrative leadership play in financial management. The Twenty-Year Review report on the status of municipalities in South Africa revealed that political and administrative interface is one of the challenges that impede the smooth functioning of the municipality.

### **3.3.3 Explanatory research design**

Rahi (2017: 2) maintains that the premise of explanatory research is that the situations or problems being studied are explained in a form of causal relationships. This study examines the relationship between leadership interface and financial management. The causal effect between the relationship of leadership interface and financial management was described and analysed. On the other hand, Ivankova *et al.*, 2020: 336) state that the quantitative findings are further refined and explained in the qualitative outcomes. This view is shared by

Subedi (2016: 572) who found that the quantitative data and results give an overall overview of the research problem and analysis through qualitative data collection helps to refine, expand or explain the overall overview. This approach is inherent in the mixed-method approach as both quantitative and qualitative approaches are integrated. Explanatory research design, as analysed by Creswell (2009: 321), assists in theory building and testing as the population of this study live the experiences, feelings and attitudes related to the research problem. Experiences from the sampled population enable the researcher to have more insight into the theoretical model such as politics-administration dichotomy, depoliticization model and the complementary model and their implications to the research problem.

### **3.4 RESEARCH METHODS**

According to Asuagwu (2020: 48), research methods include designing studies, collection and analysis of data, assessing for relationships that are relevant or differences in two or more variables, comprehending research findings and reporting the findings to the appropriate audience in the correct format. In congruence to the view stated above, Creswell and Creswell (2018: 250) maintain that research methods are what researchers propose for their studies which are forms of data collection, analysis and interpretation. Almalki (2016: 290) argues that the distinct research methods are quantitative, qualitative and mixed methods. Any or a combination of these three methods can be used depending on what the research aims to achieve, the type of research questions, how the questionnaire or interview guide is structured and the kind of participants (Ussif *et al.*, 2020: 83). the researcher adopted mixed method research which combines quantitative and qualitative research methods. In the succeeding sections, a detailed discussion of the three research methods will follow.

#### **3.4.1 Mixed Methods Research**

The mixed-method is a research method that combines qualitative and quantitative methods. The researcher puts together elements of qualitative and quantitative research approaches to gain a broader and deeper understanding (Schoonenboom & Johnson, 2017: 108). This allows for a comprehensive understanding of the research problem under study. According to Cai (2018: 31), mixed methods research is a research methodology in which “a researcher collects, analyses and integrates both quantitative and qualitative data in a single study”.

Wium and Louw (2018: 4) justify the use of mixed-method when they state that when quantitative or qualitative methods are insufficient to gain a full understanding of the research

problem or to develop many ideas of a phenomenon, mixed-method is most suitable. Almalki (2016:291) points out that there are five reasons which justify the choice of this method summarised as follows

- “It has triangulation which provides opportunities for convergence and corroboration of results that are derived from different research methods
- It has complementarity which means elaboration, enhancement, illustration, clarification of the results from one method with the results from another
- researchers utilise the results from one method to inform another method which covers all aspects of the inquiry
- Initiation involves the discoveries of contradictions or inconsistencies within the data sets which can result in the reformulation of questions or additional questions being raised
- The expansion seeks to extend the breadth and range of inquiry by using different methods for different inquiry components”.

In this study, mixed-method provided an in-depth and complete understanding of the research problem and adequately answer all research questions. There are research questions that can be better answered by using both quantitative and qualitative approaches. Johnson, Onwuegbuzie and Turner (2007: 112) support that the uncertainty of interpreting a statement is greatly reduced once it is ascertained by other measurement methods. These two methods complement each other and assist in cross-validation between qualitative and quantitative methodologies and enable the complete understanding of the research problem.

### **3.4.2 Quantitative Research Design**

In this research methodology, the emphasis is on the analysis of statistics to arrive at solutions. According to Apuke (2017: 41) quantitative research is a study that “involves the utilization and analysis of numerical data using specific statistical techniques to answer questions such as who, how much, what, where, when, how many, and how”. Daniel (2016: 94) argues that quantitative research is more concerned with numbers and figures in data collection and analysis. This view is also shared by Almalki (2016: 290) who regards the distinguishing feature of this approach as the collection and analysis of information using mathematically based methods.

Some of the advantages of using quantitative research are that it uses scientific methods in the collection and analysis of data which make it easy to generalize and are also replicable, thus they can be repeated at any other time or place and the same results are produced (Daniel, 2016: 94). In the same vein, Rahman (2017: 106) argues that the findings of the quantitative study are inferred to the whole population. The quantitative method was used in this study to generalize to a wider population. It is replicable and as the researcher was not in direct contact with participants, it reduces biasness and is not time-consuming.

### **3.4.3 Qualitative Research Design**

In qualitative research, the phenomena are studied where they live, work or play. Aspers and Corte (2019: 142) describe qualitative research as a study of phenomena where they are found or stay, thereby trying to understand or explain the phenomena in relation to the interaction with people. Mohajan (2018: 24) states that qualitative research is about observing the phenomenon under study in its natural surroundings, explaining situations to understand how people interpret their daily lives. Qualitative research incorporates multiple realities that are gained from behaviours, actions, feelings and communities in which people live (Rahman, 2017: 107). Basias (2018: 94) supports the above assertion by describing qualitative research as broad and embracing methodologies that deal with the phenomenon by scrutinising experiences, behaviours and relations without the use of statistics, mathematics and processing of numerical data.

The qualitative method was used in this study to get multiple realities and detailed information of the problem being studied from the natural setting. This method allowed for a full description of the participants in their natural setting. Qualitative research uses descriptive research, exploratory research and contextual research design

### **3.5 STUDY AREA**

Maree (2020: 39) regard a study area as a suitable and feasible place where the research is conducted. The respondents or participants of the study are found at this site. On the other hand, Taylor, Bodgan and Devault (2016: 32) describe a study area as a place in which the researcher establishes rapport with participants and gathers data directly related to the research interests. The research sites can be natural or artificial. Sekaran and Bougie (2016: 100) argue that research can be carried out in the natural surroundings.

The study was conducted in Vhembe District Municipality Head offices in Thohoyandou town. “Vhembe District Municipality is a Category C Municipality, established in the year 2000 in terms of Local Government Municipal Structures Act No. 117 of 1998. It is a municipality with a Mayoral Executive System, which allows for the exercise of executive authority through an Executive mayor in whom the executive leadership of the municipality is vested and who is assisted by a mayoral committee. It consists of four local municipalities: Thulamela, Makhado, Musina and Collins Chabane, which are category B executive municipalities” (Vhembe District Municipality 2020/21 IDP Review: 1)

**Figure 3.1. Map of Vhembe District Municipality**



The district is located in the Northern part of Limpopo Province and shares borders with Capricorn, Mopani District municipalities in the eastern and western directions respectively. The sharing of borders extends to Zimbabwe and Botswana in the North West and Mozambique in the south-east through the Kruger National Park respectively (Vhembe District Municipality IDP Review, 2020/1: 1).

### 3.6 POPULATION OF THE STUDY

A population can be defined as a group of individuals, objects and items with common characteristics or attributes (Eitikan & Babatope, 2019: 50). However, Bangu (2017: 11) sees the population as research respondents who are expected to give feedback on research questions posed to them. The target population in this study are the total number of political leaders who serve in the mayoral, municipal public accounts and audit committees as well as senior administrative officials responsible for financial management in Vhembe District Municipality. The total number of politicians is 32 and 12 administrative officials bringing the overall total number of the population to 44. According to the Vhembe District Municipality Draft Annual report(2019/20: 151), the Finance Portfolio Committee, Municipal Public Accounts Committee, Mayoral committee and Audit committee members are eight, ten, ten and four respectively. The Vhembe District Municipality Draft Annual report(2019/20: 18), list senior administrative officials responsible for financial management as twelve in number. From this population, a sample of respondents was drawn to participate in the study.

### 3.7 SAMPLING

According to Gronmo (2020: 153) sampling is a process in which units for the study are selected. Sampling is a sub-group selected from the population of the study. Leavy (2017: 76) shares the view above and describes sampling as a process by which the researcher selects several individual cases from a larger population. There are methods of sampling as shall be discussed in the succeeding paragraphs.

#### 3.7.1 Sampling Methods

There are mainly two sampling methods namely, probability and non-probability methods. According to Bernt (2020: 224) probability sampling methods include random selection to ensure each case in the population has an equal chance of being selected whereas, in non-probability sampling methods, a sample is selected based on the subjective judgement of the researcher.

In this study the researcher used purposive sampling methods classified under the non-probability sampling methods and therefore, the researcher used purposive or judgemental sampling techniques. Kumar (1996: 162); Babbie, (2005: 225) and Welman *et al.*, (2005: 69) share the notion that non-probability sampling is exploratory as it tries to understand the reality of a phenomenon. The researcher used his discretion about those who can supply the

best information related to the problem statement and research questions to achieve the objectives of the study. Sampling is chosen based on what the population knows, its components, and what the study purpose is.

According to Schreier (2018: 88), in purposive sampling, the units which have rich information are selected to answer the research question. In the same vein, Etikan and Bala (2017: 215) state that in purposive sampling, the researcher makes a judgement about those who will give the best information to answer the objectives of the study. Purposive sampling is a conscious selection of settings, persons and events to get important information that cannot be found from other choices (Taherdoost, 2016: 23). Purposive sampling is useful when specific types of people can provide critical information because they are the only ones who can provide it (Sekarana & Bougie, 2016: 248). The sample selected has elements which are more characteristic and representative attributes of the population and can help in the understanding of the research problem (Strydom & Delport, 2011: 392). In this study, the specific people were pre-selected because of their positions and the nature of the work performed at the municipality. Councillors as political leaders and municipal managers as administrative leaders are sampled to determine their role in municipality financial management.

### **3.7.2 Sample size**

The sample size depends on the population of the study. Ussifi, Ertugral, Coskun, and Baycan (2020: 4) describe the sample size as several respondents who are chosen from among the population to serve as a representative of the population. It is not possible to include all members of the population, the researcher selected representatives of the population, who are relevant political and senior administrative officials of Vhembe District Municipality. These are the officials whose role mainly involves financial management. Accordingly, the information they will supply is the best information related to the problem, research questions and objectives of the study.

The total number of the sample comprises 32 politicians and 12 administrative officials bringing the overall total number of the sample to 44. The sample size chosen is bigger and equals the population to ensure representativeness (Maree & Pieterse, 2020: 221). Moreover, the larger sample size decreases the sampling error and increases the validity of the results (Etikan & Babatope, 2019: 53). Etikan and Babatope (2019: 54) further argue that



a larger sample size equal to or nearer to the population size gives a better picture for generalization of the population of the study.

### **3.8 DATA COLLECTION METHODS**

Data collection involves the collection of data using an instrument or gathering data on a behavioural checklist (Creswell & Creswell, 2018: 16). According to Flick (2018: 7), data collection is the selection and production of materials for the analysis and comprehending of phenomena, social fields, subjective and collective experiences and the process of making meaning. The choice of data collection methods is dependent on the research problem and population being studied. Data collection methods are instruments that are used to collect data. The research instruments used for data collection were an interview schedule and questionnaires.

#### **3.8.1 Interviews**

Taylor, Bodgan and Devault (2016: 102) describe interviews as face-to-face meetings between the researcher and informants that aim to understand views on their lives, experiences, or situations as revealed in their own words. On the other hand, Howitt (2016: 60) states that an interview includes questions and probes by the interviewer set to get the interviewee to speak freely and in detail about the topics defined by the researcher. The researcher used both methods of interviews which were an open-ended questionnaire (qualitative) and a close-ended interview (quantitative). In this study, which adopts the mixed research methodology, an in-depth personal interview using open-ended questions was conducted with the respondents in their natural environment, thus in their office spaces. The researcher interviewed four (4) senior political office bearers, nine (9) senior administrative officials and two (2) South African Municipal Workers Union members of Vhembe District Municipality whose key roles are related to financial management.

A prior appointment for interviews with the respondents was made. A letter of permission for conducting an interview was directed to the Office of the Municipal Manager. Two research assistants were appointed to assist with the recording and transcription of the data collected. There are three types of interviews, namely; unstructured, structured and semi-structured. This study as a mixed-method design uses triangulation to collect data; structured and semi-structured interviews were used. The three types of interviews are discussed below.

### **3.8.1.1 Unstructured interview**

Jamsed (2014: 1) refers to an unstructured interview as an informal and unplanned interview. In this type of interview which is mainly qualitative, the researcher attempts to incite a piece of in-depth information about an event, attitude, feelings or behaviour. There is no pre-determined questionnaire or interview schedule. The main aim is to explore a general area of interest unlike in a structured or semi-structured interview. Welman *et al.*, (2005: 165) contend that unstructured interview interaction is non-directive. The interviewee responds freely about a phenomenon in an explorative manner. This type of interview is seldom used as it is time-consuming and not focused. It is used in explorative kinds of research like in ethnography or grounded research design. Participatory research prefers this type of interview where the respondent is allowed time to explain the phenomenon without much intervention or directed to respond in a certain way. It is useful to generate hypotheses for further research.

### **3.8.1.2 Structured Interview**

The structured interview is a standardized, planned or patterned form of an interview. It is mainly used in quantitative research where the interview schedule is highly structured. The respondent is expected to adhere to the questionnaire schedule. It is used in the statistical survey and follows a prepared sequence. The interview can be done through telephone, face to face or a survey schedule. Welman *et al.*, (2005: 165) contend that the structured interview is based on a collection of previously prepared questions referred to as an interview schedule. In this kind of interview, there is no or little flexibility as all questions have pre-coded answers. Therefore, there is little room for the respondent to explain the event or express feelings towards a phenomenon. The advantage is that it saves time. The recording of the interview follows the sequence of pre-coded answers. This study is premised on mixed-method research which some sections will require some pre-coded answers as part of the quantitative method. The respondent should tick or respond in accordance with the interview schedule.

### **3.8.1.3 Semi-structured interview**

Semi-structured, according to Welman *et al.*, (2005: 166) lies in between the unstructured and structured interview. In a semi-structured qualitative interview, the researcher has a list

of topics and questions to cover. Interview guides are used in the semi-structured interviews. Welman *et al.*, (2005: 167) point out that a semi-structured interview is easier to administer. The respondent can probe or ask clarification of questions from the researcher. It can be used with all age groups. Data is recorded through notes or tape recording. A semi-structured interview is considered when the topic is sensitive like the research problem of this study.

In this study, the semi-structured interview was used to collect data as part of a mixed-method research design. The role of the leadership interface and its impact on financial management in the municipality is a sensitive subject. The Vhembe Municipality which is the focus of the study had undergone various scandals ranging from corruption such as wasteful expenditure, unclean audit, lack of financial accountability and fraud. This type of interview is ideal as some of the respondents may feel that the researcher wants to expose the wrongdoings occurring at the Municipality. In a Municipality setting, where Cadre Deployment Policy prevails in terms of staffing, some of the respondents may not have any background in the management of municipality affairs, let alone the technical know-how.

### **3.8.2 Questionnaires**

Etikan and Bala (2017: 219) are of the view that a questionnaire is a series of questions with space for answers designed to gather information among respondents. In support of this view, Gronmo (2020: 235) states that a questionnaire entails the formulation of questions and response options. The two types of questionnaires namely open-ended questionnaires and closed-ended questionnaires are the most commonly used. According to Gronmo (2020: 235), an open-ended question has no fixed answer choices as the respondent selects answers from the choices offered whereas the closed-ended question has fixed answer choices as the respondent will choose among options provided. Stockemer (2019: 42) agrees with this view and states that open-ended questions allow respondents to formulate their answers using their own words, while closed-ended questions require them to choose an answer from a set of predetermined options.

Both open-ended and closed-ended questions were used as the study is based on the triangulation of the qualitative and quantitative research methodologies. This implies that the researcher in this study formulated the questionnaires based on the literature review as presented in Chapter 2. The questionnaires covered the research objectives to achieve the aim of this study. Therefore, questionnaires are categorized into sections. The biographical

details of the respondents are contained in section A. Section B contains closed-ended questions in a Likert scale form. The Likert scale shows the level of agreement with the statements ranging from strongly agree to strongly disagree.

The researcher used the qualitative open-ended questions in the interview schedule to solicit responses to determine if indeed the respondents know the concepts that underpin financial management. In open-ended questions, answers are honest, detailed and the thinking processes of respondents are revealed (Maree & Pietersen, 2020: 202). These questions are necessary because they reveal information that cannot be found in close-ended questions. Paradis, O'Brien, Nimmon, Bandiera and Martimianakis (2016: 263) add that good structured open-ended questions which are specific can yield coherent responses across respondents and should be broad enough to invite a spectrum of answers. According to Nieuwenhuis (2020:108), the open-ended interview is a conversation in which the researcher explores with the participants, their views, ideas, beliefs and attitudes about specified events or phenomena. Open-ended or unstructured interviews are preferred because the questions are few and elicit views and opinions from the participants (Creswell & Creswell, 2018: 187). Mohajan (2018: 18) adds that open-ended questions uncover new or unanticipated phenomena, and raise more questions through broad and open-ended inquiry.

Closed-ended questions were also used because they are quick to answer and easy to analyse. According to Maree and Pietersen (2020: 202), closed-ended questions are easy and quick to answer as well as easy to code and analyze statistically. Fifteen questionnaires for open-ended questions and fifteen questionnaires for closed-ended questions to Vhembe District Municipality were distributed for completion by political and administrative officials. The researcher sought assistance from research assistants to distribute questionnaires to respondents. The questionnaires were collected after two days of distribution.

### **3.9 PILOT STUDY**

According to Lowe (2019: 117), a pilot study is a small feasibility study designed to test various aspects of the methods planned for a larger investigation. This assertion is supported by Leavy (2017: 116) who describes a pilot test as a complete run-through of a study in which the data collection instrument, sampling method, and findings are described. Malmqvist, Hellberg, Mollas, Rose and Shevlin (2019: 2) state that a pilot study is used to measure possibilities of conducting the full study taking into consideration how findings will be

implemented as well as to consider the resources like time and cost, for undertaking the project. Fraser, Fahlman, Arscott, and Guillot (2018: 263) share this view and contend that the purpose of pilot studies is to test the steps described in a research plan and then make changes to the plan based on the results of the pilot study. A pilot study helps the researcher to study small groups so that corrections can be made before the main study, which saves time, energy and money (Etikan and Bala, 2017: 220). Regarding the pilot study of the research, the researcher interviewed at least five respondents with the same characteristics and gave them questionnaires. These were councillors and senior administrative officials.

### **3.10 DATA ANALYSIS**

According to Asuagwu (2020: 50) data analysis happens when the researcher categorizes, orders, manipulates and summarizes data to get relevant answers to research questions. This idea is supported by Cohen, Manion and Morrison (2018: 643) who describe data analysis among others as, organizing, describing, understanding, accounting for, and explaining data, making sense of data in terms of the participants' definitions of the situation. Various methods are used to analyse data in research depending on whether it is quantitative or qualitative. There are steps in qualitative and quantitative data analysis.

#### **3.10.1 Qualitative Data Analysis**

According to Tolley, Ulin, Mack, Robinson and Succop (2016:176) qualitative research data is analysed in five steps:

- **Step 1:** Reading: Developing an Intimate Relationship with the Data

The researcher will read and reread transcripts of information to be familiar with the content and be able to identify the patterns (Tolley *et al.*, 2016: 176).

- **Step 2:** Coding: Identifying the Emerging Themes

When the researcher is familiar with the content, the next step is the coding of themes. According to Tolley *et al.*, (2016: 179) the researcher uses words or parts of words to flag ideas in the transcript to make an analysis of a large data easier and more accurate. In support of this assertion, Belotto (2018: 2624) found that the process of coding enables the interpretation of large segments of text and parts of information based on the research. The researcher will use a codebook which according to Belotto (2018: 2625) lists all the codes used for each participant's transcript. Themes will emerge from the transcript. According to

Azungah (2018: 391), key concepts and themes will be identified using the research questions after reading transcripts.

- **Step 3:** Displaying Data: Distinguishing Nuances of a Topic

After having coded the data, the researcher takes inventory of information related to the theme, captures variations of each theme and notes differences between or among subgroups (Tolley *et al.*, 2016: 199).

- **Step 4:** Data Reduction: Getting the Big Picture

The researcher reduces the data by distilling the information to make the most essential concepts and relationships more visible e.g. use of matrix, diagrams and taxonomies (Tolley *et al.*, 2016: 204). The data will be reduced to a manageable size to get the bigger picture.

### **Step 5:** Interpretation

The purpose of interpretation is to identify ways in which the emerging themes, subthemes, connections and contradictions fit and what they mean (Tolley *et al.*, 2016: 207). The data will be interpreted to give meaning in a manner that is also trustworthy.

On the other hand, Taylor, Bodgan and DeVault (2016: 169) argue that qualitative data analysis involves distinct activities, namely:

- Identifying themes and ideas to develop concepts and propositions
- Coding data while refining an understanding of the subject matter
- scrutinizing the emerging analysis and attempting to discount findings.

### **3.10.2 Quantitative Data Analysis**

Leavy (2017: 111) describes quantitative data analysis as a process that leads to a statistical presentation of data in a series of tables or charts with a discussion. Gronmo (2020: 403) shares this view and describes quantitative data analysis as an analysis of large data using statistical techniques. The data obtained are converted into numbers, percentages and measurable figures that are calculated using statistical Package for Social Sciences (SPSS) software (Daniel, 2016: 94). The information will be presented in tabular form with frequencies and percentages followed by synthesis information. There are six steps in quantitative data analysis as shall be discussed in the next paragraphs.

### **Step 1: Reading: Developing an Intimate Relationship with the Data**

The researcher will design a table with numbers and percentages to describe respondents who returned the questionnaire and those who didn't return the questionnaire (Creswell and Creswell, 2018: 156). Leavy (2017: 111) is of the same view and argues that the researcher will report on members of the sample who completed and those who didn't complete the survey to get the effect of non-response on the results.

### **Step 2: Discuss the methods regarding response bias**

Response bias has to do with the effect of non-responses on survey estimates, thus how it affects the results (Creswell and Creswell, 2018: 157). The researcher used respondent and non-respondent analysis to determine the extent of response bias.

### **Step 3: Displaying Data: Distinguishing Nuances of a Topic**

The researcher will in the analysis of the range of scores for the independent and dependent variables, identify the missing data and develop plans to report such missing data (Creswell *et al.*, 2018: 157).

### **Step 4: Evaluate if it will be necessary to reverse score items**

When an instrument has multi-item scales, an evaluation has to be made to determine if it will be necessary to reverse score items and how to calculate total scale scores (Creswell *et al.*, 2018: 157).

### **Step 5: Identify the statistics and the statistical computer program**

The researcher will identify the statistics and statistical computer program to test the major inferential research questions in the study (Creswell *et al.*, 2018: 157)

### **Step 6: Presentation of results in tables or figures and integration of results**

The researcher concludes the results for the research questions (Creswell *et al.*, 2018: 158). The presentation of the findings was made in a descriptive form supported by frequency distribution and percentages.

## **3.11 ETHICAL CONSIDERATION**

Cohen, Manion and Morrison (2018: 111) assert that ethical research concerns the behaviour of researchers, thus what they ought to do and what they ought not to do. This view is supported by Gronmo (2020: 56) who writes that ethics of research involves the researchers'

rights, obligations and responsibilities concerning participants in the study. The main researchers' actions, should be geared towards protecting the participants. To protect human participants, Arifin (2018: 1) states that ethical principles must be applied in any research study. According to Maree (2020: 49), some of the important principles to keep in mind and comply with are obtaining permission for the research, informed consent, anonymity and confidentiality. In addition to the above principles, Thakhathi, Mutangabende and Ncube (2017: 25) add some of the most common ethical considerations, namely, voluntary participation and reduction of harm. These ethical principles are discussed in the next paragraphs.

### **3.11.1 Permission to Conduct Research**

According to Maree (2020: 48), the research project commences after an application to conduct the research has been submitted and approved by the institution where the researcher is registered. The researcher sought permission to conduct the study from the University of Venda in the OR Tambo Institute of Governance and Policy Studies.

### **3.11.2 Informed consent**

Lune and Berg (2017: 46) describe informed consent as the knowing consent of individuals to take part in the research as a way of choice without any part of the fraud, deceit, duress, or similar unfair inducement or manipulation. It is at this point of research in which all participants were informed about their right to withdraw should they wish not to continue with the interview (Maree, 2020: 48). Moreover, participants were issued with forms that explained the purpose of the study. In the end, they signed consent for involvement in the study.

### **3.11.3 Anonymity and confidentiality**

The anonymity and confidentiality of participants are maintained by not revealing the names and identities of participants in the data collection, analysis and reporting of the study findings (Arifin, 2018: 1). Cohen *et al.*, (2018: 130) states that confidentiality means that the researcher does not make known the information that is obtained from the participants to ensure that individuals who participated in the research are not traced. The researcher promised participants of the strictest confidentiality with which their responses would be handled. The anonymity of participants means that the identity of participants should under no circumstances be made known to any persons or entities which are not part of the research (Maree, 2020: 48). The researcher ensured anonymity by asking participants not



to include their names on the questionnaires or during the interview session.

#### **3.11.4 Voluntary participation**

According to Thakhathi *et al.*, (2017: 26), voluntary participation implies that participants are free to exercise their will whether they want to participate or not in the study. The researcher explained to all the participants that their participation was voluntary and that if they wished to withdraw or refuse to participate, it would not affect them in any way.

#### **3.11.5 Reduction of harm**

Thakhathi *et al.*, (2017: 25) argue that the researchers should avoid hurting the research subjects. The researcher looked for direct or indirect threats and guarded against them during the study as they could harm participants during the study.

### **3.12 VALIDITY AND RELIABILITY**

Validity and reliability of data measuring instruments are an important aspect for the research as they assist to evaluate the quality of the study, indicate how well a method, technique, or test measure something (Brynard, Hanekom & Brynard, 2014:49).

#### **3.12.1 Validity**

Babbie & Mouton (2012: 537) indicate that validity explains how well the collected data covers the actual area of investigation. Validity basically means “measure what is intended to be measured”. In this study, validity was achieved through instrument survey which was used as a measurement when collecting data. Three types of validity was used such as; descriptive, interpretive and theoretical validity. The study consider the accuracy of the behaviour, events and setting of different role players as the determinant of whether the interface between the political and administrative influence the manner in which municipal finances are managed, how policies are implemented. The findings of this study can be generalised to other studies who used related literature reviews. Therefore, the objectives of the study are representative of what the researcher seeks to investigate.

#### **3.12.2 Reliability**

Reliability means dependability or consistency. It suggests that the same thing is repeated or recurs under the identical or very similar conditions (Neuman, 2011:188). Reliability is a very important factor in assessment, and is presented as an aspect contributing to validity and not opposed to validity. Bryman (2012: 391) describes that reliability relates to the credibility of

the findings as to whether they are trustworthiness or not. In this study, the measuring instrument, if repeated can produce the same or similar results as the findings concur with literature review about the role of political and administrative interface and how such relationship can have implications into financial management of the municipality. The instrument, if tested in other municipality with similar or related setting and same categories of role players guided by same legislatives as indicated in literature review will confirm related findings.

### **3.13 CONCLUDING REMARKS**

In this chapter, the researcher discussed the research paradigm, research design and research methods. The research methods discussed are quantitative, qualitative and mixed methods. The descriptive, exploratory and explanatory research designs were discussed under qualitative research methods. The chapter further discussed the study area, population of the study, sampling, data collection methods, pilot study, data analysis and ethical consideration. In the research paradigm, the pragmatic paradigm was chosen as it combines qualitative and quantitative methods which are collectively described as mixed methods. The chapter also provided the reasons for using a mixed method of collecting and analysing data. The pragmatic approach gives multiple views of reality. The chapter also explained the pragmatic approach to how data was collected, analysed and interpreted as premised on the three basic forms of research namely descriptive, exploratory and explanatory research. Statistical and thematic analysis was used for data analysis. Also ethical considerations were identified and discussed.

## CHAPTER 4

### DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

#### 4.1 INTRODUCTION

This chapter presents the opinions and an understanding of “The Role of Political and Administrative Leadership in Financial Management: A Case of the Vhembe District Municipality”. The data on the role of political and administrative leadership in financial management was gathered by employing mixed methods. Through these methods, the researcher used interviews and questionnaires in data collection. The tabular format was used to explain responses on the items of the questionnaire and a short explanation of the findings ensued. The narrative format was chosen to explain responses from the schedules of the interview and the next step was to briefly interpret the findings.

#### 4.2 AN ANALYSIS OF DATA COLLECTED THROUGH QUESTIONNAIRE

The data collected using questionnaires was presented, interpreted, and analysed in sections A and B. The biographical details of the respondents are presented in section A. The researcher further presents data in section B that was elicited from the questionnaire items shared with the respondents. The researcher further analyses data collected through the interview schedule. Due to Covid-19, some respondents answered the questionnaire online and others took longer to return completed questionnaires. It required patience on the side of the researcher, especially the Speaker and Chief Financial Officer’s offices where belated responses were received. The data was elaborated through the use of graphical tabular format, percentages and frequencies. The findings are briefly discussed after each table.

##### 4.2.1 Section A: Biographical details of the respondents

The questions which attempt to get to the biographical data of respondents are contained in this section. The data is important to find out the type of participants, their qualifications categories, sex and age. The graphic tabular format is used to describe the generated data and the next step was to briefly explain the findings.

**Table 4:1 Gender of the respondents**

	Response	Frequencies	Percentage
1	Male	28	63.6%
2	Female	16	36.4%
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>

(Ramaleba, 2021).

The gender of respondents is illustrated in the table 4.1 above. Of the respondents who participated in the study, 28 (63.6%) were males while 16 (36.4%) were females. This reveals that the majority were males and females were in the minority.

**Table 4.2: Age of the respondents**

	Response	Frequencies	Percentage
1	20 to 30 years	01	2.3%
2	31 to 40 years	13	29.5%
3	41 to 50 years	21	47.7 %
4	51 to 65 years	09	20.5%
5	Other	00	0%
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>

(Ramaleba, 2021).

The age of the respondents is illustrated in the above table and the data reveals that the majority, at 21 (47.7.2%) were 41 to 50 years of age. As reflected above, 13 (29.5%) were 31 to 40 years of age and 09 (20.5%) were in the range of 51 to 65 years of age. The table further reveals that 01 (2.3%) of the respondents were aged 20 to 30 years. The conclusion is that the middle-aged and old respondents had higher participation as compared to t youth. The higher participation of middle-aged and old respondents can be attributed to the fact that they are in the majority and young people are in the minority among councillors and senior officials in the municipality.

**Table 4.3: Occupational Group of the respondents**

	Response	Frequencies	Percentage
1	Administrative	06	14%
2	Councillor	31	70%
3	Senior Manager	07	16%
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>

(Ramaleba, 2021).

Table 4.3 reflects the occupations of those who took part in this study. Of the 44 respondents, the majority at 31 (70%) were councillors followed by senior managers at 07(16%). The number of councillors involved in financial governance is higher than the number of senior managers involved in financial management. The data also shows that 06 (14%) of the respondents were administrative officials, 31 (70%) of the respondents were councillors and 07 (16%) were senior managers.

**Table 4.4: Qualification of the respondents**

	Response	Frequencies	Percentage
1	Grade 12 /Matric	09	20.5%
2	Diploma	11	25%
3	Certificate	00	0%
4	Bachelor's degree	15	34%
5	Postgraduate Degree	09	20.5%
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>

(Ramaleba, 2021).

The qualifications of the respondents are depicted in table 4.4 above, and it was found that the majority, 15 (34%) of the respondents are holders of Bachelor's degrees. This was followed by 11(25%) who are holders of a diploma, 09 (20.5%) with a post-graduate degree and 09 (20.5%) with Grade 12 respectively. The conclusion is that the highest level of

education for the majority of Vhembe District Municipality officials is a bachelor's degree or diploma.

#### 4.2.2 SECTION B: THE ROLE OF POLITICAL AND ADMINISTRATIVE LEADERSHIP IN FINANCIAL MANAGEMENT

The tabular format is used to present, analyse and interpret the generated data. The five themes are the role of political and administrative leadership in financial management, the challenges facing political and administrative leadership in financial management, the importance of political and administrative leadership in financial management, the implications of political interference in financial management in municipalities and the strategies that can be used to improve the financial management of Vhembe District Municipality.

##### 4.2.2.1 The role of political and administrative leadership in financial management

In this section, the researcher presented data on the role of political and administrative leadership in financial management in Vhembe District Municipality. The table below reflects the data that was collected in respect of item 4.2.2.1, the findings thereof, as well as the interpretation.

**Table 4.5: The municipality keeps and maintains an effective financial internal control system**

	Response	Frequencies	Percentage
1	Strongly agree	14	32 %
2	Agree	22	50 %
3	Not sure	02	4.5 %
4	Disagree	05	11.3 %
5	Strongly disagree	01	2.2 %
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>

(Ramaleba, 2021).

The data illustrate that 14 respondents (32%) strongly agreed and 22 (50 %), which represents the majority of respondents agreed with the statement. On the table, it is further shown that 02 (4.5%) were not sure, five (05) respondents (11.3%) disagreed and lastly,

01(2.2.%) strongly disagreed. Therefore, it can be inferred that the majority of the respondents agreed that the municipality keeps and maintains an effective financial internal control. This shows that municipal managers and relevant senior managers as administrative leadership should keep and maintain effective financial internal control systems.

**Table 4.6: The municipality complies with supply chain management policy**

	<b>Response</b>	<b>Frequencies</b>	<b>Percentage</b>
1	Strongly agree	03	7%
2	Agree	15	34%
3	Not sure	04	9.1%
4	Disagree	20	45.4%
5	<b>Strongly disagree</b>	<b>02</b>	<b>4.5%</b>
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>

(Ramaleba, 2021).

Table 4.6 above shows that three (03) respondents (7%) strongly agreed, 15 (34%) agreed that the supply chain management policy is complied with, 02(4.5%) strongly disagreed, 04 (9.1%) were not sure while the majority, 20 (45.4%) disagreed. Two (4.5%) of the respondents strongly disagreed. Most of the respondents disagreed that the municipality complies with supply chain management policy. This is further revealed by the majority of respondents who oppose the statement. It can be concluded that the accounting officer who is the municipal manager and the Chief Financial Officer fail to abide by the supply management policy.

**Table 4.7: There is political oversight in the financial affairs of the municipality**

	Response	Frequencies	Percentage
1	Strongly agree	08	18%
2	Agree	26	59%
3	Not sure	03	7%
4	Disagree	06	14%
5	Strongly disagree	01	2%
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>

(Ramaleba, 2021).

Table 4.7 reflects that 08 (18%) the respondents strongly agreed that there is political oversight in the financial affairs of the municipality and the majority, 26 (59%) agreed. Furthermore, 03 (7%) were not sure; 06 (14%) disagreed and 01 (2%) strongly disagreed. Therefore, a conclusion can be drawn that the majority of the respondents agreed that there is political oversight in the financial affairs of the municipality. This shows that the political leadership should provide political oversight in the financial affairs of the municipality. Hence, political oversight improves financial management in the municipality.

**Table 4.8: The municipality timely submits financial statements to the Auditor-General for audit purposes**

	Response	Frequencies	Percentage
1	Strongly agree	06	13.6%
2	Agree	12	27.3%
3	Not sure	04	9.1%
4	Disagree	15	34 %
5	<b>Strongly disagree</b>	<b>07</b>	<b>16%</b>
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>



Table 4.8 shows that 06 (13.6%) of the respondents strongly agreed that the municipality timely submits financial statements to the AG for auditing; 12 (27.3%) agreed; 04 (9.1%) were not sure. The majority, 13 (34%) disagreed and 07 (16%) strongly disagreed. Most of the respondents disagreed that the municipality timely submits financial statements to the Auditor-General for audit purposes. It simply means that the administrative officials, namely, the Municipal Manager and the delegated senior administrative officials fail to submit financial statements in time to the Auditor-General for audit purposes.

#### 4.2.2.2. Challenges facing political and administrative leadership in financial management

The data on the challenges facing political and administrative leadership in financial management is presented in this section. The data is presented in tabular form with a brief interpretation thereof.

**Table 4.9: The financial internal control system is effectively implemented to prevent incurring unauthorized, irregular, fruitless and wasteful expenditure**

	Response	Frequencies	Percentage
1	Strongly agree	05	11.3 %
2	Agreed	09	20.4 %
3	Not sure	01	2.3%
4	Disagree	16	36%
5	Strongly disagree	13	30%
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>

(Ramaleba, 2021).

Table 4.9 shows that 05 (11.3%) of the respondents strongly agreed with the statement, while 09(20.4%) agreed. Furthermore 01 (2.3%) of the respondents were not sure, while the majority, 16 (36%) disagreed. Lastly, 13 (30%) of the respondents strongly disagreed. The conclusion drawn was that the majority of the respondents disagreed that the financial internal control system is effectively implemented to prevent incurring the unauthorized, irregular, fruitless and wasteful expenditure. It shows that the municipality does not exercise

an internal control system to prevent incurring the unauthorized, irregular, fruitless and wasteful expenditure.

**Table 4.10: The municipality follows the prescribed guidelines for the submission of financial reports**

	Response	Frequencies	Percentage
1	Strongly agree	08	18%
2	Agree	09	20.4%
3	Not sure	03	7%
4	Disagree	23	52.3%
5	Strongly disagree	01	2.3%
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>

(Ramaleba,2021).

The presentation of data in Table 4.10 above reveals that 08 (18%) strongly agreed that the municipality follows the prescribed guidelines for the submission of financial reports; 09 (20.4%) agreed; 03 (7%) were not sure; the majority, 23 (52.3%) disagreed and 01 (2.3 %) strongly disagreed. It can be concluded that most of the respondents disagreed that the municipality follows the prescribed guidelines for the submission of financial reports. The Municipality, therefore, does not follow the prescribed guidelines for the submission of financial reports.

**Table 4.11: Politicians are involved in supply chain management**

	Response	Frequencies	Percentage
1	Strongly agree	08	18%
2	Agree	20	45%
3	Not sure	06	14%
4	Disagree	06	14%
5	Strongly disagree	04	9%
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>

(Ramaleba, 2021).

Table 4.11 demonstrates that those who strongly agree with the statement that there is political involvement in supply chain management are 08 (18%); 20 (45%) of the respondents who constitute the majority, agreed with the statement; 06 (14 %) were not sure; 06 (14%) disagreed and 04 (09%) strongly disagreed. It can be deduced that most of the respondents strongly agreed that politicians are involved in supply chain management. This shows that politicians interfere in the supply management process.

**Table 4.12: Financial staff members have expertise and skills to deal with financial management**

	Response	Frequencies	Percentage
1	Strongly agree	04	9.1%
2	Agree	15	34.1%
3	Not sure	08	18.1%
4	Disagree	16	36.4%
5	Strongly disagree	01	2.3%
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>

(Ramaleba, 2021).

In terms of data presented in Table 4.12, 04 (9.1%) of the respondents strongly agreed that the financial staff members possess expertise and skills to deal with financial management; 15(34.1%) agreed; 08 (18.1%) were not sure; the majority, 16 (36.4%) disagreed and 01 (2.3%) strongly disagreed. From the data presented above, a conclusion was reached that many of the respondents disagreed that the financial staff members have the expertise and skills to deal with financial management. This reveals that the financial staff members do not have the necessary expertise and skills to run the finances of the municipality.

#### 4.2.2.3 The importance of the relationship between political and administrative leadership in financial management

The data regarding the importance of the relationship between political and administrative leadership in financial management is presented in this section. The data is presented in tabular form and followed by interpretation of the findings.

**Table 4.13: There is a good relationship between the political and administrative leadership in managing the financial resources of the municipality**

	Responses	Frequencies	Percentage
1	Strongly agree	07	16 %
2	Agree	10	23
3	Not sure	02	4.5%
4	Disagree	13	29.5%
5	Strongly disagree	12	27%
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>

(Ramaleba, 2021).

Table 4.13 indicates that seven (07), 16% of respondents strongly agreed that there is a good relationship between the political and administrative leadership in managing financial resources of the municipality; 10 (23%) agreed with the statement, whereas 02 (4.5%) were not sure. The majority, 13 (29.5%) disagreed and 12(27%) of the respondents strongly disagreed. A conclusion reached was that most of the respondents disagreed that there is a good relationship between the political and administrative leadership in managing the

financial resources of the municipality. This indicates that a sound relationship between the political and administrative leadership in managing the financial resources of the municipality exists.

**Table 4.14: There is a clear separation of roles between politicians and administrators in financial management**

	Response	Frequencies	Percentage
1	Strongly agree	07	16%
2	Agree	20	45%
3	Not sure	03	7%
4	Disagree	13	30%
5	Strongly disagree	01	2%
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>

(Ramaleba, 2021).

Table 4.14 indicates that 07 (16%) strongly agreed that there is a clear separation of roles between politicians and administrators in financial management, the majority, 20(45%) agreed with the statement; 03 (7%) were not sure; 13 (30%) disagreed, while 01 (2%) strongly disagreed with the statement. A conclusion arrived at was that the majority of the respondents agreed that there is a clear separation of roles between politicians and administrators in financial management. This reveals that the roles of politicians and those of administrators are well defined.

#### **4.2.2.4. The implications of political interference in financial management**

This sub-section presents the data regarding the implications of political interference in financial management. The tabular format was used to present data and thereafter findings were interpreted.

**Table 4.15: The involvement of politicians in financial administration breeds corruption**

	Response	Frequencies	Percentage
1	Strongly agree	25	57%
2	Agree	11	25%
3	Not sure	07	16%
4	Disagree	0	0%
5	Strongly disagree	01	2%
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>

(Ramaleba, 2021).

Table 4.15 indicates that the majority, 25 (57%), strongly agreed that the involvement of politicians in the financial administrative roles increases corruption; 11 (25%) agreed; 07 (16%) were not sure; none disagreed while 01 (2%) strongly disagreed with the statement. A conclusion reached was that the majority of respondents strongly agreed that the involvement of politicians in the financial administrative roles increases corruption. It means that when politicians involve themselves with the roles that are performed by administrators, corruption is increased.

**Table 4.16: Cadre deployment without regard for skills and expertise contributes to financial mismanagement**

	Response	Frequencies	Percentage
1	Strongly agree	22	50%
2	Agree	15	34 %
3	Not sure	03	7%
4	Disagree	02	4.5 %
5	<b>Strongly disagree</b>	<b>02</b>	<b>4.5 %</b>
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>

(Ramaleba,2021).

Table 4.16 indicates that the majority of respondents, 22 (50%) strongly agreed that cadre deployment without regard for skills and expertise contributes to financial mismanagement; 15 (34%) agreed; 03 (7%) were not sure; While 02 (4.5%) disagreed and 02 (4.5%) respondents strongly disagreed. A conclusion was drawn that the majority of the respondents strongly agreed that cadre deployment without regard for skills and expertise contributes to financial mismanagement. This indicates that when politicians as cadres are deployed without regard for skills and expertise, financial mismanagement occurs.

#### **4.2.2.5. The strategies that can be used to improve the financial management of Vhembe District Municipality**

The data on the strategies that can be used to improve the financial management of the Vhembe District Municipality is described in this section. The data is presented in tabular format and followed by the interpretation of the findings.

**Table 4.17: Financial staff members involved in irregular and wasteful expenditure face consequence management**

	Response	Frequencies	Percentage
1	Strongly agree	01	2%
2	Agree	17	38.6%
3	Not sure	05	11.3 %
4	Disagree	15	34.1%
5	Strongly disagree	06	14%
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>

(Ramaleba, 2021).

Based on the above information in Table 4.17, 01, (2%) of the respondents strongly agreed that financial staff members involved in irregular and wasteful expenditure face consequence management, the majority, 17 (38.6%) agreed; 05 (11.3%) were not sure; 15 (34.1%) disagreed and 06 (14%) respondents strongly disagreed. Therefore, the researcher deduced that the majority of the respondents affirmed that financial staff members involved in irregular and wasteful expenditure face consequence management. This indicates that the Municipality disciplines its financial staff members who are involved in irregular and wasteful expenditure.



**Table 4.18: Financial staff members are regularly trained to deal with finances**

	Response	Frequencies	Percentage
1	Strongly agree	03	7%
2	Agree	05	11%
3	Not sure	04	9%
4	Disagree	25	57%
5	Strongly disagree	07	16%
	<b>TOTAL</b>	<b>44</b>	<b>100%</b>

(Ramaleba, 2021).

Regarding the statement that financial staff members are regularly trained to deal with finances, 03 (7%) strongly agreed; five (11%), agreed; 04 (9%) were not sure; the majority, 25, which constitute (57%) of the respondents disagreed and 07 (16%) strongly disagreed. One can conclude that the respondents in their majority strongly disagreed that financial staff members are regularly trained to deal with finances. This suggests that financial staff members are not regularly trained to properly handle municipal finances.

### **4.3. AN ANALYSIS OF THE DATA COLLECTED THROUGH THE INTERVIEW**

The data gathered by administering interviews were presented in this section. The interviews were administered to answer the research questions that emanated from the role of political and administrative leadership in financial management; challenges facing political and administrative leadership in financial management; the importance of the relationship between political and administrative leadership in ensuring sound financial management; implications of political interference and strategies to improve the management of finances in Vhembe District Municipality. The data and synthesis are presented in a narrative format.

#### **4.3.1 Question 1: What is the role of political and administrative leadership in financial management?**

The first question sought to find out the role of political and administrative leadership in financial management. The respondents have described the roles that political and

administrative leadership play in financial management. The manner in which respondents explained their views is described below:

**Participant A:**

With regard to the question of what is the role of political and administrative leadership in financial management, the participant revealed that *“political leadership is responsible for financial management legislation”*. The role of the administrative leadership is to implement financial management legislation. Political leadership formulate and pass financial management laws in Council and administrative leadership ensures that these laws are implemented.

**Participant B:**

In response to the first question, the participant answered by stating that *“political leadership provide oversight on finances and administrative leadership manage finances”*. The areas of financial management which the administrative leadership is responsible for include internal controls, expenditure management, budget and financial reporting.

**Participant C:**

Answering the first question, the third participant replied by stating that *“political leadership provide oversight on the use of municipal funds and administrative leadership manage the administrative elements of municipal funds”*. Political leadership governs the municipality finances which include oversight, taking decisions during council meetings about how financial resources are utilized. The administrative elements include revenue and expenditure management.

**Participant D:**

Responding to the first question, the participant indicated that *“political leadership formulate financial management policies and administrative leadership implement approved financial policies”*. The participant further stated that municipal financial legislation unpacks how financial resources are allocated. On the other hand, administrative leadership ensure that municipal funds are managed effectively and efficiently, and prevent mismanagement of funds.

### **Participant E:**

With regard to the first question, the participant replied by stating that *“political leadership oversee the management of municipal finances while administrative leadership implement and manage the municipal finances”*. This simply means that politicians make it a point that municipal finances are run in compliance with municipal legislation and other financial prescripts. The administrative leadership, therefore, follow the financial legislation in managing the day-to-day finances of the municipality.

### **Participant F:**

In explaining the answer to the first question, the respondent stated that *“the role of politicians in municipal finances is to oversee the implementation of the budget allocation by administrators”*. In the view of the participant, finances are budgeted and the budget is approved by politicians in Council. The approved budget is implemented by the administrators under the supervision of politicians.

### **Participant G:**

In answering the first question, the respondent described *“the role of politicians as oversight of the management of municipal funds whereas it is the role of administrators to administrate Council resolutions on municipal finances”*. It means that politicians first legislate and approve how administrators will manage the municipal finances.

### **Participant H:**

In answering the first question, the participant described the role of political leadership as *“supervision of finances and administrative leadership’s role is to manage the day to day running of municipal finances”*. Politicians monitor the work of administrators in managing municipal finances.

Participants B, C, E, F, G and H described the most important role of political leadership as the oversight role in municipal finances. The political leadership oversees that the finances of the municipality are run in terms of the applicable laws and where there are deviations, political guidance is provided to the administrative leadership. Political leadership oversee the work of senior administrative leadership in financial management. Participants B, C and G described the role of administrative leadership as the management of areas of municipal

financial management including internal controls, expenditure management, budget and financial reporting.

In the implementation of the decisions of politicians, participants A, D and E pointed out that administrative leadership ensure that mismanagement is prevented. It is the role of administrative leadership to put in place systems that prevent actions such as unauthorized, irregular or fruitless and wasteful expenditure. From the above information, it can be concluded that both political and administrative leadership play distinctive and complementary roles in the management of finances in municipalities. Political leadership must inevitably play its financial governance role and administrative leadership play its financial administrative role of implementation.

#### **4.3.2 Question 2: What do you consider to be the challenges which hamper the management of finances of the municipality?**

The second question sought to find out the challenges which the political and administrative leadership face in the management of finances in the municipality, and participants revealed the following:

##### **Participant A:**

The participant revealed, when answering the second question, that *“one of the challenges political and administrative leadership face is interference in each other’s roles”*. The senior administrative leadership like the Municipal Manager is in terms of the legislation appointed by the political leadership. This puts political leadership in a superior position and administrative leadership in an inferior position, leading political leadership to interfere with the running of the financial administration.

##### **Participant B:**

With regard to the second question, the participant answered by indicating that *“politicians interfere in the running of finances in areas such as supply chain management where they are prohibited by law to do so”*. Politicians are not supposed to be involved in supply chain management.

### **Participant C:**

Answering the second question, the third participant replied by stating that *“politicians and administrators lack relevant financial management skills. Politicians tend to interfere with the budget for personal gain”*. The participant went on to indicate that it also leads to a conflict of interest in the finances of the municipality. Financial management is a science that requires the necessary knowledge, skills and expertise.

### **Participant D:**

Responding to the second question, the participant answered by stating that *“politicians and administrators fail to address audit findings as required by law”*. The failure leads to the recurrence of the already identified audit challenges being submitted to the Auditor General in the next audit year.

### **Participant E:**

When responding to the second question, the participant indicated that *“non-adherence to legislative and regulatory frameworks for municipalities is another challenge that the political and administrative leadership face”*. This is also evident when municipalities fail to follow prescribed guidelines for the submission of financial reports when required to do so by the Auditor General.

### **Participant F:**

In answering the second question, the participant replied that *“politicians and some senior administration officials are deployed and appointed, respectively, without proper and relevant financial management skills”*. In most cases, they even fail to prevent unauthorised, irregular, fruitless and wasteful expenditure.

### **Participant G:**

In answering the second question, the participant indicated that *“politicians and administrators, due to lack of training and expertise, end up mismanaging the municipal funds leading to rampant corruption found in municipalities”*. Corruption is cancer that is destroying municipal fiscus.

## Participant H:

Regarding the second question, the participant responded by stating that “*municipal leadership lack the expertise and skills to run the finances of the municipality*”. It is one reason why municipalities fail to obtain clean audits statements and to deliver services.

Participants A and B described the most prevalent challenge of political and administrative leadership as the interference in each other’s role. Participant B went on to cite interference in supply chain management as the most serious. The interference in supply chain management recurs despite the prohibition by law of political interference. Participants C, F, G and H revealed that there is an acute shortage of skills, knowledge and expertise among politicians and senior administration officials responsible for financial governance and administration. Participant G linked the lack of skills, knowledge and expertise with rampant corruption in municipalities.

Each year, the Auditor-General releases the audit findings to municipalities. Participant G argues that the political and administrative leadership fail to address negative audit findings. It is an abdication of accountability as both have a role to play to address such negative findings and this leads to recurrence. From the above information, it can be concluded that both political and administrative leadership face challenges in the governance and administration of municipal finances. Financial challenges which the municipal leadership face will go unabated as long as the skills deficit, cadre deployment, internal control systems to address unauthorized, irregular, fruitless and wasteful expenditure and political interference among others are not addressed.

### **4.3.3 Question 3: Is the political and administrative leadership relationship important in ensuring the sound financial management of the municipality? Agree or Disagree. Give reasons to support your choice**

The third question sought to find out the importance of the relationship between political and administrative leadership in ensuring the sound financial management of the municipality and participants revealed the following:

## Participant A:

With regard to the question of whether the relationship between the political and administrative leadership is important in ensuring the sound financial management of the municipality, the participant agreed with the statement. The participant argued that “*the roles*

*of politicians and administrators intersect and therefore require that they should work together”.*

**Participant B:**

In response to the third question, the participant agreed that *“the roles of politicians and administrators overlap and therefore are complementary to each other”*. In this regard, a sound relationship between the two components is important for ensuring sound financial management.

**Participant C:**

Answering the third question, the third participant agreed that *“it is important that the politicians and administrators in a municipality have a good relationship as they advise each other on legislation and its implementation”*. This idea is consistent with the fact that the politicians have to provide political guidance to administrators while administrators, especially the Municipal Manager, gives guidance and advice to the politicians on finance matters.

**Participant D:**

Responding to the third question, the participant replied by agreeing with the statement. *“A smooth relationship is important because politicians advise administrators when they perform their oversight roles.”*

**Participant E:**

With regard to the third question, the participant agreed that *“a good relationship is important as it provides a teamwork environment”*. The teamwork environment as part of the smooth relationship is ideal for sound financial management.

**Participant F:**

The participant answered the third question by agreeing with the statement that *“a good relationship between politicians and administrators ensures sound financial management”*. The two components can advise each other correctly on matters of financial policy formulation and implementation, following the approved policies.

### **Participant G:**

In answering the third question, the participant confirmed that *“a sound relationship between politicians and administrators is necessary for the smooth management of funds”*. While their roles are separate, communication lines between the two components remain open for them to interact for efficient and effective financial governance and administration.

### **Participant H:**

The seventh participant replied in the affirmative that *“a better relationship between politicians and administrators, due to their overlapping and complementary roles, enhances sound financial management of the municipality”*.

Participants A, B and H described the relationship between politicians and administrators as crucial and critical because their roles overlap. It is the role of administrators to feature in the crafting of finance policies which is a legislative role of politicians. At every stage of finance policy development, both politicians and administrators consult and advise each other. They complement each other to ensure sound financial governance and administration. Participants C, D and F allude to the fact that politicians and administrators play reciprocal advisory roles. Administrators are professionals who have professional knowledge about financial management and politicians have political knowledge about their political parties' financial policies. During implementation, politicians can advise administrators if they are veering off the financial legislation, in the same way, administrators can caution politicians.

Participant G emphasised that the roles of politicians and those of administrators are separate but complementary. The relationship between these components should be sound to allow for independence in the performance of roles that are separate and complementary to each other, to ensure sound financial management. From the above information, it can be concluded that the relationship between political and administrative leadership is critical in ensuring sound financial management. It is through understanding each other's separate roles and interaction, complementarity and overlapping nature of the roles that the relationship produces sound financial management.



#### 4.3.4 Question 4: In your view, what do you think are the implications of political interference for financial management in municipalities?

The fourth question sought to find out the implications of political interference for financial management in municipalities. The manner in which respondents answered the questions is described below:

##### **Participant A:**

With regard to the question on the implications of political interference for financial management in municipalities, the first participant mentioned that *“corruption in whatever form is the outcome of political interference”*. Corruption takes away money for running the municipalities.

##### **Participant B:**

When responding to the fourth question, the participant stated that *“the implications of political interference include deviation of funds from funded projects to unfunded projects as well as tampering with the approved budget allocations”*.

##### **Participant C:**

Answering the fourth question, the third participant was of the view that *“funds are misappropriated and are no longer used for what they are meant for”*.

##### **Participant D:**

Responding to the fourth question, the participant replied by stating that *“political interference leads to an increase in corruption, irregular and wasteful expenditure as well as inadequate funds to implement projects”*.

##### **Participant E:**

With regard to the fourth question, the participant stated that *“political interference results in fruitless and irregular expenditure and negative audit opinion such as disclaimer audit opinion”*.

##### **Participant F:**

The participant answered the fourth question by indicating that *“political interference results in the deployment of people who are politically aligned, without relevant skills and expertise”*.

### **Participant G:**

In answering the fourth question, the participant complained about *“a lack of relevant skills and expertise among political deployees and some administration officials who are appointed due to political interference”*.

### **Participant H:**

The seventh participant replied by stating that *“political interference is the cause of the collapse of many municipalities”*. Without adequate funds, municipalities cannot function effectively and efficiently. Political interference also leads to municipalities being placed under administration.

Participants A and D are of the view that political interference results in corruption. Corruption takes away municipal funds. When funds are depleted, according to participant H, it leads to the collapse of municipalities, hence municipalities are placed under administration. Participants B and C are of the view that political interference leads to deviation and misappropriation of municipal funds.

Apart from corruption, participant D is also of the view that political interference may result in irregular and fruitless expenditure. This view is also expressed by participant E who blames political interference for the inadequacy of funds and irregular expenditure. Participants F and G state that political parties leading municipalities tend to deploy cadres as political deployees and go to an extent of appointing senior administrative officials without relevant financial management skills, experience and expertise.

From the above data, corruption exists and grows in municipalities because of political interference. Politicians interfere with the work of administrators to a point where there is misappropriation of funds. Moreover, political interference leads municipalities to disclaimed reports from the Auditor General. The unfortunate part is that political interference leads to the collapse of municipalities and fruitless and irregular expenditure. Lastly, when politicians deploy and appoint officials, they do so without regard for skills and expertise, hence financial mismanagement.

#### **4.3.5 Question 5: What are the strategies that you think can be used to improve the management of Vhembe District Municipality finances?**

By this question, an attempt is made to find out the strategies that can be used to improve the management of Vhembe District Municipality finances. The manner in which respondents expressed their views is described below:

##### **Participant A:**

In answering question five, the first participant suggested that *“the municipality should appoint officials with finance-related qualifications and expertise”*. The municipality should conduct regular training for the current finance staff.

##### **Participant B:**

When responding to the fifth question, the second participant stated that *“the municipality should adhere to and properly implement the financial policies and regulations which govern municipalities”*. Financial planning should include a plan on how finances would be spent.

##### **Participant C:**

Answering the fifth question, the third participant was of the view that *“a municipality should implement consequence management to its staff who are involved in financial misconduct”*.

##### **Participant D:**

Responding to the fifth question, the participant replied by stating that *“cadre deployment should be discontinued if it is done without regard for merit”*. When it is done on merit, competent politicians should be deployed and in the case of appointment, competent administrative officials should be appointed. Furthermore, municipalities should ensure financial management systems are in place and that they are effective and efficient.

##### **Participant E:**

In response to the fifth question, the participant stated that *“the financial roles of politicians and administrators should be clearly defined and separated”*. Moreover, both political and administrative officials should receive regular training on financial management and financial governance in the local government sphere.

### **Participant F:**

The participant answered the fifth question by indicating that *“officials with sound knowledge of financial management in the local government sphere should be appointed”*. The municipality should subject its finances to the auditing processes of the Auditor General.

### **Participant G:**

In answering the fifth question, the participant indicated that *“municipalities should promote professionalism by appointing administrative officials with a career in financial management”*.

### **Participant H:**

The seventh participant replied by stating that *“municipalities should employ officials who are well qualified for the positions in the finance department and they should regularly be trained to keep them abreast of the latest developments in financial management”*.

From the above responses, participants A, B and G view that financial staff members should be regularly trained for proper handling of municipal financial matters. Participants A, B and D emphasise that officials in financial management should be appointed with due consideration of relevant financial management skills and qualifications. Participant C is of the view that consequence management should apply to all those who have committed financial misconduct. They should face sanctions and in the worst of cases be expelled to eradicate corruption. Participant D further indicated that municipalities should stop deploying cadres without the necessary financial management skills, experience and qualifications. Instead, municipalities should appoint professionals who are competent and apolitical to run financial administration. Also municipalities should ensure that the existing financial management systems are correctly implemented and monitored.

## **4.4. CONCLUDING REMARKS**

The data gathered using mixed methods were described, analysed and interpreted in graphic and narrative forms on the role of political and administrative leadership in financial management at Vhembe District Municipality. The data gathered from the respondents through questionnaires were presented, analysed and interpreted in tabular form. Meanwhile, data collected through interviews were described in a narrative format. The following chapter will present the discussions of findings, recommendations and conclusions of the study.

## CHAPTER 5

### FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

#### 5.1 INTRODUCTION

The major findings and recommendations of the study are presented in this chapter. The recommendations are meant for Vhembe District Municipality to consider as strategies to improve the management of finances. Recommendations for this study, conclusions and recommendations for future research studies in a similar research context are presented.

#### 5.2 OVERVIEW OF THE STUDY

This study was premised on the role of political and administrative leadership in financial management in municipalities. This study was undertaken to respond to the questions of research on the role of political and administrative leadership in financial management; challenges facing political and administrative leadership in financial management; the importance of the relationship between political and administrative leadership in ensuring sound financial management; implications of political interference and strategies to improve the management of finances in Vhembe District municipality

The literature relevant to the roles of political and administrative leadership in financial management was reviewed. The research study employed quantitative and qualitative research methodologies. The study investigated the role of political and administrative leadership in financial management as its main objective. The study also used the non-probability sampling technique and purposive sampling method. Data was gathered by administering questionnaires and open-ended interviews. The statistical and thematic analyses were performed to analyse data, tables were used to present data on respondents' perception in terms of frequencies and percentages, as well as narrative form followed by brief syntheses. The specific objectives of the study were:

- To determine the role of political and administrative leadership in financial management.
- To describe the challenges facing political and administrative leadership in financial management.
- To identify the importance of the relationship between political and administrative leadership in the financial management of Vhembe District Municipality.

- To assess the implication of political interference for the financial management of Vhembe District Municipality.
- To recommend the strategies that can be used to improve the financial management of Vhembe District Municipality.

### **5.3 MAJOR FINDINGS OF THE STUDY**

The major findings are explained based on the specific objectives of the study. The specific objectives of the study sought to determine the role of political and administrative leadership in financial management; to describe the challenges facing political and administrative leadership in financial management; to identify the importance of the relationship between political and administrative leadership in the financial management of Vhembe District Municipality; to assess the implications of political interference in the financial management of Vhembe District Municipality; to recommend the strategies for improving the financial management of Vhembe District Municipality.

#### **5.3.1 Major findings of the study on the role of political and administrative leadership in financial management**

The initial objective attempted to explain the role of political and administrative leadership in financial management. The study deduced that the majority, 22 (50%) of respondents affirmed that the municipality keeps and maintains an effective financial internal control. This shows that municipalities should keep and maintain an effective financial internal control. The researcher also found that 20 (45.4%) of the respondents disagreed that the municipality implements a supply chain management policy. This reveals that municipalities do not follow supply chain management policy. The study findings further revealed that 26 (59%) of the respondents agreed that there is political oversight in the affairs of the municipality. The study findings also revealed that 13(34%) of the respondents disagreed that the municipality timely submits financial statements to the Auditor-General for audit purposes. This means that the political leadership should continue to provide political oversight in the financial affairs of the municipality. Therefore, political oversight improves financial management in the municipality.

On the question regarding the role of political and administrative leadership in financial management, the study found that administrative leadership put in place systems that prevent

actions such as unauthorized, irregular or fruitless and wasteful expenditure. The study also found that political leadership oversee and ensure that municipality finances are run in terms of applicable laws and where there are deviations, political guidance is provided. This reveals that the role of political leadership is to provide oversight on the work of administrative officials in managing municipal finances. It was also found that administrative leadership manage areas of municipal finances which include internal controls, expenditure management, budget and financial reporting. It was found that the most important role that political leadership should play is the financial governance and that of the administrative leadership being the financial administrative role of implementation of decisions of political leadership. This finding affirms the complementary theory which emphasises that the roles of politicians and those of administrators are different but complementary to each other.

### **5.3.2 Major findings on the challenges facing political and administrative leadership in financial management**

The second objective of the study describes the challenges facing political and administrative leadership in financial management in the Vhembe District Municipality. The study found that the majority, 16 (36%) of the respondents disagreed that the financial internal control system is effectively implemented to prevent incurring the unauthorized, irregular, fruitless and wasteful expenditure. This shows that the financial internal control system is not effectively implemented to prevent incurring the unauthorized, irregular, fruitless and wasteful expenditure.

The study also found that the majority, 23 (52.3%) of the respondents disagreed that the municipality follows the prescribed guidelines for the submission of financial reports. This reveals that the municipality does not follow the prescribed guidelines for the submission of financial reports.

The study findings further revealed that 20 (45%) of the respondents agreed that politicians are involved in supply chain management. This reveals that politicians are involved in supply chain management.

The study findings also revealed that 16(36.4%) of the respondents disagreed that financial staff members have the expertise and skills to deal with financial matters. This reveals that financial staff members do not have the expertise and skills to deal with financial management.

From the interviews that were carried out on the question regarding the challenges facing political and administrative leadership in financial management in the Vhembe District Municipality, the findings revealed that political interference in supply chain management is prevalent despite the prohibition by law for politicians to do so. This finding affirms the politicised Bureaucracy theory which states that politicians impose their will on administrators.

The study also found that a lack of expertise and skills in financial management is associated with rampant corruption in municipalities. It is also found that when the financial internal control system is not effectively implemented, unauthorized, irregular, fruitless and wasteful expenditure occur unabated. The weak financial internal control system results in unauthorized, irregular, fruitless and wasteful expenditure in municipalities. The study further found that municipalities fail to follow the prescribed guidelines for the submission of financial reports. This is linked to the negative consequences, namely, qualified and disclaimer findings from the Auditor General which the Vhembe District Municipality received in the past five years.

### **5.3.3 Major findings on the importance of the relationship between political and administrative leadership in the financial management of Vhembe District Municipality**

The third objective of the study was to identify the importance of the relationship between political and administrative leadership in the financial management of Vhembe District Municipality. Out of the questionnaires that were distributed, it was found that the majority of the respondents, 13 (29.5%) disagreed that there is a good relationship between the political and administrative leadership in managing financial resources of the municipality. The study reveals that the majority of the respondents, 20(45%) agreed that there is a clear separation of roles between politicians and administrators in financial management. This indicates that there is a separation of roles and responsibilities between political and administrative leadership in the management of finances in municipalities. This finding affirms the Politics-Administration Dichotomy theory which emphasises that the roles of politicians and those of administrators should be separated for the smooth running of municipalities.

From the interviews on the importance of the relationship between political and administrative leadership in the financial management of Vhembe District Municipality, the findings revealed that the relationship between political and administrative leadership is important in ensuring sound financial management. The relationship between the political and administrative leadership components should be good enough to allow for independence in the performance



of roles that are separate and complementary to each other for sound financial management. They complement each other to ensure sound financial governance and administration. Furthermore, politicians and administrators play reciprocal advisory roles.

The findings also revealed that there is a clear separation of roles between politicians and administrators. Administrators are professionals who have professional knowledge about financial management and politicians have political knowledge about their political parties' financial policies. The understanding and knowledge of roles to be played by political and administrative leadership help improve the relationship between them, which enhances sound financial management.

#### **5.3.4 Major findings on the implications of political interference for the financial management of Vhembe District Municipality**

The fourth objective of the study assessed the implications of political interference in the financial management of Vhembe District Municipality. From the questionnaires distributed, it was found that most of the respondents, 25 (57%) strongly agreed that the involvement of politicians in the financial administrative roles increases corruption. The study also found that most respondents, 22(50%) strongly agreed that cadre deployment without regard for skills and expertise contributes to financial mismanagement in municipalities. This finding affirms the politicised Bureaucracy theory which points out that politicians interfere in the work of administrators such as the hiring of employees which is an administrative function.

From the interviews on the implications of political interference for the financial management of Vhembe District Municipality, the researcher found that the involvement of politicians in the financial administrative roles increases corruption. Corruption leads to the deviation and misappropriation of funds. It was also revealed that political interference may result in irregular expenditure of municipal finances. In the end, municipalities collapse and their finances are run by the national government, which is known as municipalities under administration.

The findings further revealed that cadre deployment without regard for skills and expertise contributes to financial mismanagement. The study also found that political parties leading municipalities tend to deploy cadres as political deployees and go to an extent of appointing senior administrative officials without relevant financial management skills, experience and expertise.

### **5.3.5 Major findings on the strategies that can be implemented to improve the financial management of Vhembe District Municipality**

The fifth objective was to recommend strategies to improve the financial management of the Vhembe District Municipality. The findings showed that the majority, 17 (38.6%), agreed that financial staff members involved in irregular and wasteful expenditure face consequence management. The study also found that the majority of respondents, 25 (57%), disagreed that financial staff members are regularly trained to deal with finances.

From the interviews on the strategies that can be implemented to improve the financial management of Vhembe District Municipality, the researcher found that municipalities should regularly train financial staff members to properly handle financial matters of the municipality. The findings also revealed that officials in financial management are appointed without due consideration of relevant financial management skills and qualifications.

It was further found that consequence management is applied to all those who are found to have committed financial misconduct. These officials should face sanctions and in the worst of cases be expelled to eradicate corruption.

The study also found that municipalities continue to deploy cadres without the necessary financial management skills, experience and qualifications. Lastly, the study found that municipalities do not ensure that the existing financial management systems are correctly implemented and monitored. This finding affirms the politicised Bureaucracy theory which points out that politicians interfere in the work of administrators using cadre deployment.

## **5.4 SYNTHESIS OF THE STUDY**

This section combines various elements of the study on the role of political and administrative leadership in financial management in local government. Out of the information which was analysed in the questionnaire, the synthesis of the study is as follows:

- The municipality keeps and maintains an effective financial internal control.
- The municipality does not comply with the supply chain management policy.
- There is political oversight in the affairs of the municipality.
- The municipality does not submit financial statements to the Auditor-General for audit purposes on time

- The financial internal control system is not effectively implemented to prevent incurring the unauthorized, irregular, fruitless and wasteful expenditure.
- the municipality does not follow the prescribed guidelines for the submission of financial reports.
- Politicians are involved in supply chain management.
- Financial staff members do not have the expertise and skills to deal with financial management.
- There is no good relationship between the political and administrative leadership in managing the financial resources of the municipality.
- There is a clear separation of roles between politicians and administrators in financial management.
- The involvement of politicians in the financial administrative roles breeds corruption.
- Cadre deployment without regard for skills and expertise contributes to financial mismanagement in municipalities.
- Financial staff members involved in irregular and wasteful expenditure face consequence management.
- Financial staff members are not regularly trained to deal with finances.

In the data collected through the interview, the synthesis of the study is as follows:

- The role of political leadership is to provide political oversight on the work of administrative leadership in the administration of financial policies, regulations and legislation.
- The weak financial internal control systems contribute to irregular, fruitless and wasteful expenditure
- There is no sound relationship between politicians and administrators in financial management
- The involvement of politicians in the financial administrative roles breeds corruption in municipalities
- Financial staff members are not regularly trained to deal with the finances

## **5.5 RECOMMENDATIONS OF THE STUDY**

This section presents recommendations of the study. The recommendations arose from the major findings on the role of political and administrative leadership in financial management; challenges facing political and administrative leadership in financial management; the importance of the relationship between political and administrative leadership in the financial management of Vhembe District Municipality; the implications of political interference for the financial management of Vhembe District Municipality, and the strategies that can be used to improve the financial management of Vhembe District Municipality.

### **5.5.1 Recommendations of the study on the role of political and administrative leadership in financial management**

The study recommends that the municipality should keep and maintain an effective financial internal control. An effective financial internal control helps the municipality to identify, alleviate and control risks in the management of finances. It is through the internal control systems that municipalities can ensure that there is compliance with regulations and legislation in areas such as financial reporting, submission of reports and expenditure management. An effective financial control system further helps municipalities to submit financial reports on time to its Council and oversight bodies like the Auditor General. A municipality that follows its internal control systems on the revenue and expenditure prevents fraud and unnecessary waste of its financial resources. The administrative leadership must put in place financial internal control systems that prevent actions such as unauthorized, irregular or fruitless and wasteful expenditure. The Municipal Manager as an administrative head must ensure that systems of financial internal control exist and are implemented to safeguard financial resources. It is therefore the role of administrative leadership to oversee internal control systems in areas such as financial reporting and that the regulations which underpin internal control are complied with.

The study also recommends that the municipality should comply with the supply chain management policy. The supply chain management section is important in the financial management directorate which is responsible for ensuring that the supply chain management policy is complied with in the municipality. The administrative leadership and all officials in the directorate or section in supply chain management should at all times adhere to and implement the supply chain management policies. For the proper adherence to the policies in supply chain management, it is recommended that administrative officials are trained on

how the supply chain management policies can be implemented. The political leadership should supervise the implementation of the policies and legislation which govern supply chain management in the municipality.

The study further recommends that political leadership should provide political oversight in the financial affairs of the municipality. The political leadership should oversee that administrative officials are running municipality finances in terms of the financial management policies and financial management legislation. The political leadership through committees such as the Municipal Public Accounts Committee (MPAC) should hold the executive and legislative leadership to account for their decisions on financial management matters. The MPAC should thereafter develop oversight reports especially on the implementation of the AG report recommendations, annual reports and annual financial statements. The members of MPAC should over and above their responsibilities, be trained on financial management and governance legislation to help them engage in a meaningful way.

#### **5.5.2 Recommendations of the study on the challenges facing political and administrative leadership in financial management**

The study recommends that the municipality should effectively implement the financial internal control system to prevent incurring the unauthorized, irregular, fruitless and wasteful expenditure. It is the role of the administrative leadership to keep and maintain the financial internal control system on expenditure control and such system should detect unauthorized expenditure. The municipality can detect, track and prevent unauthorized and irregular expenditure through regular financial reporting. The Municipal Public Accounts Committee should investigate irregular expenditure and the report after adoption by Council should be acted upon by both the political and administrative leadership as part of corrective measures.

The study also recommends that the municipality should follow the prescribed guidelines for the submission of financial reports. The administrative officials who lack competencies and skills in financial reporting should be capacitated on proper guidelines for financial reporting through workshops that can be initiated by the treasury, the Auditor General and even the South African Local Government Association(SALGA) if there is a need to do so.

The study recommends that politicians should never be allowed to involve themselves in supply chain management. A code of conduct that governs politicians should be reviewed and include stipulations on the highest ethical standards of conduct of politicians. Politicians

should commit themselves through signing a code of conduct to be answerable and be ethical in their conduct. As political interference in supply chain management is associated with corruption, anti-corruption measures must be strictly implemented.

The study also recommends that the municipality should appoint financial staff members who have appropriate expertise and skills to deal with financial management. The financial staff members should be capacitated through furthering their studies and attending compulsory in-service training.

### **5.5.3 Recommendations of the study on the importance of the relationship between political and administrative leadership in the financial management of Vhembe District Municipality**

It is recommended that there should be a good relationship between the political and administrative leadership in managing the financial resources of the municipality. The relationship between political and administrative leadership is important in ensuring sound financial management. The political and administrative leadership should work together as a team to achieve the objectives of the municipality, one of which is to deliver services to the citizenry.

The study recommends that there should be a clear separation of roles between politicians and administrators in financial management. The different roles of the politicians and administrators must be clarified in writing and be present in the rules, procedures, instructions, policies and other written instruments of the Vhembe District Municipality. This protects administrators from interference by politicians. Politicians should discharge their financial governance roles which include oversight and decisions on financial legislation and administrators should in their financial administration, implement the political decision and legislation on financial management.

The relationship between the political and administrative leadership components should be sound to allow for independence in the performance of roles that are separate and complementary to each other, for sound financial management. They complement each other to ensure sound financial governance and administration. Furthermore, politicians and administrators play reciprocal advisory roles.

#### **5.5.4 Recommendations of the study on the implications of political interference for the financial management of Vhembe District Municipality**

The study recommends that the politicians should be prevented from involving themselves in financial administrative roles as it breeds corruption. The politicians are prevented from interfering in the financial administrative roles of the accounting officer and chief financial officer in accordance with the legislation on the management of finances. The Municipal Public Accounts Committee members should receive thorough training on the interpretation of financial legislation to help them provide strong oversight on the work of the executive leadership. It is one way in which the municipality can be strengthened and kept free from political interference.

The study also recommends that the practice of cadre deployment without regard for skills and expertise should be revised as its current form contributes to financial mismanagement in municipalities. Cadre deployment policy should be revised to include merit as one of the key requirements for deployment in local government financial governance and administration. Cadre deployment should be consistent with the principle of merit appointment to help in building a professional state. The cadres who are already deployed should be helped to acquire the necessary training to enhance their skills to be more efficient and effective in running municipal finances.

The Local Government Municipal Systems Act 32 of 2000 provides for the appointment of the senior administrative leadership as a competency of the Municipal Council. This legislation should be revised to exclude political involvement in the appointment of senior administrative officials of the municipality.

#### **5.5.5 Recommendations of the study on the strategies that can be implemented to enhance the financial management of Vhembe District Municipality**

It is recommended that financial staff members involved in irregular and wasteful expenditure face consequence management. The Accounting Officer should institute disciplinary actions against officials who commit financial misconduct. The administrative leadership should develop mechanisms to put into effect consequence management that deals with irregular and wasteful expenditure which municipalities suffer each year.

It is also recommended that financial staff members should be regularly trained to deal with the finances of the municipality. The municipality leadership should ensure that finance

officials receive regular training on the financial internal control systems used in the Vhembe District Municipality. The municipality should arrange capacity building programmes in financial management for both political and administrative leadership directly involved in financial management.

From the interviews on the strategies that can be implemented to improve the financial management of Vhembe District Municipality, the researcher found that municipalities should regularly train financial staff members to properly handle financial matters of the municipality. The findings also recommend that officials in financial management should be appointed with due consideration of relevant financial management skills and qualifications.

## **5.6 RECOMMENDATIONS ON THE PRINCIPLES OF PUBLIC MANAGEMENT**

According to Munzhedzi (2020:1) principles of public management are important in managing resources in municipalities. The principles of public management include planning, organising, staffing, coordinating, reporting and budgeting (Kalimullah, Alam & Nour,2012:6). These management principles are inter-related to such an extent that certain actions under the control principle are also part of the planning principle. Lloyd and Aho(2020:12) argue that an organising principle can involve attracting human resources to achieve the planned goals of an organisation. In the succeeding paragraphs, planning, organising, human resources and control will be briefly discussed and recommendations on the principles will be made.

### **5.6.1 Planning**

Nekhavhambe (2018:35) defines planning as a process of clarifying tasks to be performed, how they will be performed, timelines and responsible personnel. This view is echoed by Kareska (2017:3) who describes planning as a management function that answers as to what should be done, the deadline, responsible people for the tasks, how the tasks will be performed and resources needed to achieve the goals. Lloyd and Aho (2020:11) describe planning as a process in which decisions are made regarding the aims and activities the organisation wishes to perform and achieve. Based on the above findings and the planning principle of public management, the researcher makes the following recommendations:

- The municipality should regularly update and review its financial internal control system to make it more effective. The financial staff members should be familiarised with the revised system for proper implementation.



- The municipal political leadership should exercise its oversight role by ensuring that the administrative leadership accounts for finances within the prescribed period. It is through strict enforcement of accountability of finances that the submission of financial statements to the Auditor-General for audit purposes will be submitted on time.
- The municipality should enforce full implementation of its financial internal control system to prevent incurring the unauthorized, irregular, fruitless and wasteful expenditure.
- The municipality should develop, implement and monitor the guidelines for the submission of financial reports to enable proper planning for financial resources through budgeting.

### **5.6.2 Organising**

Organising simply means that the identified tasks are broken down into manageable units with a focus on achieving the objectives of an organisation (Mufamadi, 2017:29). The leadership should divide the work among the political and administrative officials. Based on this managerial principle, the study recommends the following

- The municipality should develop guidelines that clearly spell out the separation of roles between politicians and administrators in financial management. The roles and responsibilities of politicians and administrators must be expressed in writing with terms of reference for politicians and administrators being separate.
- Politicians should be prevented from involvement in the financial administrative roles by invoking Section 52 (b) which prohibit a mayor from interference in the financial administrative roles. This will go a long way into the eradication of corruption which manifests itself through political interference.
- Politicians should upon assumption of office be given a code of conduct that also prohibits them from participating in supply chain management. The code of conduct should also be displayed in chambers where the Council meets to serve as a deterrent in the involvement of the supply chain.

### **5.6.3 Human Resources**

The broad areas of human resources management include recruitment and selection, training, development and performance management (Van Zyl, 2021: 40). In support of the above view, Mehlape (2017:108) contends that human resources involve recruitment,

selection, retention, training and development of employees. Van Zyl (2021: 40) further states that human resources should be managed in municipalities by focusing on the objectives to increase the performance of employees. Based on this principle of public management and the findings above, the following recommendations are made

- The municipality should embed in its induction and training programmes the separation and complementarity of roles between politicians and administrators to improve the relationship between the two components.
- The municipality should appoint financial staff members using the merit system to attract those with expertise and skills to deal with financial management.
- Financial staff members should regularly attend training programmes to help them deal with finances.
- Cadre deployment policy should be reviewed to ensure that deployment is based on a merit system whereby cadres with relevant and adequate skills and expertise are prioritised.

The municipality should train supply chain management officials on the implementation of supply chain management policy in terms of treasury guidelines on supply chain management training.

#### **5.6.4 Control**

Nekhavambe (2018:41) describes control as an activity in which individual or group performance is monitored. According to Cambalikova and Misun (2017:219), control in management is about setting standards, performance measurement and applying remedial actions. The management if identify financial weaknesses during the process of planning, budgeting, allocation of resources, they should be corrected in order to move towards achieving the set standards. Based on the findings above and control as a principle of management, the following recommendations were made :

- The Municipality should strengthen the Municipal Public Accounts Committee(MPAC) in its oversight work by ensuring that there are adequate financial and human resources to promote effective financial management.
- The municipality should develop policies on investigating irregular and wasteful and expenditure and disciplinary procedures thereof to deal with financial staff members involved in such expenditures. In that way, financial staff members will be facing consequence management.

### 5.6.5 Reporting

Ijeoma (2013: 189) is of view that financial reporting is one of the important principle of public administration. From planning, budgeting, allocation and implementation, the process of reporting is essential to determine if municipal's financial management will achieve the intended mandate of local government. Budgeting is a work programme for the financial year, therefore, financial reporting becomes a continuous internal financial control. Officials are expected to report to the Council on the progress of the programmes. In order for the municipality to achieve sound financial management, it recommended that:

- Progress reports should be prepared on monthly, quarterly and annual basis.
- The reports should identify deviations and discrepancies and provide reasons for under-expenditure which is a norm in municipalities.
- Reporting enables recommendations to be indicated and acted upon. For instance, there is a general concern by Auditor-General that most municipalities who struggled financially, have a tendency to disregard the recommendations from the audits and results to non-compliance.
- Through reporting, monitoring and evaluation of finances becomes easy and enables Council to improve the quality plans for service delivery.

### 5.7 CONCLUSIONS

This study was about the role of political and administrative leadership in financial management. The introductory chapter described various components which are the introduction, historical background, problem statement, aim of the study, specific objectives of the study, critical research question, the significance of the study, delimitation of the study, and definition of operational concepts and organisation of the study. This study aimed at describing the challenges facing political and administrative leadership in financial management; to identify the importance of the relationship between political and administrative leadership in the financial management of Vhembe District Municipality; to assess the implications of political interference for the financial management of Vhembe District Municipality, and to recommend the strategies that can be implemented to improve the financial management of Vhembe District Municipality. This study was carried out for the benefit of the Vhembe District Municipality and its citizens. The benefits comprise the strategies for improving the management of finances of Vhembe District Municipality.

The researcher detailed the literature review in the second chapter on the functions of politicians and administrators in leadership positions in so far as financial management is concerned. Chapter two discussed the conceptual overview of the role of municipal leadership interface in financial management, theoretical framework on the political and administrative interface in financial management, the legislative framework on the role of administrative and political interactions in financial management, municipal internal control mechanism on financial management, roles and responsibilities of political and administrative leadership, the importance of the relationship between political and administrative leadership in financial management, the implications of political interference for financial management, and the strategies which can be implemented to improve financial management.

The researcher explained three research paradigms that are prominent in research but chose the pragmatism paradigm in chapter three. The mixed-method methodology was used in the collection of data. This research project had its focus on the Vhembe District Municipality. It is the accessibility of participants who have the attributes that matched what the researcher targeted which prompted the researcher to conduct the research project in that setting. The researcher selected to use non-probability sampling because participants were available, convenient, or represented some features the researcher intended to study. The questionnaires and interviews were used as instruments to collect data. To analyse data, descriptive statistics and thematic analysis were preferred. The ethical issues which were followed in this study indicated the appropriateness of the study's methodology.

The descriptive research method was used in this study. The political leadership sampled are the Mayor, Chief Whip, mayoral committee members, audit committee members, finance portfolio committee members and administrative leadership. The sample also included the Municipal manager, managers in the Office of the Municipal Manager, Chief Financial Officer, and senior managers in the finance directorate. The chapter looked into the study area, the population, sampling, collection of data, pilot study and analysis of data. The respondents were made aware of their safety in participating in the study as part of ethical awareness.

Chapter four of the study discussed data presentation, interpretation and analysis of data collected by discussing the sampled population's responses as a way of providing an understanding of the nature of the research findings to the role of political and administrative leadership in financial management. It was indicated that analysis of data involved what was seen, heard, and read. The chapter focused on reporting the empirical investigation by

providing answers to the perceptions and understanding of the role of political and administrative leadership in financial management. The data regarding the role of political and administrative leadership in financial management were collected using quantitative and qualitative methods which involved the administration of questionnaires and interviewing respondents. The responses to the questionnaire items were presented in a tabular form followed by a brief synthesis of the findings and the responses to the interview items were presented in a narrative form followed by a brief synthesis of the findings. The chapter was divided into two sections, namely: the analysis of data collected through questionnaire and the analysis of data collected through interviews.

Chapter five of this study presented findings, recommendations, and conclusions. The major findings of the study arose from the research objectives of the study which were to describe the challenges facing political and administrative leadership in financial management; to identify the importance of the relationship between political and administrative leadership in the financial management of Vhembe District Municipality; to assess the implications of political interference for the financial management of Vhembe District Municipality, and to recommend the strategies that can be implemented to improve the financial management of Vhembe District Municipality. The recommendations of the study also arose from the research objectives of the study. This study also presented recommendations on the future research, limitations of the study and lastly concluded the study on the role of political and administrative leadership in financial management.

## **5.8 LIMITATIONS OF THE STUDY**

This study experienced limitations on reaching some councillors and senior administrative officials as envisaged by the researcher. It led the researcher to interview four councillors and four senior administrative officials. It took time for the councillors and senior administrative officials to return the questionnaires due to the Covid-19 pandemic. Some senior administrative officials and full-time councillors were working from home and sometimes, the municipality would be closed for weeks for decontamination when cases of Covid-19 were detected. The Vhembe District Municipality is comprised of the political leadership, thus, councillors who come from different local municipalities namely Makahdo, Thulamela, Musina and Collins Chabane. It took time for some of these councillors to visit the Vhembe District Municipality because they were no longer attending physical Council meetings in the Council Chambers due to the Covid-19 pandemic. Councillors attended

virtual council sittings. This situation led the researcher to spend a month and a half distributing questionnaires to the respondents. In the case of administrative officials, some of those identified as participants were not available in their office spaces, but the researcher found them at a later stage of data collection. Like councillors, some of the officials who were selected as participants worked from home due to Covid-19 and finding them in their offices was difficult.

## **5.9 RECOMMENDATIONS FOR FUTURE STUDIES**

The main aim of the study was to investigate the role of political and administrative leadership in financial management: the case of Vhembe District Municipality. This research focused only on Vhembe District Municipality and not on the other municipalities in Vhembe District or municipalities in the Limpopo province. It is recommended that research like this one should be conducted in all municipalities within South Africa to detect problems and challenges related to financial management. The outcomes of future studies may assist municipalities in further improving financial management. The political and administrative leadership should provide accurate information to future researchers to help them find ways to promote sound financial management and give recommendations on those who will conduct studies. Future researchers must keep and protect the confidentiality of the participants to ensure that they give accurate information freely, knowing that their identities shall not be disclosed.

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Vhembe District Municipality 2020/21 IDP Review. South Africa

## ANNEXURE A



**University of Venda**

FACULTY OF MANAGEMENT, COMMERCE AND LAW (FMCL)

### **OR TAMBO INSTITUTE OF GOVERNANCE AND POLICY STUDIES**

Private Bag x5050, Thohoyandou, 0950, Tel 015 962 8440, Office 12, School of Management Sciences Building

TO WHO IT MAY CONCERN

19 March 2021

**COLLECTION OF DATA FOR MINI-DISSERTATION RESEARCH: MR RAMALEBA M: STUDENT NUMBER 8901447:  
MASTER OF PUBLIC MANAGEMENT (MPM)**

Mr Ramaleba is currently registered for a course work Master of Public Management (MPM) degree with the OR Tambo Institute of Governance and Policy Studies within the Faculty of Management, Commerce and Law, University of Venda. He is now at the stage to collect data to complete his mini-dissertation. The Institute is satisfied that the proposal and the area of his research meet the ethical standards for the research at the level of a mini-dissertation.

Kindly assist her where possible.



.....  
Prof. Nghamula Nkuna (PhD)

OR Tambo Institute of Governance and Policy Studies

SCHOOL OF MANAGEMENT SCIENCES  
OFFICE OF THE DEAN

19 March 2021

The Municipal Manager |  
Vhembe District Municipality

Private Bag X 5006  
Thohoyandou  
0950

Dear Madam

**PERMISSION TO CONDUCT RESEARCH INTERVIEWS AND ADMINISTER QUESTIONNAIRES**

I am a registered Masters of Public Management(MPM) student and hereby request permission to conduct interviews and administer questionnaires at Vhembe District Municipality.

The title of the study is **'The role of political and administrative leadership in financial management: A case of Vhembe District Municipality'**. The study is under the School of Management Sciences, led by Dr A.T. Singo as the supervisor, Dr E. Mabile and Prof. N. Nkuna as co-supervisors.

The study seeks to investigate the role which political and administrative leadership play in promoting sound financial management in the municipality. The participants of the study are the role players in financial management both political and administrative officials.

The findings of the study will assist Vhembe District Municipality in developing strategies to improve financial management.

Ethical issues which include confidentiality, anonymity, informed consent and voluntary participation will be strictly adhered to and information will be used for research purposes only.

Your kind assistance in granting permission for the study will be highly appreciated.

Yours Sincerely:



Mashudu Lucky Ramaleba

Contact No: 071 632 3422

Email Address: [mashudu.ramaleba@univen.ac.za](mailto:mashudu.ramaleba@univen.ac.za)



University of Venda

SCHOOL OF MANAGEMENT SCIENCES  
PRIVATE BAG 2316, THOHOYANDOU, 0950  
LIMPOPO PROVINCE, SOUTH AFRICA  
TELEPHONE 031 943 8767/ 031 943 8888/ 031 943 8769  
FAX 031 943 8748



## ANNEXURE B

### VHEMBE DISTRICT MUNICIPALITY

PRIVATE BAG X5006, THOHOYANDOU, 0950

TEL: 015 960 2000, FAX: 015 962 1017

Website: www.vhembe.gov.za



Ref: 4/2/1  
Enq: Tshikovha N.C  
Date: 16 April 2021




Attention: Ramaleba Mashudu Lucky

#### APPLICATION TO CONDUCT ACADEMIC RESEARCH: YOURSELF

1. Your application dated 19 March 2021 refers.
2. It is with pleasure to inform you that your application to conduct research on "The role of political and administrative leadership in financial management: A case of Vhembe District Municipality is hereby granted to you.
3. Please contact Chief Financial Officer at 015 960 2032 in order to arrange the starting date.
4. Should there be anything you need clarity on, feel free to call our office at 015 960 3558/015 960 3541.

Kind Regards

  
MUNICIPAL MANAGER  
NDOU T.S

16/04/2021  
DATE

## ANNEXURE C

### LETTER TO PARTICIPANT

*Enquiries* : M.L. Ramaleba.

P.O. Box 4050

*Cell* : 071 632 3422

THOHOYANDOU

*Email* : [mashudu.ramaleba@univen.ac.za](mailto:mashudu.ramaleba@univen.ac.za)

0950

**16 April 2021**

#### Dear participant

I, Mashudu Lucky Ramaleba, am registered student at the University of Venda doing Master of Public Management (MPM). I am required to conduct a research project in order to complete my study. The title of my research is **“The role of political and administrative leadership in financial management in local government: A case of Vhembe District Municipality”**.

I would be most grateful if you would help me with this part of my research project by taking part in this study by providing the information needed by the researcher. Be advised that your participation in this study shall be on voluntary basis and you can withdraw from this study at any point if you so wish. The researcher assures you that the information provided will be treated as confidential and will be used for academic purposes only.

In anticipation, please accept my sincere appreciation for your willingness to take part in this research as a volunteer participant.

Yours sincerely,



---

**MASHUDU LUCKY RAMALEBA**

## ANNEXURE D

STUDENT NUMBER. 8901447



### INFORMED CONSENT FORM

**Topic: The role of political and administrative leadership in financial management: A case of Vhembe District Municipality.**

Dear Respondent,

I, Mashudu Ramaleba, a Masters' student at the University of Venda is engaged in research titled: **THE ROLE OF POLITICAL AND ADMINISTRATIVE LEADERSHIP IN FINANCIAL MANAGEMENT: A CASE OF VHEMBE DISTRICT MUNICIPALITY**. I am conducting this study under the O.R. Tambo Institute of Governance and Policy Studies in the School of Management Sciences. My supervisor and co-supervisor are Dr A.T Singo and Prof. N.W. Nkuna respectively. The study aims to investigate the role of political and administrative leadership in financial management. The study intends to gain a better understanding of financial management practices in Vhembe District Municipality. Your participation in this research will benefit Vhembe District Municipality and communities within Vhembe District. The findings could be used in improving the management of finances in Vhembe District Municipality.

#### **2. Respondent:**

I-----give my consent to be interviewed by Mashudu Ramaleba. It has been explained to me that my name as a respondent will be anonymous as stated in the ethical clearance. As a respondent in this research study, I am required to observe the following ethical standards:

- My name will not be mentioned during discussions;
- Participation is voluntary and there is freedom to withdraw without penalty;

- Raw materials will be kept under lock to ensure confidentiality;
- Information regarding the interview will only be used for this study;
- A summary of the research study will be available to me if requested.

Respondent's signature-----Date-----

Researcher's signature-----Date-----

THANK YOU FOR YOUR COOPERATION

## ANNEXURE E



University of Venda

### INSTRUMENT

### QUESTIONNAIRE



**TOPIC: THE ROLE OF POLITICAL AND ADMINISTRATIVE LEADERSHIP IN FINANCIAL MANAGEMENT: A CASE OF VHEMBE DISTRICT MUNICIPALITY.**

This study aims to investigate the role which political and administrative leadership play in financial management in their effort to promote sound financial management. The purpose of the research is only for scholarly contributions and no remuneration will be given to that effect. Thank you for agreeing to participate in this research.

Kindly note that this questionnaire is anonymous and your responses will be treated with confidentiality.

### INSTRUCTIONS TO COMPLETE THIS QUESTIONNAIRE

- Please do not write your name, surname or any other personal details or contact numbers on this questionnaire.
- The questionnaire will not take longer than 20 minutes to complete.

### SECTION A: BIOGRAPHICAL INFORMATION

**Place a cross ( X ) in the appropriate block. Choose only one option.**

#### 1. Gender

Male	
Female	

## 2. Age Next Birthday

20 - 30	31 - 40	41 - 50	51- 65	Other :	
---------	---------	---------	--------	---------	--

## 3. Occupational Group

Administrative		Councillors		Senior Manager	
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## 4. Educational Background

Grade 12 /Matric	
Diploma	
Certificate	
Bachelor's degree	
Postgraduate Degree	

## 5. Work Experience (No of years)

1-5		6-10		11-20		21 and more	
-----	--	------	--	-------	--	-------------	--

## SECTION B: THE ROLE OF POLITICAL AND ADMINISTRATIVE LEADERSHIP IN FINANCIAL MANAGEMENT

This section explores internal controls, expenditure management and supply chain management areas of financial management.

Item No	To what extent would you agree with these statements	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
1	The municipality keeps and maintains an effective financial internal control system					
2	The financial internal control system is effectively implemented to prevent incurring unauthorized, irregular, fruitless and wasteful expenditure					
3	The municipality complies with supply chain management policy					
4	There is a political oversight in the financial affairs of the municipality					
5	The involvement of politicians in the financial administrative roles breeds corruption					
6	There is sound relationship between the political and administrative leadership in managing financial resources of the municipality					
7	There is a clear separation of roles between politicians and administrators in financial management					
8	The municipality follows the prescribed guidelines for the submission of financial reports					
9	Politicians are involved in supply chain management					
10	Financial staff members involved in irregular and wasteful expenditure face consequence management					

11	Financial staff members have expertise and skills to deal with financial management					
12	Financial staff members are regularly trained to deal with finances					
13	The municipality timely submits financial statements to the Auditor-General for audit purposes					
14	Cadre deployment without regard for skills and expertise contributes to financial mismanagement					

**Thank you for completing the questionnaire.**



## ANNEXURE F



### INSTRUMENT

### INTERVIEW SCHEDULE

**TOPIC: THE ROLE OF POLITICAL AND ADMINISTRATIVE LEADERSHIP IN FINANCIAL MANAGEMENT: A CASE OF VHEMBE DISTRICT MUNICIPALITY.**

The aim of this study is to investigate the role which political and administrative leadership play in financial management to determine whether it promotes sound financial management. Thank you for agreeing to participate in this research. Your contribution will assist in compiling findings and recommendations to improve financial management at the local government level. Kindly note that this interview is anonymous and your responses will be treated with confidentiality.

1. What is the role of political and administrative leadership in financial management?

.....  
.....  
.....

2. What do you consider to be the challenges which hamper the management of finances of the municipality?

.....  
.....  
.....

3. Is the political and administrative leadership relationship important in ensuring the sound financial management of the municipality? Agree or Disagree. Give reasons to support your choice

.....  
.....  
.....

4. In your view, what do you think are the implications of political interference for financial management in municipalities?

.....  
.....  
.....

5. What are the strategies that can be implemented to improve the management of Vhembe District Municipality finances?

.....  
.....  
.....

**Thank you for your contribution.**

## ANNEXURE G

### FACULTY OF HUMANITIES, SOCIAL SCIENCES AND EDUCATION

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06 December 2021

#### TO WHO IT MAY CONCERN

Sir/Madam

This serves to confirm that I have proof-read Mr. M.L. Ramaleba's mini dissertation titled, "THE ROLE OF POLITICAL AND ADMINISTRATIVE LEADERSHIP IN FINANCIAL MANAGEMENT OF LOCAL GOVERNMENT: A CASE OF VHEMBE DISTRICT MUNICIPALITY"

The proof-reading entailed editing some parts of the document; for example, to avoid wordiness, redundancy, sub-dividing sentences, and so on, to enhance the readability of the document.

However, I have not tampered with the content of the document, except where this constituted repetition or made the document confusing.

The research study is presently ready for examination.

Sincerely



.....  
Mr F. Mahori

Lecturer

Department of English, Media Studies and Linguistics



University of Venda

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**UNIVERSITY OF VENDA**

PRIVATE BAG X5050, THOHOYANDOU, 0950, LIMPOPO PROVINCE, SOUTH AFRICA

TELEPHONE (015) 962 8299

E-mail: [Freddy.mahori@univen.ac.za](mailto:Freddy.mahori@univen.ac.za)

*"A quality driven, financially sustainable, rural-based comprehensive University"*

## ANNEXURE H

### Turnitin Similarities Report

#### THE ROLE OF POLITICAL AND ADMINISTRATIVE LEADERSHIP IN FINANCIAL MANAGEMENT OF LOCAL GOVERNMENT: A CASE OF VHEMBE DISTRICT MUNICIPALITY

##### ORIGINALITY REPORT



##### PRIMARY SOURCES

**1** [hdl.handle.net](https://hdl.handle.net)  
Internet Source

**2** Submitted to University of Venda  
Student Paper

**3** [www.gov.za](http://www.gov.za)  
Internet Source

**4** [ir.cut.ac.za](http://ir.cut.ac.za)  
Internet Source

**5** [repository.up.ac.za](http://repository.up.ac.za)  
Internet Source

**6** [univendspace.univen.ac.za](http://univendspace.univen.ac.za)  
Internet Source

**7** [researchspace.ukzn.ac.za](http://researchspace.ukzn.ac.za)  
Internet Source

**8** [mfma.treasury.gov.za](http://mfma.treasury.gov.za)  
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**9** [ulspace.ul.ac.za](http://ulspace.ul.ac.za)

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