

Challenges in the implementation of monitoring and evaluation systems for sound financial management: The case of Nkomazi Local Municipality

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ABSTRACT

Purpose of the study: Monitoring and Evaluation can play an essential role in addressing issues of non-performance in local government and assist municipalities in strengthening good governance by ensuring effective accountability and responsibility of officials. A growing body of literature recognises M&E as an effective tool to improve the quality of programmes and project planning. It also serves as an early warning indicator for management. To improve service delivery, municipalities must develop and implement thorough M&E systems to track and trace the effectiveness of municipal departments, systems and processes in line with municipalities' integrated development plans (IDPs). This study explored the challenges in implementing M&E systems in local government, specifically referring to the Nkomazi Local Municipality.

Design/methodology/approach: Outline the research protocols/approach followed and methods/tools used to achieve the objective of the study. This study was undertaken to explore the efficacy of the municipality's M&E systems that are in place to ensure sound financial management. This case study on challenges for implementing M&E systems for sound financial management in the Nkomazi Local Municipality found that the municipality received unqualified audits with findings and unauthorised expenditures.

Findings: Specify the results of the study. It was found that the municipality had wasteful expenditures and unauthorised spending due to a lack of oversight. It was discovered that there needed to be more adherence to policy, which contributed to the Auditor-General's unfavourable opinions of the municipality.

Recommendations/value: Explain the recommendations emanating from the study's findings and/or the value of those findings. The article concludes by recommending remedial actions to address the identified challenges, namely employing and retaining highly skilled workers, especially those with credible experience in finance and monitoring and evaluation expertise from an increasingly diverse and mobile labour market. In addition, the municipality should involve the local community in the planning and execution of projects to ensure their success. Most

Managerial implications: Describe the implications of the study's findings to the contemporary field of management. Most importantly, the municipality needs to establish an evaluation system that complies with the government-wide Monitoring and Evaluation (GWM&E) system.

Keywords

Financial management; Good governance; Monitoring and evaluation; Municipality; Local government; Planning.

JEL Classification: H7

1. INTRODUCTION

Globally, people require basic and essential services to improve their livelihood and live a better life. Local government is vital in improving people's lives by ensuring adequate and continuous delivery of essential services to the public. This includes the provision of potable water, proper sanitation, adequate electricity supply, a sustainable electricity supply, and continuous waste removal in their various communities (Mthethwa & Jili, 2016; Meyer *et al.*, 2016). In South Africa, the local government is tasked with providing basic services to communities, considering the constitutional guidelines and obligations stipulated by the Constitution of the Republic of South Africa (Republic of South Africa, 1996). Local municipalities are also obliged to develop an IDP, which is a blueprint of what needs to be done by the municipality within a five-year term (the Republic of South Africa (Republic of South Africa), 2000). Local municipalities must have an IDP to outline their specific plans for delivering essential basic services (Republic of South Africa, 2000). Municipalities must design and implement comprehensive Monitoring and Evaluation (M&E) systems to keep track of how successful they are in improving service delivery. Municipalities need to strategically plan all their service delivery plans and modes of operations to ensure the effective execution of service delivery provision.

Govender and Reddy (2014) assert that municipalities must develop effective and strategic M&E systems that will enable them to, for a municipality to undertake proper planning of service delivery

initiatives that need to be accomplished and to conduct thorough evaluations of interventions that have been conducted. According to Gill *et al.* (2016), M&E systems enhance accountability. Effective M&E systems are a prerequisite for enabling effective governance and contribute to the efficient delivery of basic services. M&E systems go hand-in-hand with effective planning. Several negativities may arise within governmental institutions without proper and effective governmental planning in a developing South Africa (Wessels, 2012; Meyer & Auriacombe, 2019). A lack of service delivery will contribute to protests which will become daily occurrences if planning is not inculcated as a culture within government institutions, particularly across local government. This will then contribute to dissatisfaction among the citizens and the country's inhabitants (Madue, 2015).

Mthethwa and Jili (2016) state that municipalities must develop effective M&E systems that will facilitate the continuous evaluation of municipal structures, such as the Municipal Public Accounts Committee (MPAC), which accounts for the council working hand-in-hand with the internal audit, monitoring and evaluation committee, and risk management committee. The M&E systems should be developed and aligned with the municipality's IDP, service delivery initiatives, and operational plans. The aim of this paper is to investigate the case of the Nkomazi Local Municipality to explore how effective the municipality's M&E system(s) are in ensuring adequate and sound financial management within the institution. It also discusses the legal framework of local government and the state of local government in South Africa. The article concludes by recommending remedial actions to address the challenges identified in implementing M&E systems within the municipality.

2. LITERATURE REVIEW

The literature review includes and theoretical foundation and an assessment of M&E issues in local government.

2.1 The public administration theory

Public administration refers to the actions and processes taken by the government of the day to deliver essential basic services to the people it serves. The basic quality services being delivered to people by the government are meant to enhance the lives of community members. Public administration also refers to all government-related activities, institutions and statutes (Bvuma, 2014). Meanwhile, Stroh (2014) outlines that public administration refers to the delivery of basic quality services to society by the government and is guided by the variety of needs and demands

of society. It is of utmost importance that public administration institutions within government, such as municipalities, ensure that they meet and address the basic needs of society. They must develop and implement sound, strategic and viable policies that will benefit the lives of the community members they serve (Bvuma, 2014). For public administration to succeed, a level of efficiency needs to be achieved (Brynard, 2012).

During the early years of public administration, researchers and academics identified that public administration should produce, promote and maintain a good life for citizens. Public administration is accompanied by values that must be upheld (Bvuma, 2014). Brynard (2012) establishes that for public administration, a commitment to administrative justice implies that every public official must be committed to respecting the dignity and value of every member of society. Public administration must value and uphold the rights of freedom, justice, equality and many other basic human rights. This entails that for public administration to be implemented effectively, public officials must honour the principles and prerogatives of the Constitution (Denhardt & Catlaw, 2015).

According to the Constitution of the Republic of South Africa (1996), "public administration must be governed by the democratic values and principles enshrined in the Constitution of the Republic of South Africa, which include the following principles extracted from Section 195 (1) of the Constitution: (a) "A high standard of professional ethics must be promoted and maintained; (b) efficient, economical 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, and (f) public administration must be accountable" (RSA, 1996).

This theory links to the present study since it is a theory that is interrelated with governmental processes, public policy-making and the provision of public services by public servants to the public. This theory is suited for the study on the premise that public institutions and administrators are supposed to be at the forefront of enhancing social, economic and political development.

2.2 The new public management (NPM)

Denhardt and Catlaw (2015) mention that the new public management (NPM) theory originated as a mechanism for practical developments in the operations of public institutions around the 1970s. It attempted to resolve the fiscal and political crises confronting governments worldwide

during that time. During the 1970s, the NPM approach diagnosed the problems in public institutions, such as inefficient use of organisational resources and ineffectiveness in implementing public programs and projects. As a remedy, this approach encouraged restrictions on governmental growth, privatisation of government assets and the use of contracts instead of direct service provision (Maserumule, 2011).

According to Denhardt and Catlaw (2015), the NPM originates from the public choice theory and managerialism. This research is theoretically linked to the NPM because it advocates for reinventing government institutions (Matsiliza, 2017:16). There have been many debates about the NPM, whereby they are questioning its credibility on whether or not NPM is a theory. The NPM remains under scrutiny by various scholars (Maserumule, 2011). Several scholars postulate that it should not be perceived as a theory (Maserumule, 2011). However, Osborne *et al.* (2012); Radnor and Nasi (2012) (as cited in (Matsiliza, 2017) believe that the NPM is a theory and has the necessary aspects of being considered a theory despite its shortcoming's other theories. This theory has many theoretical features and is invaluable for having contributed greatly to how governments can enhance production and performance management and ensure proper and effective financial management and accountability (Mbandlwa & Mishi, 2020).

This study associates with the NPM approach because the South African government enacted several legislative frameworks to enhance its performance and ensure accountability. That legislation is: The Public Finance Management Act, 1999 (Act no. 1 of 1999), Local Government: Municipal Finance Management Act, 2003 (Act no. 56 of 2003) and Local Government: Municipal System Act, 2000 (Act no. 32 of 2000) (Maserumule, 2011:31). These legislative frameworks are entrenched in the foundations and features of the NPM which incorporates aspects such as decentralisation, economic and social development, performance management and outsourcing (Matsiliza, 2012:69). For example, the Municipal System Act, 2000 (Act no. 32 of 2000) and the Municipal Finance Management Act, 2003 (Act no. 56 of 2003) state that it is a prerequisite for municipalities to ensure the continued involvement of community members and other stakeholders during processes of integrated development planning as well as overall budgeting processes (Maserumule, 2011).

The emergence of the NPM brought about many changes within the public sector (Munzhedzi, 2020). Such changes and initiatives included partnerships, corporatisation, privatisation and digital or e-government as important initiatives and responses to the scarcity of financial and

human resources, which create problems in terms of service delivery giving rise to many disputes and complaints from community members who demand services that are essential for their well-being (Maseko & Vyas-Doorgapersad, 2018). Through NPM, municipalities have devised mechanisms to be innovative when providing services to communities, including outsourcing, as community members are now involved in providing basic services based on being service providers (Munzhedzi, 2020).

According to the NPM theory and its ideologies, government institutions must be more productive and deliver basic services to communities while using relatively fewer financial resources as efficiently and effectively as possible (Denhardt & Catlaw, 2015). The policies and ideologies of the NPM are in line with the Batho Pele principles (Munzhedzi, 2020). The NPM suggests that government institutions need to inculcate a mindset by which public officials are driven to prioritise productivity (Munzhedzi, 2019). Public officials should be service-orientated (Denhardt & Catlaw, 2015). They should also be ethical leaders who lead with integrity (Munzhedzi, 2020).

Furthermore, the NPM approach is recognised as the driving force for enhancing quality basic services (Munzhedzi, 2020). It also asserts the importance of performance management in the public sector (Svard, 2019). The fact that the scope of the functions and duties of government is increasing makes it necessary and demand for public institutions dealing with public management to start operating as innovatively and creatively as possible. The NPM is more than just a theory for monitoring performance and managing public systems; it goes beyond that since it states that government institutions must operate as businesses and be more like the private sector. Some theorists devised an idea and proposed that government institutions tasked with public management should operate using the 'business-like approach' to create and promote efficiency in public institutions (Denhardt & Catlaw, 2015). The idea behind the NPM theory was to evaluate if the tools and policies used in the private sector can be effectively applied within the public sector (Seabi, 2020).

Despite the stated weaknesses, this study draws on the work of the NPM theory to argue that there has been an effective long-term theme in addressing matters of efficiency and accountability. M&E can be a bureaucratic procedure starting from the issue of accountability and efficiency. Weber's emphasis on bureaucracy is particularly suitable for this research's examination as it permits one to reason through how M&E influences the different layers of authority at Nkomazi Local Municipality and its role in enhancing good governance. To this end,

the NPM theory's bureaucratic conceptualisation of policy-making and service delivery is generative for grasping how to strengthen public service delivery by engaging the citizens to ensure accountability. It is here also that the NPM's attention to the aspect of bureaucracy is of value for informing a strong criticism of Weber's bureaucratic theory that reporting should be based on outcome-based results instead of processes and policy demands. This theory is useful in answering the research question stating how monitoring and evaluation contribute towards improving planning and sound financial management in the Nkomazi Local Municipality. The supporters of this theory are the politicians who have rallied around service delivery through different ministries in the country and are persistent in their advocacy of good governance.

2.3 Monitoring and evaluation (M&E) contextualised

Monitoring and evaluation help to improve performance and achieve results (Matsiliza, 2012). The South African Department of Monitoring and Evaluation (DPME) defines monitoring and evaluation as the overall purpose of tracing and tracking conduct or performance to devise mechanisms for managing performance toward achieving the desired aims of an organisation. Performance is defined as the process through which a task is undertaken to produce desired results and outcomes. The department further outlines that monitoring and evaluation are of utmost importance in assisting with monitoring, evaluating and investigating human resource practices, service delivery and related organisational matters to assess the extent to which they comply with constitutional principles (DPME, 2013).

The United Nations noted that monitoring and evaluation have a complementary relationship. Monitoring provides relevant details about how a program or project is being implemented and delineates the targets that need to be achieved. Evaluation is about providing sound judgement and a conclusion as to why a certain target was or was not attained (United Nations Development Programme, 2017).

There is growing concern that monitoring and evaluation should involve a wide range of stakeholders, including community and NGOs, to enhance accountability and promote community development in South Africa. The process of policy evaluation and monitoring can also play a significant role in ensuring that politicians and public administrators are held accountable for various affairs in the public sector. It can also be used to track performance, effectiveness and

efficiency by Monitoring and evaluating whether or not the intended objectives have been achieved (Matsiliza, 2012).

Monitoring refers to the continuous process of checking and ensuring that objectives that are supposed to be attained by an organisation in striving for success are met and achieved. It is also aimed at checking failures or successes in the achievement of a programme or project that may contribute to failure or success within an organisation (Matsiliza, 2012). Monitoring is an ongoing process that uses strategic methods to collect relevant information regarding specific performance indicators of government interventions, to provide management and various stakeholders of the institution with information on the possible failures and successes of an ongoing developmental project or intervention, to track the progress concerning the financial resources that have been allocated to a development project (Uwizeyimana, 2020).

Monitoring requires a well-documented and up-to-date plan of action to address gaps and delineate the government's strategic mechanisms and interventions being implemented and the date when the intervention is likely to begin and end. The place where the intervention will be implemented should also be documented. Moreover, it is imperative that the reasons for the intervention are clearly defined, and the beneficiaries of the intervention should be known. The person responsible for conducting the intervention and the duties and processes that will be conducted during the intervention must be clearly identified (Matsiliza, 2012). A step-by-step guide of all the actions and processes of the intervention must be clearly defined. Monitoring must be done regularly to avoid missing critical and important information (Uwizeyimana, 2020).

Evaluation refers to assessing and checking the success or failure in terms of completed missions and objectives within an organisation. Moreover, it is time-bound (United Nations Development Programme, 1997, as cited in United Nations, 2017). Evaluation depends on the readily collected information and data through the systematics and strategic monitoring of mediations by the government (Uwizeyimana, 2020). As such, monitoring coexists with evaluation because, without that, it would be impossible to determine the relevant and stated objective that the government intervention should achieve. Thus, it will compromise development efficiency, effectiveness, impact and sustainability of government strategies (DPME, 2013:12).

Monitoring and evaluation are crucial for ensuring effective planning and managing progress regarding development within the public sector. Municipalities need to develop monitoring and

evaluation systems per the prescripts in the Municipal Systems Act no. 32 of 2000 (Matsiliza, 2012:68). The DPME (2013) states that monitoring and evaluation are diverse since it could be used to track performance as well as ensuring that public administrators and other stakeholders are held to account. Monitoring and evaluating systems and processes provide relevant outcomes in terms of areas of needs and development, what should be improved and what strategies could be used to enhance effective performance and positive growth within an organisation. Monitoring and evaluation can assist with solving a problem but are not a master plan to tackle all governmental problems hindering effective service delivery. Monitoring and evaluation produce information, but unless managers act on this information, monitoring and evaluation have little impact.

2.4 Evaluation Standards

According to Gill (2016), evaluation standards refer to the manner and quality of how an evaluation will be concluded. Evaluation standards are developed to ascertain the quality examination of evaluation. They enable managers, evaluators, evaluatees, government officials many stakeholders involved to be competent in their scope of work. Evaluation standards are beneficial because they capacitate government officials, evaluators and evaluatees to develop relevant skills and attributes to meet their everyday challenges in their respective workplaces. Evaluation standards are normally used to undertake proper planning of an evaluation as well as conducting thorough evaluations from several evaluations that have been conducted. It enhances accountability and contributes to continuous learning. The purpose of evaluation standards is to make improvements and understand what works and what does not work. Evaluation standards enable evaluators and evaluatees to determine their developmental needs for personal growth. They are there to assist government officials in doing better at work (Leslie *et al.*, 2015). The purpose of evaluation standards is to enhance evaluation quality and reinforce development outcomes (Leslie *et al.*, 2015).

Evaluation standards are determined and developed; to evaluate capacity in the workplace and devise mechanisms for improving capacity, enhance accountability among officials, improve competence levels among evaluators and those being evaluated, evaluate effective and less-effective work programmes and projects and improve stakeholder involvement and inspire officials and managers (Leslie *et al.* 2015).

According to the DPME, there are four critical purposes for monitoring and evaluation. They are: (a) to Improve policy or programme performance and enhance evaluation for continuous improvement as well as providing feedback to programme managers, (b) to improve accountability in relation to public spending, (c) to improve effective decision-making by ensuring that there are effective and efficient interventions that are implemented within the allocated budget, and (d) to ensure that during evaluation there is continuous learning, gaining of new and relevant knowledge as well as capacity building among those involved in terms of public policy, programme implementation, function or organisation (DPME, 2015). Furthermore, the DPME (2015) lists five stages of evaluation: (1) Overarching considerations prior to the evaluation, (2) planning the evaluation, (3) the evaluation process, (4) the evaluation findings, and (5) the eventual use.

2.5 Integrated Development Plan (IDP)

Municipalities must have an IDP in place which outlines specific plans for delivering essential services like water, proper sanitation, roads, clinics, recreational centres and many other important public services that will improve the lives of the country's citizens. The IDP should go through rigorous M&E to determine if the municipality is achieving its desired objectives and service delivery plans. Community members are key to the formulation of an IDP. It is argued that for municipalities to enhance development within their jurisdictions, community members should have adequate involvement in all decision-making processes (Mathebula, 2018). An IDP is a tool that promotes and enhances public participation. It is where community members voice out their demands in a formal setting during public meetings. The IDP stipulates all the plans laid out by various stakeholders, including community members. It outlines what needs to be done by the municipality over five years (Kgobe, 2020).

According to the former Department of Local Government (DPLG) (2000), as cited in Mbecke and Mokoena (2016), the IDP is a tool that municipalities could utilise to improve the lives of citizens by ensuring that a municipality undertakes useful and sustainable development projects. Sebola (2016) proposes that the IDP could be used as a process and program to facilitate the development of infrastructure or community development through the involvement of civil society. As a municipal planning tool, the IDP operates as a plan for the structural arrangement of procedures and steps to be followed to accomplish and achieve missions and desired objectives within a municipality. Effective consultation, formulation and implementation of the IDP will

contribute immensely to effectively delivering various community services. According to Mathebula (2018), appropriate implementation of the IDP will enable municipalities to deliver effective and efficient service. The IDP remains one of the important tools for a municipality to promote and enhance efficient service delivery to the communities it governs. Makalela (2017) asserts that the IDP can be defined as a strategic blueprint established to guide a municipality on how to undertake its plan of action, namely to address service delivery, local economic development and maintenance, and infrastructure development.

2.6 The Nkomazi Local Municipality IDP (2020/2021)

The Municipal Systems Act No. 32 of 2000 is the primary legislation that promulgates the preparation and drafting of IDPs by municipalities across the country. The act provides the processes and framework for preparing IDPs by encouraging community participation so that community members can also voice their views. The Municipal Systems Act no. 32 of 2000 states that IDPs must be reviewed annually to re-evaluate whether the municipality is on the right path to achieving its desired development priorities and to trace notable challenges that should be addressed for the municipality to achieve its goals and objectives (Nkomazi Local Municipality, 2020/2021).

The IDP is a five-year strategic plan outlining the municipality's layout for service delivery mechanisms, investment plans, effective municipal management, economic and social development strategies, and the promotion of the livelihood of community members across the municipality. The Nkomazi Local Municipality drafts its five-year strategic IDP just like all other municipalities in the country by considering input from various stakeholders and sectors of society. The municipality's IDP draws inspiration from the National Development Plan set by the Republic of South Africa Presidency. The IDP is used as a guideline for the effective operation of various departments and divisions within the municipality with the goal and mission of providing essential and basic services to communities under the Nkomazi Local Municipality. The municipality's IDP is drafted to ensure effective and efficient usage of financial and human resources (Nkomazi Local Municipality, 2020/2021).

The municipality adequately follows public participation during the drafting and implementing its IDP. This is seen by the fact that there is continuous involvement of community members, businesspeople, various sector departments, stakeholders and other service providers. There are

multiple role players in the Nkomazi Local Municipality during drafting and implementing the IDP. The continuous and effective participation and involvement of various stakeholders during the drafting, formulation and implementation of the IDP play an integral role during the entire IDP Process Plan.

Several processes were followed during the drafting and development of the five-year IDP (2017–2022). The first phase of drafting the 2017–2022 IDP was the preliminary phase. The Ehlanzeni District Municipality began the process by providing all local municipalities within the district with the IDP framework. This IDP framework was developed so local municipalities could follow it during their IDP process plan. Nkomazi Local Municipality began developing its process plan in early 2017, and it was linked with the district framework plan. The council adopted the municipality's process plan on 29 August 2017 under council resolution no NLM: S-GCM: A064/2017 (Nkomazi Local Municipality, 2020/2021).

The analysis phase is the second process that the municipality implemented. Several stakeholders were involved during this phase, and ward committee members from all 33 wards across the municipality were capacitated. Traditional leaders were also involved during this process and played an integral role during this IDP phase. Afterwards, committees were trained, and they conducted numerous meetings in their various wards where they provided community members with feedback and informed them of projects to be implemented by the municipality. The analysis phase began on 07 October 2017 and ended on 22 October 2017 (Nkomazi Local Municipality, 2020/2021).

The third phase is the strategy phase. During this phase, strategies for dealing with all identified priority areas within the municipality were proposed. Meetings across various departments within the municipality were held to devise strategies to deal with priority issues that had been identified, taking policy guidelines, available resources and many other requirements into consideration. This phase was completed in February 2018 (Nkomazi Local Municipality, 2020/2021).

The fourth stage was the project phase of the IDP process. In this phase, departmental project team members were given various responsibilities of working on identified projects and priority areas. During this phase, proper planning was conducted to determine tentative target figures, technical standards, locations, time frames and cost estimates. This phase was completed in May 2018 (Nkomazi Local Municipality, 2020/2021).

The fifth phase was the integration phase. During this phase, the municipality ensured that the plans put in place for the implementation of projects were properly conducted and that the vision, objectives and strategies were achieved. The first draft of the municipality's 2017–2022 IDP document was tabled to the municipal council on 30 March 2018. A public notice for input and comments by the general public on the draft document was issued. A program for public consultation was also developed and implemented. Projects and programs from sector departments and other stakeholders were incorporated into the draft IDP (Nkomazi Local Municipality, 2020/2021).

The last phase was the approval phase, and the municipality's IDP was tabled to the council for final approval on 30 May 2018 (Nkomazi Local Municipality, 2020/2021). After thorough discussions and the IDP processes that were followed by the municipality and the involvement of ward councillors and ward committees from the 33 wards, the municipality came up with these priorities for the 2017–2022 IDP: water, electricity, sanitation, roads and stormwater drainage, community facilities, education, housing, health, led, waste management, rural development, safety and security (Nkomazi Local Municipality, 2020/2021).

3. RESEARCH METHODOLOGY

This study adopted a qualitative research approach. Creswell *et al.* (2013) describe the qualitative research approach as a unique technique often used to collect data describing a certain social phenomenon. This approach is often used to get a deeper understanding and experience of how a certain individual or group of people within a certain environment view and understand the world around them. Bekwa *et al.* (2019) indicate that the advantage of using the qualitative research approach is that it brings about useful and rich data about the participants' perspectives on their views and experiences about the world around them. Since the research approach was qualitative, a multiple case study design was used as the interpretive research paradigm.

In this study, a case study design was utilised because this research involved several people, the officials (elected ward councillors and appointed municipal officials), who are the main research subjects. Bekwa *et al.* (2019) define a case study design as a type of qualitative research design which researchers utilise to investigate a single entity or phenomenon in a specific environment. The case study design was selected because the sample population was small, comprising

sixteen participants from the municipality. In this study, the researcher used semi-structured interviews and document analysis for data collection.

According to Maree *et al.* (2010), an interview is a two-way conversation with the researcher asking the participants questions to collect data and learn more about the participants' ideas, beliefs, views, opinions and behaviours. In this study, open-ended questions were used in the interview guide because open-ended questions allow the researcher to extract data on the participants' points of view. The interviews were conducted at the offices of Nkomazi Local Municipality sites with municipal administrators from various departments in the municipality as well as ward and Proportional Representational (PR) Councillors.

The interview guide questions had the following sub-headings that were open-ended questions with reservations for probing questions:

- Integrated Development Planning
- Financial management and auditing within the municipality
- Monitoring and evaluation within the municipality
- These sub-headings provided detailed, rich data concerning the status quo regarding M&E of planning and financial management within the municipality.

Document analysis was chosen as a form of secondary data collection to gain insight into the M&E of planning and financial management in the Nkomazi Local Municipality to ensure smooth operations within the municipality and address the everyday needs of the communities under its jurisdiction. Document analysis involved thoroughly analysing the municipality's IDP from 2017 to 2022. The Auditor-General's report on municipalities for 2019/2020 was also analysed in depth. Additionally, the 2020 Auditor-General's Covid-19 Municipal Relief Funding Report (Covid-19 MRFR) provided a detailed analysis of the current state of affairs within the municipality. During this research, numerous reports from SALGA and COGTA were analysed to gain insight into the affairs of the Nkomazi Local Municipality. Newspaper articles, independent newspaper columns, media publications, press statements, and relevant and useful official reports were critically scrutinised.

3.1 Data analysis and interpretation

The data were analysed through thematic analysis. Braun and Clarke (2006) explain that the thematic data analysis approach involves discovering, interpreting and reporting patterns and clusters of meaning within the dataset. Specific steps are taken during thematic data analysis, namely collecting, organising, transcribing, coding, describing and categorising interview notes, which were then transcribed and repeatedly read to identify emerging patterns. This article explored monitoring and evaluation systems to enhance effective planning and sound financial management within the Nkomazi Local Municipality. Interviews were conducted with several municipal administrators to find out how the municipality conducted monitoring and evaluation systems. In addition, document analysis in the municipality's IDP was performed, and theoretical concepts were derived from the literature to obtain rich data.

4. RESULTS AND DISCUSSIONS

There are inadequate M&E systems within the Nkomazi Local Municipality, which exacerbates several unethical behaviours among municipal officials as there is no accountability. This contributed immensely to gross financial mismanagement and improper planning within the municipality. The municipality has been embroiled in corruption scandals over the past few years (The South African, 2020). Correspondingly, service delivery has been hampered by corrupt activities within the Nkomazi Local Municipality for the past couple of years. During the Covid-19 pandemic in 2020, the municipality was reportedly involved in a PPE procurement scandal. The Hawks raided and seized critical documents relating to possible R27-million PPE irregularities (City Press, 2020). Hawks spokesperson Brigadier Hangwani Mulaudzi confirmed that on 27 August 2020:

...the Hawks raided the Nkomazi Local Municipality following investigations relating to alleged Covid-19 procurement fraud wherein the appointment of contractors and service providers was inconsistent with the requisite procurement regulations (The South African, 2020).

It is believed that the allegations of corruption were made three weeks before the Hawks raided the municipality's offices. It was reported in some newspapers that the municipal manager of Nkomazi Local Municipality:

...had left officials confused when he allegedly hogged the Covid-19 budget and appointed companies without a bidding process, in violation of the Municipal Finance Management Act and Treasury regulations for tender above R200 000 (City Press, 2020).

The municipality was embroiled in alleged fraudulent activities during the Covid-19 pandemic. According to the Auditor-General's Covid-19 Municipal Relief Funding Report (CMRF), the municipality was among the top 12 municipalities with a heightened risk of susceptibility to fraud. It was believed that Nkomazi Local Municipality assigned a service provider to do fumigation duties in March 2020, which cost the municipality R2 620 000. The Auditor-General raised concerns about the overspending for a single service for only a month and voiced unhappiness over the lack of compliance in terms of appointment and payment of service providers without following the proper processes and procedures for procurement policies within the municipality (RSA, 2020).

The Auditor-General further discovered that the service provider needed to be more compliant in many aspects; firstly, the service provider was not tax-compliant when given the fumigating project; secondly, it was not even registered on the CSD database, yet the tender was awarded to that service. Shockingly, the service provider had yet to perform any services for the municipality in the previous financial year. According to the Auditor-General, there was a gross violation of legislation and extreme non-compliance within Nkomazi Local Municipality (RSA, 2020).

Table 1: Municipalities with overpayments during Covid-19 Municipal Relief Funding.

Province	Municipality	Project	Possible Overpayment
Eastern Cape	OR Tambo District Municipality	Water supply using tankers	R 43 140
Mpumalanga	Bushbuckridge Local Municipality	Water supply using tankers	R 228 800
Mpumalanga	Mbombela Local Municipality	Water supply using tankers	R 84 837
Mpumalanga	Nkomazi Local Municipality	Water supply using tankers	R 461 380
Total			R 818 157

Source: Republic of South Africa (2020b)

According to the Auditor-General's Covid-19 Municipal Relief Funding Report (Covid-19 MRFR), Nkomazi Local Municipality was among the top four municipalities across the country with overpayments regarding service delivery as related to the supply of water tankers during the

Covid-19 pandemic in 2020. The Auditor-General's findings revealed that the municipality had assigned service providers to deliver water (with water tankers) to villages that experienced water shortages. The service providers overcharged the municipality for the water tankers and water transportation to and from villages. According to the Auditor-General's report, the municipality incurred a loss of R461 380 due to the municipality's ignorance and non-compliance in determining the appropriate rates for travelling in paying service providers (RSA, 2020).

The following photographs starkly reveal the water scarcity across communities within the Nkomazi Local Municipality. The images also gave us a clear picture of the service delivery standards in Nkomazi Local Municipality. The researcher took the photographs in Figures 1 to 5. To comply with the research ethics of the study, it was ensured that whenever individuals appeared in the pictures, their faces were not revealed in the photographs.

Figure 1: Nkomazi Local Municipality water tanker delivering water



Source: Researcher, 02 March 2022

Figure 2: Community member fetching water using a wheelbarrow



Source: Researcher, 02 March 2022

Nkomazi Local Municipality operates on an annual budget of R1.1 billion, up to 70 percent of which comes from national funding. The rest is generated through the municipality's revenue collection from businesses, residences and other sources of funds. The municipality's revenue collection was derived from businesses in small towns like Malelane, Hectorspruit and Komatiport (City Press, 2020). The municipality also generated revenue from residences through taxes and rates, particularly from residential areas in those three small towns in Nkomazi Local Municipality. The municipality has 54 rural villages but comprises predominantly poor communities with high unemployment rates. Therefore, not much revenue is generated from these communities (Nkomazi Local Municipality, 2020/2021).

Figure 3: Potholes in R571 road around Nkomazi Local Municipality



Source: Researcher, 02 March 2022

According to the Auditor-General, municipal infrastructure was paramount to ensure effective service delivery across municipalities. However, poor infrastructure affects service delivery and creates a lot of dissatisfaction and unhappiness in communities (Republic of South Africa, 2022).

Figure 4: Badly damaged road and bridge at R571 road



Source: Researcher, 02 March 2022

At this juncture, the state of roads nationwide is appalling, especially in rural and township municipalities. The Auditor-General pointed out that most municipalities have a weakness in implementing infrastructure projects and maintaining current infrastructure. Accordingly, these were issues that the Auditor-General had called for to be given special attention. However, such issues remain unaddressed every year. The Auditor-General states that this lack of infrastructure maintenance was disturbing because most municipalities are undermining the key initiatives in the South African Economic Reconstruction and Recovery Plan, which was evident in development as it sought to continue its mandate for infrastructure development (Republic of South Africa, 2022).

Figure 5: Parents trying to assist their children in crossing a hefty flowing river stream on their way to school



Source: Researcher, 20 January 2022

The national government allocated funding to local governments to invest in infrastructure and enhance the lives of community members. These grants are much needed to develop

communities, particularly in rural villages; however, such monies still need to reach their intended destinations of community development.

5. FINDINGS OF THE STUDY

The municipality needed to plan appropriately for how it wanted to achieve its set objectives of delivering essential services to communities. They needed to have strategic plans for effectively and efficiently utilising their resources. Inadequate planning contributed to mishaps with service delivery to communities. The municipality needs to be more responsive to the needs and demands of communities, as seen by lengthy delays in addressing critical matters such as water shortages and other service delivery issues. Should community members not be involved by the municipality, the municipality would not focus on delivering services essential to communities.

The study found that there needs to be more compliance with financial legislation by the municipality. Municipal officials do not comply with procurement policies. This, in turn, burdens the municipality's finances as the municipality routinely disregards procurement processes and procedures. This, *per se*, contributes to the inadequate delivery of services as funds for providing such essential services are usually exhausted due to illicit and irregular expenditure.

Nkomazi Local Municipality needs to conduct proper recruitment procedures for its personnel. The municipality does not uphold the principle of transparency during its recruitment, shortlisting and interview processes. Proper procedures are not adequately followed, and political influence is allowed during these processes.

6. CONCLUSIONS AND RECOMMENDATIONS

The aim of this paper was to investigate the case of the Nkomazi Local Municipality to explore how effective the municipality's M&E system(s) are in ensuring adequate and sound financial management within the institution. To provide a thorough definition of the concepts, Monitoring and Evaluation (M&E) was also done purposefully to ensure that the aim of this study was effectively achieved. The study sought to get a clear understanding of the challenges that the municipality faces in terms of designing and implementing M&E system(s) to ensure that there is sound financial management within the institution. Sixteen participants attached to the Nkomazi Local Municipality were interviewed in this study. An in-depth analysis of important documents to

obtain data was also conducted. The data obtained from document analysis was linked with the data gathered through interviews with the study participants.

It was discovered during the interviews that in terms of the financial audit of the municipality for the past three years, the municipality received unqualified audits with findings. The Auditor-General's opinion of the municipality was also analysed, and it was discovered that over the past three years since there were a few unauthorised expenditures, and this also exacerbated wasteful expenditure due to a lack of oversight. Most administrators during the interviews stated that irregular expenditure, lack of oversight by the council and lack of adherence to policy contributed to the unfavourable opinions of the Auditor-General on the municipality.

During the interviews, the municipal administrators indicated they understood what monitoring and evaluation meant by providing a detailed analysis of these concepts. However, judging by the Auditor-General's findings on the 2021/2022 report on municipalities state of finances in municipalities within Mpumalanga Province, the Auditor-General proclaimed that the state of the finances of several municipalities in Mpumalanga was a cause for concern since slightly under five municipalities in the province were financially sound, while 55 percent of the municipalities in the province needed assistance in effectively managing their finances to be sustainable and that three municipalities were in dire financial constraints. This means that almost eight municipalities within the province were financially at risk (Republic of South Africa, 2021). Most municipalities, including Nkomazi Local Municipality are almost incapable of planning and reporting on their performance. This indicated that no performance management is taking place in most municipalities in the country. This inevitably creates an atmosphere of gross maladministration, procurement challenges and municipal financial mismanagement within many municipalities (Republic of South Africa, 2022).

There should be proper monitoring and evaluation of financial usage within the municipality, and accountability needs to be enforced. Community members must also pay for the services they receive from the municipality, to supplement the institution's annual budget. The municipality must devise strategies to ensure that it can manage its annual allocated budget by doing proper and effective planning to sustain itself and remain operational. Most importantly, there should be consequences for municipal officials who neglect financial legislation and engage in financial mismanagement. Law enforcement agencies must be allowed to investigate and prosecute anyone who violates the law.

The municipality must recruit capable and qualified personnel. The municipality must conduct workshops and training for newly recruited staff members so that they are able to perform better. The municipality must be transparent with its recruitment, shortlisting and interview processes. Proper procedures must be followed, and political influence should not be allowed during these processes. Prospective job applicants should undergo rigorous checks and verifications for the municipality to employ only qualified and appropriate personnel. A municipal administrator employed in the finance department should possess a financial qualification because a municipality requires a person with relevant experience and expertise to deal with it. The findings of the study reveal that one of the main obstacles to the successful designing and implementation of M&E system(s) within the municipality is a lack of expertise.

The study had limitations which influenced the overall processes of conducting the research. The study took longer than expected to be completed. The municipality delayed in granting the researcher permission to conduct interviews. The institution was undergoing structural changes as its former municipal manager had to vacate office since his term of office had lapsed following the 2021 local government elections. There was a lot of movement within the municipality as the new municipal manager had to familiarise himself with the office and attend workshops and inductions. Interviews were conducted two months after the researcher had requested permission to conduct interviews with municipal officials. Some municipal officials were reluctant to participate in the study. All conclusions and deductions were based on officials and politicians attached to the municipality.

This study has propagated several research topics that could be explored for future studies, and they were outlined as follows; The role of capacity-building programmes for monitoring and evaluation systems to enhance financial management in Nkomazi Local Municipality.

Researchers might use this topic to explore possible mechanisms for implementing effective monitoring and evaluation instruments to assess effective sound financial management or lack thereof within the local municipality. The study will investigate whether the municipality has monitoring and evaluation systems that are used to check if there is sufficient oversight in financial management.

Municipalities must adhere to policies in order to ensure proper and effective sound financial management. According to Reddy (2016:4), several policies and statutory guidelines in South

Africa guide and legislate service delivery within local government. The following legislative frameworks guide effective and sound financial management in local government:

- The 1996 Constitution of the Republic of South Africa (Republic of South Africa, 1996).
- The Municipal Structures Act (no. 117 of 1998) (Republic of South Africa, 1998a)
- The Municipal Systems Act (no. 32 of 2000) (Republic of South Africa, 2000)
- The Municipal Finance Management Act (no. 56 of 2003) (Republic of South Africa, 2003)

The Republic of South Africa developed several applicable regulatory guidelines which were meant to enhance the state accountability and sound financial management in the country: the White Paper on the Transformation of the Public Service (WPTPS) of 1997, the White Paper on Local Government (WPLG) of 1998 and the White Paper on Municipal Service Partnerships (WPMSP) of 2004.

To conclude, the study achieved its aims on the premise that the challenges the municipality faced in terms of M&E system(s) were thoroughly analysed, and possible mechanisms for implementing M&E systems by Nkomazi Local Municipality were suggested. The study explored the M&E systems the Nkomazi Local Municipality utilises for effective planning and sound financial management. This study was conducted on the premise that proper and effective M&E is interrelated with proper and effective service delivery. This should be prioritised within the municipality. The Constitution of the Republic of South Africa of 1996 guarantees effective service delivery, and sound financial management is key.

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