

**THE ROLE OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE TOWARDS
EFFECTIVE FINANCIAL MANAGEMENT: A CASE STUDY OF THE CITY OF
MBOMBELA MUNICIPALITY, MPUMALANGA PROVINCE**

by

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DEDICATION

I hereby dedicate this research study to my late Mother, Dorah Velephi Mbuli - Msibi, thanks for the best and quality education that you gave me mom. I really do appreciate what you did for me, May your soul rest in peace (*Mbuli, Gutshwako, Nongombili Nomtwako, wena lowacedza lubombo ngekuhlehetela* - Clan's name)

DECLARATION

I, Xolani Vusi Mhlanga hereby declare that this research report titled **The Role Of The Municipal Public Accounts Committee Towards Effective Financial Management: A Case Study Of The City Of Mbombela Municipality, Mpumalanga Province** is my own work has not been submitted, in part or full, for any other degree at this or any other learning institution.

Xolani V. Mhlanga

Date: 10 October 2021

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ABSTRACT

The study examined the role of the Municipal Public Accounts Committee (MPAC) towards effective financial management in a case study of City of Mbombela Municipality in the Mpumalanga Province. The MPAC is established in terms of sections 33 and 79 of the Municipal Systems Act, 2000 (Act 32 of 2000), to provide an oversight role and functions on behalf of council. Literature attest to the role of MPAC as to scrutinize the spending of the municipal budget at the end of the financial year, which mirrors the work done by the finance committee before the beginning of the financial year.

The qualitative research method using semi-structured interviews was conducted with specific role-players as part of the identified population who were the most important participants and have contributed to the research outcome. The respondents were selected in a purposive manner by targeting MPAC members and Senior Managers of the municipality, on account of their positions and experience, have more information than ordinary potential respondents.

The study found that members of the MPAC do possess the required skills, knowledge and experience to perform their roles. Therefore, the study also reveals that most members of the MPAC do have financial management and accounting capacity hence they are capable in doing the oversight role in the municipality. Therefore, it is recommended that the municipality should develop and adopt a comprehensive MPAC policy. The adopted comprehensive policy should be used as a strategic tool to inform council on the effective performance of the MPAC or lack thereof. The study concludes by recommended that further researches should be undertaken on the oversight role of the MPAC with comparative approach to other municipalities within the province could give more depth and the municipalities can learn from each other.

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LIST OF ABBREVIATIONS

AC	Audit Committee
AG	Auditor-General
AFS	Annual financial statements
AGSA	Auditor-General of South Africa
APAC	Association of Public Accounts Committees
CCPAC	Canadian Council of Public Accounts Committees
CoM	City of Mbombela
CoMPAC	City of Mbombela Public Accounts Committee
COGTA	Department of Cooperative Governance and Traditional Affairs
CPA	Commonwealth Parliamentary Association
MM	Municipal Manager
CFO	Chief Financial Officer
DA	Democratic Alliance
ANC	African National Congress
EFF	Economic Freedom Fighter
MPAC	Municipal Public Accounts Committee
MSA	Municipal Systems Act
MStr	Municipal Structures Act
SCOPA	Standing Committee on Public Accounts
PAC	Public Accounts Committee
PFMA	Public Finance Management Act
RSA	Republic of South Africa

CHAPTER ONE

INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

The establishment of Municipal Public Accounts Committees (MPAC) has been one of the key tools used in local government to provide a clear guidance on how to strengthen oversight within municipalities. During 2008, the Association of Public Accounts Committee held its 11th annual conference in Cape Town with the Department of Cooperative Governance and Traditional Affairs. The office of the National Treasury and the South African Local Government Association (SALGA) were present during that conference (SALGA Guidelines of MPAC 2012). The conference resolved that all municipalities should establish municipal public accounts committees in accordance with the provision of section 79 (1) (a) of the Municipal Structures Act, 1998 (Act 117 of 1998). The Act encourages municipalities to establish one or more committees, if and when necessary, for effective and efficient performance in executing of functions and powers by appointing their own members of council. Section 79 (2) of the Act clearly provides a guideline for the framework on how such committees of council should operate.

The conference furthermore resolved that all associations of public accounts should capacitate (MPAC) councillors (The 11TH Association of Public Accounts Committee (APAC) Annual Conference, held in Cape Town, 27 – 30 September 2009). The role of MPAC is to produce quality work and oversight by improving financial management and encourage accountability in municipalities. Hence the researcher plans to embark on a journey to investigate the oversight role of the MPAC towards effective financial management at the City of Mbombela Municipality in the Ehlanzeni District within the Mpumalanga Province.

The MPAC is established in terms of sections 33 and 79 of the Municipal Systems Act, 2000 (Act 32 of 2000), to provide an oversight role and functions on behalf of council. The committee works hand in glove with both the internal auditors and external auditors. This

includes an internal risk officer for seeking information as well as sharing when necessary. The City of Mbombela is a newly established municipality which falls under the Ehlanzeni District Municipality in the Mpumalanga Province. The Mbombela Local Municipality recently merged with Umjindi Local Municipality after the 2016 local government elections which merger was guided by a circular issued by the Municipal Demarcation Board (MDB) dated 12 February 2015 (through section 26 notices) to re-determine municipal boundaries (Mpumalanga Provincial Gazette 2015).

The South African Local Government Association (2011:8) stipulates that the purpose of MPAC is to exercise oversight over the executive functions of council and to ensure good financial management within a municipality (SALGA report 2011:3). It clearly outlines that MPAC was established for ensuring that the council facilitates programmes and strategies, or plans in such a way that it adopts policies and plans that will improve oversight for effective financial management and encourage accountability.

MPAC was established by both the former Umjindi Local Municipality and former Mbombela Local Municipality, and after the merger both policies were reviewed and consolidated. In the formation of all section 79 committees the MPAC was also established at City of Mbombela Municipality in order to comply with all relevant legislation and governed by law to improve effective financial management and accountability of public funds according to the Municipal Financial Management Act, 2003 (Act 56 of 2003).

SALGA (2001:11) points out that fiscal oversight refers to the act of overseeing municipal activities within a municipal administration relating to raising of funds and revenue and spending of revenue on council priorities.

According to Xego (2012), the role of a municipal council in respect of fiscal oversight finance and MPAC members, plays a crucial role. Finance committee members will therefore focus largely on budget and budget aggregates of the municipality when presented for approval before the beginning of the financial year to assess affordability and sustainability. According to a case study done by Xego (2012), a public accounts committee plays an important role in scrutinizing the spending of the municipal budget at

the end of the financial year, which mirrors the work done by the finance committee before the beginning of the financial year.

1.2 PROBLEM STATEMENT

Municipal Public Accounts Committees (MPACs) is holding the mayoral executive accountable for the decisions taken when spending public resources. It also depicts the state of local government financial management in South Africa. Local government is one critical sphere of government which ensures that there is service delivery to the communities. In the process of providing services to the communities, it is important for municipalities to adhere to the prescribed legislation and ensure that good governance is maintained at all times.

The problem facing the City of Mbombela Municipality is that it was recently merged after the 2016 August local government elections. The former Umjindi Local Municipality and former Mbombela Local Municipality were not aligned regarding the way they functioned and the effect that this situation has, is for the City of Mbombela to determine the best system to use from these two different systems to ensure effective financial management. The situation has created uncertainty particularly amongst the leaders and workers of the former Umjindi (Barberton) where Mbombela, who acts as the big brother, calls the shots. Hence subtle tensions between management and labour have developed on issues pertaining to financial management. It is therefore important for the municipality to deal with these matters decisively in order to settle the organization and bring about stability. Several former Municipal Managers and Chief Financial Officers (CFO), of the City of Mbombela have resigned due to this accounting situation, which is an indication that there is a problem within the newly established institution.

MPAC has been established in all municipalities within the country and this also applies to the City of Mbombela Municipality. However, municipalities are still struggling to get a

clean audit report when audited by Treasury. According to the Auditor General's Report (2017/18), only 18 municipalities got a clean audit out of 257 municipalities in South Africa, where City of Mbombela is amongst the 239 municipalities who did not make it on the list. In the above report, the Auditor General, Kimi Makwetu, states that the financial state of municipalities across the country continues to worsen. Therefore, the study will examine the role of the MPAC towards effective financial management in a case study of City of Mbombela Municipality.

1.3 AIM OF THE STUDY

The aim of the study is to examine the role of the MPAC towards effective financial management.

1.4 SPECIFIC OBJECTIVES

The objectives of the study serve as a guide to the researcher, and are summarized as follows:

- To determine the compliance of the MPAC in relation to their oversight role;
- To identify challenges of financial management oversight;
- To analyse the effectiveness of the municipal public accounts committee's oversight role on financial management; and
- To recommend appropriate manners to improve the oversight role of the Municipal Public Accounts Committee.

1.5 RESEARCH QUESTIONS

The research questions for this study are formulated as follows:

- To what extent does the MPAC comply with the oversight role?
- What are the challenges of financial management oversight?
- How effective is the MPAC oversight role in financial management?

- What are the appropriate strategies to improve the oversight role of the Municipal Public Accounts Committee?

1.6 SIGNIFICANCE OF THE STUDY

The study is vital since it will determine the compliance of the MPAC in relation to their oversight role, bearing in mind that the oversight committee is tasked to focus on oversight compliance in terms of the Local Government Municipal Financial Management Act, of 2003. The current researcher is looking forward to examining challenges with regards to financial management oversight as well as accessing the effectiveness of the Municipal Public Accounts Committee's oversight role on financial management. The researcher will then recommend appropriate ways to improve the oversight role of MPAC for the City of Mbombela Municipality in the Mpumalanga Province. This study will also contribute to the body of knowledge and assist students and researchers in the field of financial management and public administration.

1.7 DEFINITIONS OF KEY CONCEPT TERMS

For the purpose of this study, it is necessary that the following concepts be defined in order to clarify the context within which they are used in the study:

Municipality: A municipality refers to a unit of administrative division of a country, which often empowers people in that municipality to have a degree of jurisdictional self-government. Posits that the concept of municipality is related to the decentralisation of authority by the central government to the local government so that the responsibility of service delivery is with the residents of the various municipalities According to Nieman, Hough and Nieuwenhuizen (2003:197), Jesse (2013:145)

Oversight: According to Verwey, Lefko-Everttk, Mohamed and Zamisa (2009:52) oversight is a constructive, critical process that enhances budget for service delivery in favour of poor communities. He further writes that a precondition for effective oversight is common understanding of political, as opposed to managerial, accountability. Oversight is the evaluation of actions of the people you have entrusted with power and

responsibilities, and to check whether they are being responsible to the policies and rules they are expected to deliver.

Accountability: is an obligation to give an explanation to those in high position and with delegated authority or power on how responsibility is carried out and why. Accountability is when you give an explanation in terms of delegated powers vested in you, for example a Municipal Manager is an accounting officer of a municipality. Thus the Municipal Manager must account to council on daily operations of the institution and must also account for the staff of the institution in terms of recruitment and selection and as well as firing and hiring of staff members. A Municipal Manager is also expected to report to council on the spending of budget Gottschalk (2009:331)

Transparency: a requirement to be open about any conduct and disclose information for public consumption or scrutiny if necessary. A municipality must be transparent about its operations and budget and must publish its audit report and financial statements as provided by section 121 (3) of the Municipal Financial Management Act, 2003 (Act 56 of 2003).

1.8 LITERATURE REVIEW

1.8.1 Public Accounts Committee – United States of America (USA).

The Public Accounts Committee (PAC) has traditionally occupied a heightened status over other committees in the legislature. In many countries, it is the oldest parliamentary committee. The Gladstonian reforms in Britain gave rise to the creation of a PAC in 1861, and many other Commonwealth countries followed this model from there on. The historical fact that the PAC tends to be one of the oldest of all parliamentary committees indicates that its importance as the legislative apex for financial oversight and scrutiny has long been recognised. There is no evidence that PACs have outlived their usefulness. Examples of legislatures in the Commonwealth where PACs have been abolished are rare – the National Assembly of Quebec and the House of Representatives of New Zealand are two cases. But across most of the Commonwealth and elsewhere, these and similar committees continue to exist and command considerable respect.

Erskine May (1983:728): “The Committee does not seek to concern itself with policy; its interest is in whether policy is carried out efficiently, effectively and economically. Its main functions are to see that public moneys are applied for the purposes prescribed by Parliament, that extravagance and waste are minimised and that sound financial practices are encouraged in estimating and contracting, and in administration, generally.” Admittedly, it is in practice often difficult to strictly separate financial management from policy issues. In addition, members of PACs report expanding latitude in challenging policy issues through the committee process, a process that seems to have been accelerated as the depth and frequency of value for money audits has increased. In such investigations results might lend themselves to questioning policy choices, notably in relation to issues of effectiveness. In practice, this might require increased awareness to ensure that the efficacy of the PAC process is not undermined by party political disagreements.

1.8.2 Public Accounts Committee – CANADA

The House of Commons has had a Public Accounts Committee since Confederation, with the mandate of reviewing the public accounts of the Government of Canada and the reports of the Auditor General of Canada. The exact wording of this mandate has changed over the years, and the Office of the Auditor General has changed considerably, along with the procedures by which the Committee and Auditor General interact. The actual activity of the Committee has waxed and waned over the years, along with the entire Commons standing committee system.

W.F.Dawson argued that the Committee on Public Accounts in the Canadian House of Commons has had the unusual experience of having a committee which has become more inactive and that all parties seem to have lost interest in the principle and faith in the proceedings of the committee. Many of the historic problems of the PAC resemble those of today. From the start, the committee appears to have lacked depth and commitment among members regarding the serious investigation of financial and administrative matters, unless there was an obvious partisan payoff. In the immediate post-Confederation years, it was common for Ministers to sit on and even chair the committee, while the Auditor General of course was an official of the Department of

Finance rather than an independent officer of Parliament. The committee was crowded with usually 50 or 60 members, similar to most parliamentary committees up until the 1960s, limiting its ability to integrate and work together as a dedicated group.

1.8.3 Standing Public Accounts Committee in South Africa (SA).

In relation to South African local government, Van der Walt claims that there is statutory differentiation between the roles and responsibilities of executive councillors and those of the officials, seeing that the executive mayor or executive committee is responsible for policy outcomes, while the municipal manager and senior managers are responsible for implementation and outputs. He further claims that non-executive councillors are expected to hold both the executive mayor or executive committee and the senior managers accountable on the basis of quarterly and annual reports¹¹ (2007:62). However, he does not explain the basis on which he makes this claim, and the statutory framework regarding executive versus non-executive roles is, in fact, quite vague.

The Constitution of the Republic of South Africa does not provide the same level of clarity regarding non-executive oversight as it does in relation to the national and provincial spheres of government. Although a whole series of local government acts and regulations were passed following the 1998 White Paper on Local Government, little guidance is available in South Africa regarding non-executive municipal oversight.

1.8.4 Public Accounts Committee

The Standing Committee on Public Accounts (SCOPA) fulfils the responsibility of reviewing the audit reports of the Auditor General. This committee plays an important and specialised role of being the protector of public monies. In fulfilling this role, the committee focuses on the following:

- Issues raised in the General Report of the Auditor-General on audit outcomes;
- Issues of financial probity as highlighted in the audit report or disclosed in the management report or notes to the financial statements;
- Compliance with the Public Financial Management Act, Treasury Regulations, the Audit Committee and the management report of the accounting officer;

- Interrogation and evaluation of instances of over-expenditure and instances of unauthorized expenditure;
- interrogation of instances relating to irregular, fruitless and wasteful expenditure;
- The functioning of risk management systems; and
- Corporate governance of departments, public entities, and constitutional institutions.

1.8.5 Standing Public Accounts Committee at Provincial Government (SCOPA).

The reports of the Auditor-General arrive before the committees at the same time as the Annual Reports, but are processed by the PAC before portfolio committee's deal with the Annual Reports. The Auditor-General's Reports represent the most focused of the BCM documents vis-à-vis the SOM. These reports pertain almost exclusively to the variable inputs since they highlight any problems in financial management and planning and consequently in terms of implementation. The purpose of this information is twofold, it -

- allows the PAC to assess the state of financial management in a department;
- signals to the relevant portfolio committee the concerns it should have about affected programmes/sub-programmes/specific projects.

PAC hearings serve a dual purpose, there are to be joint sittings. The chairperson and a quorum of members of the relevant portfolio committee should attend the PAC hearing for their department. The joint sitting will officially be chaired by the Chairperson of the PAC, but will integrate the right of the portfolio committee members to question the department and to benefit from the forum to engage with the department on financial management issues. The Committee Coordinator captures the issues raised during these hearings and, prior to adjournment, presents them for amendment and confirmation. The objective of this process, as with the other committee report development processes in the BCM's stages, is to inculcate a sense of ownership of the report among all the members of the committee.

1.8.6 Municipal Public Accounts Committee in South Africa (MPAC)

Khalo (2013:579) is convinced that the South African government rates its accounting according to their performance review report from the office of the Auditor General. Accountability and oversight on municipal financial management is how they respond to reports from Auditor General. He further raises that the absence of an oversight mechanism in local municipalities creates room for corruption and unethical practices. He then believes that the establishment of a MPAC is there to close the gap in local government oversight and effective financial management. Municipal Public Accounts Committees' role is to ensure accountability and oversight in municipal financial management. Amongst other things it is to promote good governance, transparency, accountability in managing public funds or municipal budget. Working together with internal and external auditors, the MPAC will be able to improve and promote good financial management by strengthening the oversight role of financial accountability through effective financial management in municipalities.

1.8.7 Cases of Municipal Public Accounts and Financial Management

Municipalities across South Africa have established Municipal Public Account Committees. The Department of Cooperative Governance and Traditional Affairs monitors the functioning of these committees and offers training of councillors where there is a need in order to improve the role of oversight towards effective financial management in municipalities.

1.8.8 Functions of Municipal Public Accounts Committee

Auditor General's report (2012:19-20) points out the functions of Municipal Public Accounts Committees which:

- Shall consider and audit committee recommendations referred to council and give an opinion on the recommendations.
- Report to council on activities of the Municipal Public Accounts Committee.
- Review municipal annual reports and develop an oversight report based on the annual reporting.
- Recommend suggestions for improving effective financial management.

- Examine quarterly mid-year reports.
- Recommend any investigation of competence to the executive committee and to council.

MPACs must be supported by officials to co-ordinate their meetings and give the committee all resources in order to accomplish their task. Therefore, it is the responsibility of the MPAC to report to council on any finding and make recommendations of improving the financial management of the institution. The oversight role of the MPAC is to strengthen good governance, accountability, transparency and effective financial management. The committee must report to council on a quarterly basis on their activities and submit reports regularly. Council will then evaluate the performance of the MPAC annually and make changes where applicable.

1.9 RESEARCH METHODOLOGY

In this section, the researcher introduces and briefly describes the research design, research philosophy and research strategy used in this research. The population, sampling technique and the construction of the research tools are explained in research methodology when compiling a report.

1.9.1 Research design

Bryman and Bell (2011:102) state that research design is the approach to which a study is tied. As a researcher one is at liberty to choose from the various research designs available in business and social sciences research, which are as follows: exploratory, descriptive, explanatory, causal-comparative, correlational, and analytic. An exploratory research design is an approach which allows the researcher to find out what is not known about the subject of study (Babbie, 2014:132). Descriptive approach is research that aims to describe relationships between variables in order to understand associations. Burke (2011:107) describes a causal-comparative research as a research design that is

primarily experimental in nature, which aims to find out the relationship between a dependent and independent variable.

This study employs the interpretivism paradigm which was developed as a reaction to the shortcomings and limitations of the positivism paradigm, especially in its application to social sciences. Interpretivism is also sometimes referred to as constructivism because it emphasises the ability of the individual to construct meaning. Mouton (2001:108) defines research design as a set of guidelines and instructions on how to reach the goal that the researcher has set for the study; therefore, these guidelines and instructions should be followed when addressing the research problem. According to Taylor, Bogdan & De Vault (2016:3), methodology denotes the way in which people approach problems and search for answers. Kumar (2011:94) defines research design as a procedural plan that is adopted by the researcher to answer questions validly, objectively, accurately and economically whereas Flick (2011:65) states that research design is a plan for collecting and analysing evidence that will make it possible for the investigator to answer whatever questions he/she has posed. The design of an investigation touches almost all aspects of the research, from the minute details of data collection to the selection techniques of data analysis.

Qualitative research utilises open-ended, semi- structured interviews, observations and group discussions to explore and understand the attitudes, opinions, feelings and behaviour of individuals or groups of individuals. It utilises the methods of data collection and analysis, aiming at the exploration of social relations and describing reality as told by the respondents (Adams *et al*, 2007:26). There are four main techniques for data collection in qualitative research: 1) interviews, 2) observation, 3) recording and transcribing, and 4) analysing text and documents (Silverman 2001:11). This study applied these techniques for qualitative data collection.

1.9.2 Approach

One of the major differences between qualitative research and quantitative research lies in the philosophical underpinning of each (Neuman, 2011). Quantitative researchers rely on the positivist approach while qualitative researchers rely on interpretative or critical social science. This study employed a qualitative research approach which relies on phenomenology because the researcher intends to establish the role of MPAC towards achieving effective financial management. The above is supported by du Plooy-Cilliers (2014:28) where he posits that phenomenologists maintain that human action is meaningful and that people therefore ascribe meaning to their own and other people's actions. The task of the researcher as per the phenomenological traditions is to interpret and gain an understanding of human actions and then to describe to them from the point of view of the person or group being studied.

Polkinghorne (1989) states that the distinguishing feature of qualitative research is that it relies on linguistics (words) rather than numerical data, and employs meaning-based rather than statistical forms of data analysis. In addition, all qualitative research is naturalistic, that is, it focuses on natural settings where interaction occurs, in other words, viewing social life in terms of processes that occur rather than in static terms. In the same vein, Berg (2007:7) points out that qualitative research seeks proper answers to questions by examining various social settings and the individuals who inhabit these settings. Qualitative researchers then are most interested in how humans arrange themselves and their settings and how inhabitants of these settings make sense of their surroundings through symbols, rituals, social structures, social roles, and so forth.

1.10 STUDY AREA

The area of study is the City of Mbombela Municipality consisting of two towns, namely; Barberton and Nelspruit. The City of Mbombela is a newly established municipality which falls under the Ehlanzeni District Municipality within the Mpumalanga Province. The municipality merged after the 2016 local government election, and the merger was guided

by a circular which was issued by the Demarcation Board dated 12/02/2015 through section 26 notices from the Municipal Demarcation Board (MDB) to re-determine municipal boundaries.

1.11 POPULATION

Brynard and Hanekom (1997:43) point out that population refers to objects, subjects, phenomena, cases, events and activities which the researcher would like to study to identify data. Polit and Hungler (1993:442) point to population as the entire set of individuals or objects having some common characteristics. The targeted population is the members of the MPAC, political office bearers, internal auditors, and the external audit committee appointed by the municipality.

1.12 SAMPLING

This section describes a sample, sampling method and the sample size for the study. According to Du Plooy (1997:48) sampling refers to the rigorous procedures involved when selecting individuals from a large population. A sample is thus a representative cross-section of people drawn from a population so that their responses may be studied. Sampling is the process of using a smaller number of items/ parts of a larger population to come to a conclusion about the entire population.

1.12.1 Sampling method

For the purpose of this study, purposive sampling was adopted because its respondents have the characteristics and knowledge to answer the research problem of this study and, in addition to this, respondents are senior managers such as the Municipal Manager (MM) and Chief Financial Officer (CFO) and Municipal Councillors who are members of the MPAC and are well vested with the role of the Municipal Public Accounts Committee towards effective financial management.

1.12.2 Sampling size

All members of the MPAC, the Executive Mayor, Speaker, one member per political party (in this case it will be 3 members (Democratic Alliance, African National Congress & Economic Freedom Fighters), Municipal Manager, CFO, and internal and external members of audit committees.

1.13 DATA COLLECTION

Bryman (2006:201) mentions that there are two major groups of research instruments, also called research tools, namely qualitative and quantitative research instruments. Quantitative research instruments include surveys, questionnaires, registers and tally sheets that collect data that can be analysed in quantities or numbers. Bryman (2006:201) further states that qualitative research instruments, on the other hand, are meant to collect data in the form of words and other non-quantifiable forms and mainly include interviews, ethnography, and case studies and focus group discussions.

Data collection is defined as a systematic method which is applied by the researcher to collect relevant information for the study in order to achieve the intended aims and objectives of the proposed study (Burns & Grove, 2005). As a qualitative research, this study placed more emphasis on participation and involvement of all selected individuals involved in the project. Several data collection methods, like face to face interviews, document analysis and observation were used to collect relevant data for the study. The researcher used the following tools:

1.13.1 Face - to - face Interviews

The data collection method used for the purpose of this study was semi-structured interviews, which was conducted face to face. According to Myers, (2009) the interview technique is used to collect first-hand information for most kinds of qualitative research and they are normally classified into structured, semi-structured and unstructured interviews. The study adopted the semi-structured type of interview because it helped the researcher to ask similar questions to all the respondents. The purpose of the interviews was to explore the views, experiences, beliefs and motivations of individuals on specific

matters with regards to the role of the Municipal Public Accounts Committee towards effective financial management.

1.13.2 Observation

Observation as a qualitative data collection tool is defined as a “systematic description of the events, behaviours, and artefacts of a social setting” (Marshall & Rossman, 1989:79). Observation is used in the social sciences as a method for collecting data about people, processes, and cultures. Observation, particularly participant observation, has been the hallmark of much of the research conducted in anthropological and sociological studies (Kawulich, 2015). It is also a tool used regularly to collect data by teacher researchers in their classrooms, by social workers in community settings, and by psychologists recording human behaviour (ibid).

For the purpose of the study the research got permission from council to attend a MPAC meeting as an observer and it was stated that observations would only for study purposes and the research report will be made available to council after observation. The research will only attend any meeting prior the approval of council since MPAC meeting are closed session meetings and the research may not participate in any proceedings. Reason for attending the MPAC meetings was to observe how members participate during the meeting, the debates around income statements and financial report addressed with regards to effective financial management and the role play by the committee on such debates.

1.14 DATA ANALYSES

Data analysis is about turning data into information that in turn can serve to develop concepts, theories, explanations or understanding (Crowther and Lancaster 2009:176). Data analysis is one of the critical stages that is important in the process of the study and needs to be carried out carefully. The researcher has to select the method of analysing data looking at the nature of research at hand.

De Vos et al. (2011:397) expounds that data analysis is concerned with “reducing the capacity of raw information, sifting significance from trivia, identifying key patterns and constructing a framework for communicating the essence of what data reveal. It is the process of bringing structure, order and meaning to the mass collected data”. This study employed thematic analysis to analyse the collected data. Thematic analysis emphasises themes and patterns that the researcher can identify from participants’ dynamic behaviour (Merton, 1967). Themes are units resulting from patterns such as topics of conversations, language, recurring activities, meanings and feelings (Taylor & Bogdan, 1989). In the study, tape-recorded interviews were transcribed, read and reread by the researcher in order to establish emerging themes.

1.15 ETHICAL CONSIDERATIONS

The following are the ethical considerations that ensured that the study was clear of ethical issues: Ethical considerations in research relates to the methods or procedures regarding choice of how to act in the process of solving problems (Ismail, 2008:132).

1.15.1 Permission to conduct this study from the University of Limpopo

Considering the nature of the study as being qualitative research, which involves using humans as the source of information, permission was granted by the University of Limpopo. An ethical clearance letter (certificate) will be obtained from the Turfloop Research Ethics Committee (TREC) before the initiation of data collection for the study. The researcher followed all protocols of the university.

1.15.2 Permission to conduct this study from the City of Mbombela Municipality

It is a requirement that any study be given written permission by the individual, group or organisation under study. In this study, permission requesting to do a case study on the oversight role of the MPAC towards effective financial management of the City of Mbombela Municipality was granted by the office of the Municipal Manager.

1.15.3 Respect for participants' rights and dignity

All participants have legal and human rights. The researcher ensured that human rights were not violated. Participants were treated with respect regardless of their culture, age, gender or level of study. No one was forced to participate against their free will nor bribed to access any information.

1.15.4 Informed consent

Informed consent is the permission that is granted by a person, in full understanding of the possible consequences, risks and benefits (Luthans, 2008:157). All respondents in this study were given a cover letter which informed them that participation in this research was voluntary, and that they were free to exit the study at any time without providing a reason.

1.15.5 No harm to participants

Luthans (2008:157) posits that research involving humans and animals ought to declare the extent to which harm may be done to participants. This research process ensured that no harm was experienced by respondents.

1.15.6 Confidentiality and anonymity

Confidentiality is defined as the practice of keeping selected personal information of individuals away from unauthorised persons (Gupta and Gupta, 2011:178). During the processes of the research, the researcher ensured that data collected from responses was kept safe and secured, protected from unauthorised persons. Anonymity was ensured by presenting analysed data without a trail of the source of the responses.

1.16 LIMITATIONS OF THE STUDY

Limitations are shortcomings, conditions or influences that the researcher cannot control (Creswell, 2012:251). The limitation to the study, amongst others includes most of the documents at the municipality are private and confidential. There is also a policy of council that deals with confidentiality that is signed by both councillors and officials not to disclose

sensitive information of the institution. Viewing of section 71 reports by members of the public is prohibited. Section 71 is a monthly report compiled by the accounting officer (who in this case is the Municipal Manager) and submitted in 10 working days after each monthly meeting to the Executive Mayor reflecting the state of the municipality's budget on income and expenditure.

1.17 OUTLINE OF THE STUDY

In order to reach the study objectives, the following framework of the research is formulated:

Chapter 1: Introduction and Background – This chapter provides an introduction and the problem statement, rationale for the research and clarification of key terms.

Chapter 2: Literature Review – This chapter comprises of review of related literature regarding the oversight role of the MPAC and effective financial management.

Chapter 3: Research Methodology – The chapter presents research design, philosophy, population, research tools, data collection and analysis techniques that were used to gather data for this particular study.

Chapter 4: Data Analysis and Interpretation – The chapter deals with presenting and interpreting the empirical findings and data analysis based on results of this study.

Chapter 5: Discussions, recommendations and conclusion - The chapter comprises of the summary, concluding remarks and recommendations.

1.18 SUMMARY

This chapter has introduced the problem statement of the study. The chapter discussed the rationale for research questions. The chapter advanced the research objectives and definitions of terminology in the context within which are used in the study. In chapter two, a critical overview of related literature is provided.

CHAPTER TWO

LITERATURE REVIEW

2.1. INTRODUCTION

This chapter presents a review of relevant literature relating to this study. It specifically focuses on discussing the role of the municipal public accounts committee towards effective financial management. To do this, the chapter will discuss and review existing research studies and publications on this topic.

2.2. INTERNATIONAL LITERATURE REVIEW ON PUBLIC ACCOUNTS COMMITTEE

2.2.1 Public Accounts Committee – The United States of America (USA).

The Public Accounts Committee (PAC) has traditionally occupied a heightened status over other committees in the legislature. In USA, it is the oldest parliamentary committee. The Gladstonian reforms in USA gave rise to the creation of a PAC in 1861, and many other Commonwealth countries followed this model from there on. The historical fact that the PAC tends to be one of the oldest of all parliamentary committees indicates that its importance as the legislative apex for financial oversight and scrutiny has long been recognised. There is no evidence that PACs have outlived their usefulness. USA is a perfect examples of legislatures in the Commonwealth where PACs have been used for accountably of public funds. The National Assembly of Quebec and the House of Representatives of New Zealand adopted PAC after USA has approved it as a committee to ensure oversight over finances

According to: Erskine May (1983:728), USA Committees does not seek to concern itself with policy; its interest is in whether policy is carried out efficiently, effectively and economically. Its main functions are to see that public moneys are applied for the

purposes prescribed by Parliament, that extravagance and waste are minimised and that sound financial practices are encouraged in estimating and contracting, and in administration, generally. Admittedly, it is in practice often difficult to strictly separate financial management from policy issues. In addition, members of PACs report expanding latitude in challenging policy issues through the committee process, a process that seems to have been accelerated as the depth and frequency of value for money audits has increased. In such investigations results might lend themselves to questioning policy choices, notably in relation to issues of effectiveness. In practice, this might require increased awareness to ensure that the efficacy of the PAC process is not undermined by party political disagreements.

2.2.2 Public Accounts Committee – CANADA

The House of Commons has had a Public Accounts Committee since Confederation, with the mandate of reviewing the public accounts of the Government of Canada and the reports of the Auditor General of Canada. The exact wording of this mandate has changed over the years, and the Office of the Auditor General has changed considerably, along with the procedures by which the Committee and Auditor General interact. The actual activity of the Committee has waxed and waned over the years, along with the entire Commons standing committee system.

Dawson (2008) argued that the Committee on Public Accounts in the Canadian House of Commons has had the unusual experience of having a committee which has become more inactive and that all parties seem to have lost interest in the principle and faith in the proceedings of the committee. Many of the historic problems of the PAC resemble those of today. From the start, the committee appears to have lacked depth and commitment among members regarding the serious investigation of financial and administrative matters, unless there was an obvious partisan payoff. In the immediate post-Confederation years, it was common for Ministers to sit on and even chair the committee, while the Auditor General of course was an official of the Department of Finance rather than an independent officer of Parliament. The committee was crowded

with usually 50 or 60 members, similar to most parliamentary committees up until the 1960s, limiting its ability to integrate and work together as a dedicated group.

2.3 STANDING PUBLIC ACCOUNTS COMMITTEE IN SOUTH AFRICA (SA)

In relation to South African local government, Van der Walt (2007:62) claims that there is statutory differentiation between the roles and responsibilities of executive councillors and those of the officials, seeing that the executive mayor or executive committee is responsible for policy outcomes, while the municipal manager and senior managers are responsible for implementation and outputs. He further claims that non-executive councillors are expected to hold both the executive mayor or executive committee and the senior managers accountable on the basis of quarterly and annual reports. However, he does not explain the basis on which he makes this claim, and the statutory framework regarding executive versus non-executive roles is, in fact, quite vague.

The Constitution of the Republic of South Africa does not provide the same level of clarity regarding non-executive oversight as it does in relation to the national and provincial spheres of government. Although a whole series of local government acts and regulations were passed following the 1998 White Paper on Local Government, little guidance is available in South Africa regarding non-executive municipal oversight.

2.4 PUBLIC ACCOUNTS COMMITTEE

The Standing Committee on Public Accounts (SCOPA) fulfils the responsibility of reviewing the audit reports of the Auditor General. This committee plays an important and specialised role of being the protector of public monies. In fulfilling this role, the committee focuses on the following:

- Issues raised in the General Report of the Auditor-General on audit outcomes;

- Issues of financial probity as highlighted in the audit report or disclosed in the management report or notes to the financial statements;
- Compliance with the Public Financial Management Act, Treasury Regulations, the Audit Committee and the management report of the accounting officer;
- Interrogation and evaluation of instances of over-expenditure and instances of unauthorized expenditure;
- interrogation of instances relating to irregular, fruitless and wasteful expenditure;
- The functioning of risk management systems; and
- Corporate governance of departments, public entities, and constitutional institutions.

2.5 STANDING PUBLIC ACCOUNTS COMMITTEE AT PROVINCIAL GOVERNMENT (SCOPA)

The reports of the Auditor-General arrive before the committees at the same time as the Annual Reports, but are processed by the PAC before portfolio committee's deal with the Annual Reports. The Auditor-General's Reports represent the most focused of the BCM documents vis-à-vis the SOM. These reports pertain almost exclusively to the variable inputs since they highlight any problems in financial management and planning and consequently in terms of implementation. The purpose of this information is twofold, it

- Allows the PAC to assess the state of financial management in a department;
- Signals to the relevant portfolio committee the concerns it should have about affected programmes/sub-programmes/specific projects.

PAC hearings serve a dual purpose, there are to be joint sittings. The chairperson and a quorum of members of the relevant portfolio committee should attend the PAC hearing for their department. The joint sitting will officially be chaired by the Chairperson of the PAC, but will integrate the right of the portfolio committee members to question the department and to benefit from the forum to engage with the department on financial management issues. The Committee Coordinator captures the issues raised during these hearings and, prior to adjournment, presents them for amendment and confirmation. The

objective of this process, as with the other committee report development processes in the BCM's stages, is to inculcate a sense of ownership of the report among all the members of the committee.

2.6 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE IN SOUTH AFRICA (MPAC)

Khalo (2013:579) is convinced that the South African government rates its accounting according to their performance review report from the office of the Auditor General. Accountability and oversight on municipal financial management is how they respond to reports from Auditor General. He further raises that the absence of an oversight mechanism in local municipalities creates room for corruption and unethical practices. He then believes that the establishment of a MPAC is there to close the gap in local government oversight and effective financial management. Municipal Public Accounts Committees' role is to ensure accountability and oversight in municipal financial management. Amongst other things it is to promote good governance, transparency, accountability in managing public funds or municipal budget. Working together with internal and external auditors, the MPAC will be able to improve and promote good financial management by strengthening the oversight role of financial accountability through effective financial management in municipalities.

2.6.1 Cases of Municipal Public Accounts and Financial Management

Municipalities across South Africa have established Municipal Public Account Committees. The Department of Cooperative Governance and Traditional Affairs monitors the functioning of these committees and offers training of councillors where there is a need in order to improve the role of oversight towards effective financial management in municipalities.

2.6.2 Functions of Municipal Public Accounts Committee

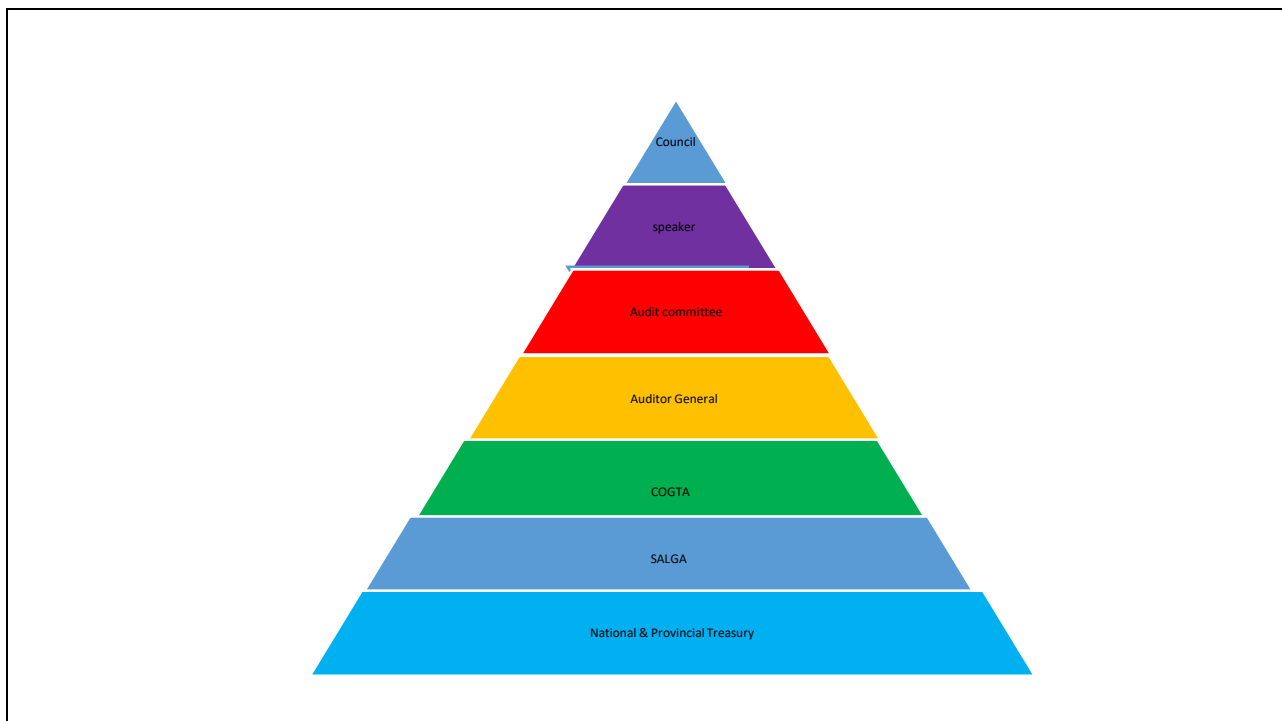
Auditor General's report (2012:19-20) points out the functions of Municipal Public Accounts Committees which:

- Shall consider and audit committee recommendations referred to council and give an opinion on the recommendations.

- Report to council on activities of the Municipal Public Accounts Committee.
- Review municipal annual reports and develop an oversight report based on the annual reporting.
- Recommend suggestions for improving effective financial management.
- Examine quarterly mid-year reports.
- Recommend any investigation of competence to the executive committee and to council.

MPACs must be supported by officials to co-ordinate their meetings and give the committee all resources in order to accomplish their task. Therefore, it is the responsibility of the MPAC to report to council on any finding and make recommendations of improving the financial management of the institution. The oversight role of the MPAC is to strengthen good governance, accountability, transparency and effective financial management. The committee must report to council on a quarterly basis on their activities and submit reports regularly. Council will then evaluate the performance of the MPAC annually and make changes where applicable.

2.7 MPAC KEY STAKEHOLDERS FIGURE: 2.1



Source: Adapted from: Good practice guide for MPAC (2014:52).

2.7.1 MPAC and the council

According to Longley and Davidson (1998:4), the committees of the council are well suited to effective oversight. MPAC is a committee of the municipal council, established by the council to carry out specified oversight functions over the municipal executive and administration. Council determines the functions and powers or authority to be given to MPAC, council may also grant MPAC the liberty to determine its own functions subjected to council guidance and approval of the functions. The committee reviews annual reports, annual financial statements and develops an oversight report on behalf council. In addition to compiling oversight report to council, MPAC must at least annually submit a substantive report to council on its work and findings:

- MPAC is a committee of council and accounts to council on performance of its functions.
- Councils appoints the chairperson and members of council according to the number of councillors of council, and according to the guidelines of establishing an MPAC.
- Council determines the composition of members of MPAC.
- Council determines powers and functions of the MPAC.
- MPAC has to report regularly to council on it work and findings on reports,
- MPAC recommendations made to council are only binding once they have been tabled and adopted by council as a council resolution.

2.7.2 MPAC and the speaker

Committees nowadays carry out a significant part of the legislature's work (Yamamoto, 2007:15). The speaker is an important link between the municipal council and the MPAC. The guidelines for the establishment of the MPACs requires that the MPAC should report to the municipal council through the speaker in tabling of reports on oversight report other reports compiled by the MPAC on it work and strategic plan.

Ninety-five per cent of the respondent legislatures identified committee hearings as a key oversight mechanism Yamamoto (2004:10). Referring to financial statements, annual reports and audit reports to the MPAC as soon as they are tabled in the council by the Municipal Manager or the Auditor General. MPAC must keep the speaker fully update on its work and programme and its implementation. Scheduling of reports that needs to be tabled to council in a given year and progress made by departments on the implementation of Auditor generals and MPACs recommendations.

2.7.3 MPAC and audit committee

According to Longley and Davidson (1998:4), the committees of the council are well suited to effective oversight. They point out that a major or perhaps even the national factor explaining the growing use of committees in municipal democracy is council's desire to improve their oversight ability. As per the MFMA, the audit committee is an independent advisory body that consists of at least three persons who are not employee of the municipality or servers as members of council and must be people who has experiencing in accounting and auditing background.

The committee works very closely with the internal audit unit, and with the office of the Auditor General. Amongst other duties and responsibilities, the audit committee is mandated with powers of advising municipal council, the Accounting officer who is the municipal manager and his managers directly reporting to the Municipal manager on matter of the following:

- Municipal internal financial control and audits,
- Municipal risk management,
- Occupational health and safety of employees
- Adequate, reliable, and accurate municipal financial reporting and accurate information.
- Municipal compline with MFMA and all applicable legislation of effective financial management,

- Effectiveness of municipal governance
- Municipal performance, and
- Monitoring and evaluation of financial systems.

2.7.4 MPAC and Auditor General

The supreme audit institution in Commonwealth countries known as the Auditor General is the primary assurance agency in systems of government and the main source of information as far as public accounts committees are concerned (McGee, 2002:99). The main purpose of an audit institution is to examine the management of public funds by the government of the day, as well as the quality and credibility of information concerning financial accountability regarding funds that government provides to the municipality.

The Auditor General and the MPAC play a critical and mutually dependent role in assisting the municipal council to hold the Municipal Executive and administration accountable. The Auditor General's audit report is the key oversight tool for the MPAC to hold the municipality accountable. Similarly, the Auditor General relies on the MPAC to take the audit findings further by calling the accounting officer and departments to respond and to act upon audit queries and recommendations on Audit Action Plans.

It is important to note that while the roles of the Auditor General and the MPAC are dependent in the accountability cycle, each is an independent body and therefore none can dictate to the others, to the extent possible, their relationship should not compromise their independence. The relationship of the Auditor General and MPAC comprises of:

- Briefings on audit findings
- Briefing on meetings of MPAC
- Deciding on which audit findings and reports to hold public hearings,
- Public hearings, the Auditor General may attend as an expert witness,
- Auditor General may assist or guide the MPAC in formulating questions for witnesses,

- The audit general may provide support to the process of preparing the oversight report by reviewing resolutions of the committee and providing inputs on how they can be structured,
- MPAC may refer matters to the auditor general for inclusion in the audit programme and further investigation, and
- Both MPAC and Auditor General can agree on an arrangement to follow up on the implementation of audit and MPAC's recommendations.

2.7.5 MPAC and COGTA

National and provincial government where Cabinet represents the Executive Branch of government and is clearly accountable for the government actions (Shah, 2007:8). The department of Cooperative Governance and Traditional affairs monitors the implementation of legislations in local government including MFMA, Municipal Systems Act, Municipal Structures Act and Municipal Property Rates Act.

COGTA's most important function is to support local government in fulfilling their constitutional mandate as well as legal obligation and coordinate issues around service delivery in local government. The department has an interest in improved financial management practices of municipalities and therefore is willing to offer all relevant support where needed. The provincial COGTA must support functions of MPACS in municipalities and offer trainings and capacity building in support of good financial management.

2.7.6 MPAC and SALGA

This development is regarded as potentially the most exciting and powerful element of the entire local government modernisation process, leading to active community leadership, and good governance (Snape, 2002:7). South African Local Government Association's mandate is to:

- Represent, promote and protect the interest of local government,
- Transform local government to enable it to its developmental role,

- Raise the profile of local government,
- Ensure full participation of women in local government,
- Perform its role as an employer's body, and
- Develop capacity within municipalities.

SALGA plays an important role in training and building the capacity of MPACs in the various aspects of their work, this support can be provided on a demand driven biases by the MPACs or by SALGA on a supply driven biases.

2.7.7. MPAC and National and Provincial Treasury

Good practices in this regard, according to Van Zyl et al. (2009, p.18), include:

- Regularly following up on implementation of audit findings without waiting for subsequent audit reports by calling a department back to table a progress report.
- Making such follow-up meetings open to the media and the public as this will publicise progress on the audit recommendations and create further pressure for implementation.
- By limiting and specifying the time that the executive has to implement the findings especially when an audit finding is particularly negative.

MPAC gets supports and guidance on the MFMA and other related matters from Provincial treasuries. They are therefore not likely to have direct and close relationships with the National Treasury. The National Treasury has high interest in the work of the MPAC.

Provincial treasury assist municipalities in preparing its budget, monitors municipal budgets and outcomes. National treasury implements MFMA and intervenes where the municipality contravenes the MFMA.

2.8 SUMMARY

The provisions contained in the guidelines for the establishment of MPACs are important as they provide for greater clarity on the mandate and composition of MPACs, but they remain as guidelines for various councils to consider adopting.

The success of MPAC in carrying out its functions is of most important value and depends on the support it receives from council, internal and external Audit committees, Auditor general, the department of Cooperative governance and traditional affairs, SALGA and both National and Provincial treasury department to fulfil its obligation of effective financial management.

Local is the grassroots of service delivery, therefore it is expected to deliver good quality services with the allocated resources which must be used adequately. Local sphere of government, the framework for legislative oversight of executive authority actions has been provided clearly in the Constitution of the Republic of South Africa for the national and provincial spheres of government. The Municipal Structures Act adequately elaborates on the executive structures and their relationship in a municipality and is very clear on the oversight structures of the municipal council. The next chapter (three) provides the research design and methodology used in the study.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

In the previous chapter, the review of related literature on the role of the municipal public accounts committee and financial management were discussed. This chapter introduces the research design, research philosophy and research strategy used in this research. The population, sampling technique and the construction of the research tool are explained. Finally, the validity and reliability of the data, key assumptions, elimination of bias, and ethical considerations of the study are discussed.

3.2 RESEARCH DESIGN

Bryman and Bell (2011:102) state that research design is the approach to which a study is tied. There are various research designs available in business and social sciences research, namely; exploratory, descriptive, explanatory, causal-comparative, correlational, and analytic. An exploratory research design is an approach which allows the research to find out what is not known about the subject of study (Babbie, 2014:132). Descriptive approach is research that aims to describe relationships between variables in order to understand associations. Burke (2011:107) describes a causal-comparative research as a research design that is primarily experimental in nature, which aims to find out the relationship between a dependent and independent variable.

In this study, the exploratory research strategy was employed because the approach enables for the in-depth identification and understanding of factors emanating from the role of the municipal public accounts committee towards effective financial management. Other research designs were not used because the aim of the research was to find out what was inadequately known regarding the subject of study.

3.2.1 Qualitative research

Qualitative research acknowledges that meaning is socially constructed by individuals in interaction with their world and that there are multiple constructions and interpretations of reality that are in flux and change over time. Qualitative researchers are therefore interested in understanding what those interpretations are at a particular point in time and in a particular context (Merriam; 2002:3). Kothari (2006:4) asserts that qualitative research seeks systematically to describe and interpret issues and phenomena, and to generate new concepts and theories. Qualitative methods are appropriate when the research question pertains to understanding or describing a phenomenon about which little is known, when seeking to understand the inside point of view of the study participants and when context is integral to the question.

According to Yin (2011:7), qualitative research is characterised by the following features:

- Studying the meaning of people's lives, under real-world conditions;
- Representing the views and perspectives of the participants in a study;
- Covering the contextual conditions within which people live;
- Contributing insights into existing or emerging concepts that may help to explain human social behaviour; and
- Striving to use multiple sources of evidence rather than relying on a single source alone.

A qualitative research method was deemed as suitable as it is followed in instances where there is a need to study a particular subject in depth, especially where there is a new topic to be explored and in an area where there is very little or no previous published research (Myers, 2013:7). The choice of the research design was also influenced by its ability to provide an intensive description and analysis of a phenomenon or social unit such as an individual, group, institution or community (Merriam, 2011:8).

A qualitative approach was used to assess the extent to which MPAC adheres to the generally accepted mandates and practices of a public accounts committee and to also understand its performance measurement mechanism.

Myers (2013:36) believes that interpretive researchers assume that access to reality is only through social constructions such as language, consciousness, shared meanings and instruments; and aims to understand a phenomenon within its context. For the purposes of this study, the researcher adopted an qualitative research method as the core focus and characteristic for the search for meaning and understanding of the phenomenon under study. The overarching purpose of the study was to understand the powers and practices of a municipal public accounts committee and their alignment to the generally accepted public accounts practices by national and provincial legislatures internationally as well as performance measurement mechanisms. Therefore, this method of research is the most suitable.

3.2.2 Case study approach

Salkind (2012:217) asserts that case study is a method used to study an individual or an institution in a unique setting or situation in intense and detailed a manner. The focus on one individual or institution enables a very close examination and the collection of a large quantity of detailed data that reveal a diversity and richness of human behaviour that is not accessible through any other method. The appropriateness of using a case study was also influenced by the intention to understand the perceptions of members of the municipal public accounts committee in promoting effective financial management. This approach is informed by an understanding that the municipal council has the legal authority to promote financial accountability and financial management.

A case study is an intensive description and analysis of a phenomenon or social unit such as an individual, group, institution or community that is bounded and seeks to

describe the phenomenon in depth (Yin, 2013:8). Furthermore, a researcher may intensively investigate one case, focusing on several factors (Neuman, 2011:40). For the purpose of gaining in-depth knowledge of a single municipal public accounts committee, a case study approach was selected. The phenomena of interest in this study were the powers, practices and performance measurement mechanisms of the MPAC in effecting council oversight over its executive towards effective financial management.

Kuhn (1987) in Flyvbjerg (2006:242) cautions that, “a discipline without a large number of thoroughly executed case studies is a discipline without systematic production of exemplars, and that a discipline without exemplars is an ineffective one”. The case study on the role of the municipal public accounts committee towards effective financial management is a contribution to the comprehensive body of theory and practice associated with municipal public accounts committees.

Gerring (2004:342) defines the case study as, “an intensive study of a single unit for the purpose of understanding a larger class of (similar) units”. The case study does not only provide knowledge about the practices of the municipal public accounts committee of City of Mbombela, but had also improved the understanding on the features of MPACs in all municipalities in South Africa.

3.3 RESEARCH PHILOSOPHY

There are two research philosophies, also called paradigms, namely the positivist and phenomenological research philosophies (Bryman & Bell, 2011:104). The basic tenet of positivism is that it provides for quantitative research methodology. Quantitative research entails the collection, analysis and use of data that is in the form of numbers or quantities (Saunders, Lewis & Thornhill (2009:388). Positivism is rooted in the perception that information or data is quantifiable and that it can be analysed by with a degree of empiricism. On the other hand, phenomenological research paradigm posits that data and information exists in a socially constructed realm in the form of opinions and perceptions,

and therefore inherently qualitative. In this study, a phenomenological research paradigm (qualitative research) was used because the research endeavoured to sought have an in-depth understanding of the participant's knowledge and experiences on the subject of study.

3.4 RESEARCH STRATEGY

There are various ways of conducting research some quantitative and others qualitative. Quantitative research strategies include surveys and observations. Gupta and Gupta (2011:178) state that surveys aims to collect data from a large population by using instruments that collect quantitative data. Observation entails the researcher observing phenomena as it occurs, such as experimentation that allows for the collection of outcomes data in form of quantities or numbers. The main qualitative research strategies include interviews, focus group discussions, ethnography and case study. Wegner (2010:95) posits that interviews allow the respondent latitude to answer questions regarding the phenomenon under study. Focus group discussions allow a group of participants to respond to questions regarding the subject of research. In this study, interviews were used as the research strategy which enabled the researcher to have a more in-depth understanding of the role of the municipal public accounts committee towards effective financial management.

3.5 POPULATION AND SAMPLING

The target population for this study were the senior managers and members of the MPAC. The population constituted of a total number of 48 as a whole, 10 General Managers, 28 Senior Managers, and 10 MPAC members, but the researcher choose 10 individuals to participate for researcher study. The choice of this target population was informed on the basis of the senior managers and MPAC members being the best group that can be key informants regarding the study area as they are privy to the role of the municipal public accounts committee towards effective financial management. Sampling is defined as the process of selecting a small sub-set of elements or individuals from the target population

and conducting the study on the subset, called a sample (Saunders, et al., 2009:391). There are two types of sampling, namely probability and non-probability sampling. Probability sampling involves sampling methods that are random and in which the probability of each element or individual being selected is known and equal (Saunders, et al., 2009:391). Probability sampling was not used in this study because it was difficult to determine the availability of all the senior managers for random selection.

On the other hand, non-probability sampling entails the selection of participants using a pre-determined formula and purpose (Saunders, et al., 2009:394). The four major types of non-probability sampling include judgemental/purposive sampling, convenience sampling, quota sampling and snowballing. The basic tenet in judgemental or purposive sampling is that individuals are selected based on their perceived experiences or knowledge on the subject of study, while convenience sampling, also called availability sampling, works on selecting the individuals that are most available, accessible or agreeable (Bryman & Bell, 2011:112).

In this study, convenience (availability) sampling was used to select five (5) senior managers and five (5) from MPAC members. The sample of 10 participants is adequate when considering the use of interviews, according to Bryman and Bell (2011:112), a sample between five and 25 is an adequate sample for interviews in business and social science research.

3.6 RATIONALE FOR SELECTION OF THE CITY OF MBOMBELA MPAC AS CASE STUDY

The selection of the MPAC of the City of Mbombela Municipality was informed by, and based on, the following factors:

- The following municipalities, former Mbombela Local Municipality and former Umjindi Local Municipality were merged into one institution after the 2016 local

government elections, hence City of Mbombela had to form or establish a new MPAC to cover all matter of former Mbombela and former Umjindi and compile both annual reports and financial statements as for one institution which is the newly establish municipality; and

- The committee was easily accessible geographically.

3.7 DATA COLLECTION INSTRUMENTS

Bryman (2006:201) mentions that there are two major groups of research instruments, also called research tools, namely; qualitative and quantitative research instruments. Quantitative research instruments include surveys, questionnaires, registers and tally sheets that collect data that can be analysed in quantities or numbers. Bryman (2006:201) states that qualitative research instruments, on the other hand, are meant to collect data in the form of words and other non-quantifiable forms and mainly include interviews, ethnography, case study, and focus group discussions.

In this study, the semi-structured interviews were selected as the research instrument. The choice of interviews was made based on the need to perform an exploratory approach to data collection for answering the research questions. The questions were formulated based on the elements relating to the findings of the literature review on the factors impacting the role of the municipal public accounts committee towards effective financial management. Ten questions were formulated and face-to-face, one-on-one interviews were conducted to gather the data, and a digital voice recorder was used to record all the responses from participants.

3.8 ADMINISTRATION OF THE RESEARCH INSTRUMENT

Appointments for face to face, one-on-one interviews with the selected participants were confirmed. Participants were interviewed at their offices. The cover letter requesting for the participants' consent to participate in the study was handed over to each participant. A copy of the cover letter is attached as Appendix B. The questions were posed as they are in Appendix C, with follow up questions being posed when clarity or further expansion

was judged by the researcher as required. All responses were recorded in full using a digital voice recorder.

3.9 DATA ANALYSIS

The vocally recorded responses from the interviews was transcribed, condensed and de-textualised to provide paraphrased responses that highlight key themes identified as emanating from the responses. The themes related to the subject of study, which focuses on the role of the municipal public accounts committee towards effective financial management, were paraphrased and documented. The emerging themes from the responses was recorded and analysed using pattern matching and deductive reasoning. Analysed data was discussed in line with the findings of the literature review. This study employs thematic analysis to analyse data collected.

3.10 ETHICAL CONSIDERATIONS

As alluded to in Chapter one, ethical considerations in research relates to the methods or procedures regarding for choice of how to act in the process of solving problems (Ismail, 2008:132). This research ensured that ethical considerations were followed. The following are the ethical considerations that ensured that the study was cleared of ethical issues.

3.10.1 Ensuring informed consent

Informed consent is the permission that is granted by a person, in full understanding of the possible consequences, risks and benefits (Luthans, 2008:157). All respondents in this study were given a cover letter which informs them that the participants take part in this research voluntarily, and that they are free to exit the study at any time without reason. The draft cover letter is attached.

3.10.2 Ensuring no harm to participants

Luthans (2008:157) posits that research involving humans and animals ought to declare the extent to which harm may befall the participants. This research process ensured that

no harm befalls the respondents because the study only took the form of an interview and there was no involvement of physical or mental processes that could have been harmful.

3.9.3 Ensuring confidentiality and anonymity

Confidentiality is defined as the practice of keeping selected personal information of individuals away from unauthorised persons (Gupta and Gupta, 2011:178). During this research, the data collected from responses will be kept safely and securely, protected from unauthorised persons. Anonymity will be ensured by presenting analysed data without the trail of the source of the responses.

3.9.4 Ensuring permission to conduct study

It is a requirement that any study be given written permission by the individual, group or organisation under study. In this study, permission was sought from the City of Mbombela Municipality to conduct a research on the role of the municipal public accounts committee towards effective financial management. A letter of permission is attached. The permission was granted after the university has approved the study and the TREC Certificate was issued. The TREC Certificate is attached.

3.11 SUMMARY

Chapter three has discussed the research design as an exploratory approach and the research strategy as a qualitative, phenomenological research strategy. The population was defined as 10 senior managers from the City of Mbombela Municipality. Convenience sampling was used to select a sample of 5 senior managers and 5 MPAC members as respondents in the study. Face to face interviews were conducted and responses were recorded using a voice recorder. The ethical considerations of the study were outlined. The next chapter provides a presentation, interpretation and discussion of the results.

CHAPTER FOUR

ANALYSIS AND INTERPRETATION OF THE RESULTS

4.1 INTRODUCTION

Chapter three has articulated the research methodology undertaken in the study. This study was conducted within the qualitative paradigm. As explained in Chapter three, the data collection for the empirical research component of this study was done through semi-structured interviews. The identified municipal management and MPAC members were interviewed with regard to their roles and experience pertaining to certain aspects dealt with in the study. The aim of this chapter is to present the research outcome of the study conducted. The outcomes relate to discussion guide that was used in data collection process. Content analysis was applied to analyse the collected data. The sections to follow outline the results obtained from the interviews.

4.2 DATA RESULTS

The interview guide was divided into two (2) sections, namely; Section A: Biographic Information and Section B: Objectives 1 – 4 of the study (See Annexure A for the Interview Guide).

4.2.1 Analysis of demographic information

The results of the study are presented in the form of figures, tables and in words. Figure 1 below reflects the gender of the participants. It is a well-known fact that organisations such as most municipalities are male dominant. As such it is acceptable that the majority of participants will be males, though it was not the objective of the study to examine male versus female. From the sample, the males are in majority at 71%, while their counterparts are in minority at 29%.

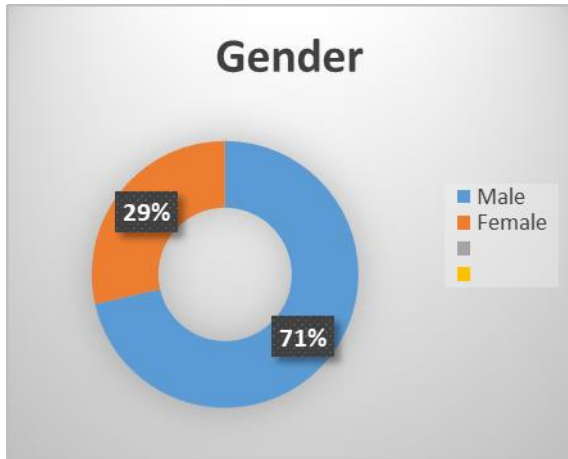


Figure 1: Gender of the respondents

Table 1 below depicts the age categories of the participants. The age of all respondents ranges between 31 and 50+ years. Majority (4) of the respondents were ranging from 36 to 40 of age. Three respondents were aged between 41 and 45. Two participants ranging from 31 to 35 and further two participants 50 and above. It was only one participant who was aged between 46 and 50.

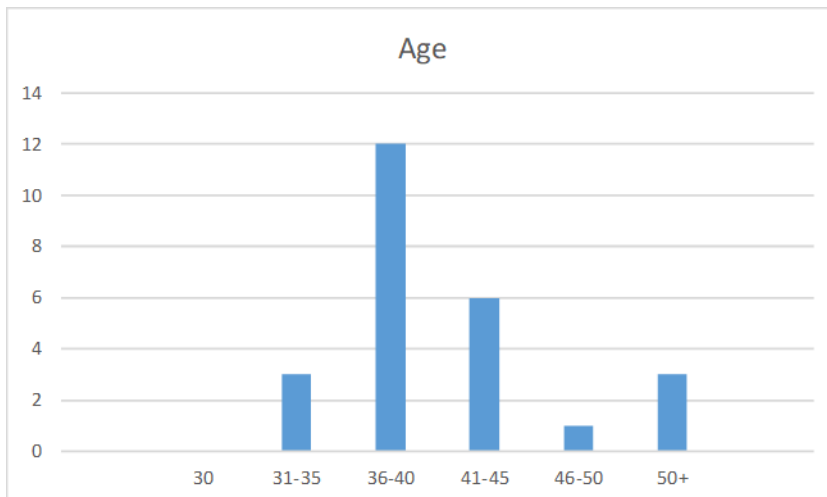


Table 1: Age

The sampled participants/respondents in the research study comprise of graduates, with seven participants in possession of degrees and above while the three participants have diplomas. There is not respondent without matriculation certificate and below as depicted in Table 2 below.

Number of participants	Qualifications (degree and above)	Matric/Grade 12 and below
10	7	3

Table 2: Qualifications

4.2.2 Analysis of the responses

To achieve reliable results during a research study, interviews have to be conducted with key-role players of the institution (Saunders *et al.*, 2000:242). Healy (1991:206) shares the same sentiment, but further maintains that the interviewer has more advantage and control over who answers the questions as compared to a questionnaire which may be passed from one respondent to another.

According to Salking (2009:195), interviews contain two general types of questions, namely structured (closed-ended) and unstructured (open-ended) questions. In this study, the semi-structured interview schedule was used to conduct interviews with key role-players at the municipality under study.

During the formulation of the research interview guide, care was taken to ensure that there were no questions that could influence the participants' responses to the questions. For the answers to be well interpreted and compared, all the respondents were made to have the same idea and an understanding of what the question is all about. Foddy (1993:190) proposes that all the respondents should be made to understand the definition of the research topic in the same way and to find the questions relevant. The respondents were well acquainted with the terminology and concepts of the research. Any ambiguous

or vague questions or concepts were avoided and care was also taken to avoid intimidating questions that could make the respondents feel that they needed to defend or justify the practices or approaches of the MPACs and their related systems.

According to Baily (2007:103), the interviewer should anticipate that new important and relevant questions could come up during the early interviews and such questions could be asked to all subsequent interviewees. Baily (2007:103) advises that the need for flexibility in the qualitative research interviewing should be taken note of and that extra questions in the interview should not be avoided on the basis of the ongoing analysis and the information that had already been received from the respondents earlier.

Before the interviews took place with the participants, discussions were held to negotiate the way in which the process was to be conducted. That provided the researcher with an opportunity to explain the aim of the research study to the respondents. The researcher encouraged the respondents to raise any unethical behaviour that they may suspect to intrude on their privacy during the interview.

The respondents indicated their willingness to be interviewed, but expressed mixed reactions as far as mentioning their names was concerned. There were some respondents who suggested that they would rather be referred to as members of their political parties and some respondents preferred that job titles be used in order to protect their privacy. Some of the respondents appealed that the interview not be audio-recorded in order to avoid being victimized. Finally, the respondents were assured that anonymity and confidentiality would be maintained throughout the interview. An environment of trust that enabled the researcher to listen and ask probing questions to unearth relevant information was created.

The following results were obtained from the interview schedule:

The Municipal Public Accounts Committee and matters that are related to the oversight

In terms of section 79(1)(a) and (b) of the *Structures Act*, all the municipalities must establish municipal public accounts committees. This is to ensure that the municipal council performs its functions effectively and efficiently. An MPAC member, indicated during the interview that the MPAC for the municipality was established during one of the council meetings of 2016. A DA councillor stated during the interview that before the election could be held, the speaker, who is chairperson of the council, explained how the election process was going to take place. According to the councillor, the opposition parties in the council proposed that a secret ballot be used for the election, but that proposal was opposed by the majority party.

An ANC councillor, who is a member of the MPAC, indicated that during the election of the chairperson the ANC nominated one candidate and the opposition parties collectively nominated and supported one name. The ANC councillor confirmed that the election was done by the show of hands and the position of the chairperson was won by the ruling party with a majority vote. The ANC councillor indicated that a similar style of election was used for the election of the MPAC members and the ANC won the majority of seats. Below is a table that illustrates how the MPAC is structured within the municipality.

Name of Political Party	Number of MPAC Members	Gender	
African National Congress (ANC)	6	2 males	4 females
Democratic Alliance (DA)	2	2 males	-
Economic Freedom Fighters (EFF)	1	1 male	-

Representative of the House of Traditional Leaders	1	1 male	-
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The total number of the MPAC members of the Bojanala Platinum District Municipality is 10 (Minutes of Council meeting, 2016).

A DA councillor, who is a member of the MPAC, indicated that there were some members of the MPAC who possessed the required skills, knowledge and experience to perform their oversight role effectively. The DA councillor confirmed that the council had improved on addressing some of the issues that were raised by the MPAC in its oversight reports. The DA councillor further stated that the MPAC had also been committed to doing its work.

An EFF councillor stated that some of the members of the MPAC possessed capacity in the areas of financial management. The councillor indicated that this was realized during the preparation of the oversight reports. An ANC councillor and also a member of the MPAC indicated that some of their parties' members who served on the MPAC were those who were re-elected during the 2016 municipal elections. The councillor also stated that such councillors had accumulated sufficient experience in financial management. The acting coordinator in the office of the MPAC also provided information that all the members of the MPAC attended training on capacity building.

According to the speaker of the council, there was no duplication of functions in the roles and responsibilities of the MPAC and the Audit Committee. The speaker of the council further indicated that the MPAC was responsible for ensuring that the council was accountable while the Audit Committee focused on issues that were finance related. A councillor of EFF, who is also a member of the MPAC, argued that sometimes the MPAC

deviated from its functions and performed those functions that were supposed to be performed by the Audit Committee. The councillor maintained that such mistakes created unnecessary confusion among other members of the MPAC. The EFF councillor further pointed out that the relationship between the MPAC and the Audit Committee was not satisfactory.

During the interview with the executive mayor transpired that the meetings of the MPAC were held every second month, but further added that other meetings took place when there were matters that needed urgent attention. The executive mayor said the meetings of the MPAC were always arranged by its chairperson. On whether there were any MPAC reports that had been submitted to the council, the executive mayor confirmed during the interview that the MPAC had been submitting the reports to the council. The executive mayor further indicated that the MPAC does submit the minutes of its meetings. The executive mayor confirmed that the council was satisfied with the MPAC reports.

The speaker of the council indicated during the interview that the MPAC was performing its oversight functions in a transparent manner. The speaker said the MPAC does arrange meetings with the community in accordance to its plan of activities. The speaker further responded that to prove its transparency, the MPAC always placed its oversight report on the website of the municipality and in areas where the information could be easily accessed by the public. The speaker indicated that no complaints had ever been received from individuals and/or stakeholders about the non-transparency of the council.

The executive mayor maintained the view during the interview that the MPAC of the municipality was adequately performing its oversight role. The executive mayor stated that the MPAC was doing everything right as required by law. The DA councillor displayed a contrary argument that the MPAC was not performing its oversight adequately. The DA

councillor revealed that the municipality had received the same audit opinion as in the previous financial years.

Another ANC councilor, stated during the interview that the council had not delegated any of its functions to the MPAC. This response was also received from the EFF councillor. When asked how the MPAC should be rated since its establishment, the councillor responded by saying it was doing well, while the DA councillor said that it had shown some improvement every year. The DA councillor maintained that it could only be rated good if it was able to investigate and expose those who were suspected to be involved in corruption and ensure that disciplinary action was taken against them.

4.3 SUMMARY

This chapter presented the analysis and interpretation of the data collected from the senior officials and MPAC members in the municipality under study. The research questions as well as the objectives were also highlighted. Content analysis was used to present the results of the study. The research questions were answered and the research objectives were achieved. The next chapter presents conclusion and recommendations.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

The previous chapter has presented an analysis and interpretation of data in as far as the study entails. The aim of this chapter is to provide the summary of findings, recommendations and the conclusion. The aim of the study was to examine the role of the MPAC towards effective financial management in the City of Mbombela in the Mpumalanga Province, South Africa. In order to achieve its intended oversight and accountability, sections 33 and 79 of the *Structures Act* read with section 4(2)(b) of the *Systems Act* provide a municipal council with adequate legal authority to shape and promote the performance of the committees of council. Based on the above two sections of the *Structures Act* and the *Systems Act*, each municipal council must subsequently use its Municipal Public Accounts Committee (MPAC) as a mechanism to exercise oversight and ensure the financial accountability of its particular municipality. The two sections of the *Structures Act* provide the municipal council with the required and enabling governance tool such as the MPAC to exercise oversight and ensure accountability on all the functions of responsibilities (Masemola, 2015:14).

5.2 SUMMARY OF FINDINGS

The following presents the summary of the findings regarding the specific objectives of the study as set out in Chapter one.

5.2.1 To determine the compliance of the MPAC in relation to their oversight role

In Chapter two of the study, an extensive review of literature on municipal financial management for good governance in South Africa and beyond was conducted. To investigate the role of MPACs, a literature review was conducted which involved the use of secondary sources such as journal articles, books, conference papers, theses and internet sources. The literature review also involved primary sources such as government

reports and legislative frameworks. Then, the study further focused on the extent on whether the MPAC comply with oversight role in the municipality under study. The research discovered that the majority of the interviewed participants do agree while the minority presents a contrary view. For the purpose of this study, the empirical evidence point to the fact that the MPAC does comply with the oversight role in the City of Mbombela. This is further supported by the handling of the provisions of the *MFMA* for creating a platform for further enforcement of the principles of good governance.

5.2.2 To identify challenges of financial management oversight

The findings from interviews illustrate that the majority of the respondents indicate that the MPAC is performing its oversight functions transparently and there are no issues here. However, half of the minority respondents hold a different view that the MPAC does not expose or investigate issues such as corruption. This pose a challenge in a sense that the MPAC is reluctant to report such allegations. Furthermore, the other potion of the minority stated that the MPAC is performing its oversight role adequately. Therefore, it was deduced that the MPAC can improve its oversight role.

5.2.3 To analyse the effectiveness of the municipal public accounts committee's oversight role on financial management

The majority of the respondents state that members of the MPAC do possess the required skills, knowledge and experience to perform their roles. However, this findings reveal that half of respondents do not know or cannot confirm whether members of the MPAC possess capacity in areas such as financial management and accounting. Thus, it is concluded that members of the MPAC do possess the required skills, knowledge and experience to perform their roles. Therefore, the study also reveal that most members of the MPAC do have financial management and accounting capacity hence they are capable in doing the oversight role in the municipality.

5.2.4 To recommend appropriate manners to improve the oversight role of the Municipal Public Accounts Committee

Based on the literature study and the empirical findings, the recommendations have been presented in section 5.3 below.

5.3 RECOMMENDATIONS

5.3.1 The transformation of South Africa from an undemocratic to a democratic state has paved the way for institutional restructuring. Even though this move prepared the way for effective oversight and improved financial management, municipalities are faced with an enormous lack of financial management and poor governance. It is recommended that the MPAC should advocate that an investigation be conducted into all such incidents and ensure that they are reported to council. The MPAC must hold council accountable by ensuring that the accounting officer of a municipality report those expenditures to the mayor or the MEC of local government and the office of AGSA as required by section 32(4)(a)(b) and (c) of the MFMA.

5.3.2 It is recommended that the MPAC should hold its oversight meetings regularly and submit the reports to council. The oversight meetings should enable the MPAC to come up with an oversight report that the council may use for introspection. Regular meetings of MPAC as per the schedule approved by council will make the situation difficult for council to ensure that its policies and programmes are implemented.

5.3.3 The municipality should develop and adopt a comprehensive MPAC policy. The adopted comprehensive policy should be used as a strategic tool to inform council on the effective performance of the MPAC or lack thereof.

5.3.4 The council should monitor the progress of MPAC members and councillors who are attending capacity building workshops and training. This exercise will enable the council to come up with an intervention mechanism on how to deal with councillors who do not show any commitment to the programme.

5.3.5 Recommendation for further research on the oversight role of the MPAC with comparative approach to other municipalities within the province could give more depth and the municipalities can learn from each other.

5.4 CONCLUSION

The aim of the study was to examine the role of the MPAC towards effective financial management in the City of Mbombela in the Mpumalanga Province, South Africa. A case study approach was adopted. The purposive sampled research respondents were drawn from the senior management and MPAC members. A variety of literature was reviewed to establish and scrutinize scholarly views on the subjects. The research method applied in this study was a qualitative approach. The thematic approach was used to present the data collected. The analysis and interpretation of data led to the findings of the study which in essence answered the research question. The major findings of the study were given. Various recommendations were advanced concerning the findings.

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INTERVIEW QUESTIONS

SECTION A: BIOGRAPHIC INFORMATION

Gender: Male _____ Female _____

Age (years): 18-29: _____ 30-49: _____ 50+: _____

Tertiary Qualification _____ **MPAC Member** _____ **Management** _____

SECTION B

TO WHAT EXTENT DOES THE MPAC COMPLY WITH THE OVERSIGHT ROLE?

1. Is your mandate clear?
2. Do you think the mandate is adequate?
3. Does your committee have adequate powers?
4. Do you have adequate resources?
 - Technical & administrative support?
 - Support from the AG?

WHAT ARE THE CHALLENGES OF FINANCIAL MANAGEMENT OVERSIGHT?

5. What are the challenges facing Municipal Public Accounts of City of Mbombela since you have joined the municipality?
6. How have this challenges being addressed?

HOW EFFECTIVE IS THE MPAC OVERSIGHT ROLE IN FINANCIAL MANAGEMENT?

7. Is there any external support for the committee? If yes explain how.
8. What is management's view of the committee?
9. Is there capacity amongst members of Municipal Public accounts committee?

WHAT ARE THE APPROPRIATE STRATEGIES TO IMPROVE THE OVERSIGHT

10. Are members deployed on merits or credentials to serve as members of Municipal Public Accounts Committee?

11. Is the training need to capacitated members of municipal public accounts committee?

ROLE OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE?

12. Over the past three years, do you believe MPAC has advised council correct about financial management? Motivate

- a) Gotten better**
- b) Stayed about the same**
- c) Gotten worse**
- d) Improved**

13. During the next three years, do you believe the municipality will obtain a clean audit (motivate)

14. How would you rate the job being done by MPAC in your municipality? Would you say they are doing?

- 1 Excellent**
- 2 Good**
- 3 Fair, or**
- 4 Poor job.**

End of interview. Thank you for your assistance.

OBSERVATION FORM

1. How many males and female present at the meeting?

Gender: Male _____ Female _____

2. Are members of Municipal Public Accounts committee able to differentiate between financial statements and Monthly reports (section 71)?

3. Can members interpret the agenda of the day?

4. How is the attendance of the Municipal Public Accounts committee meeting?

5. Comments on Auditor General's report

6. Reading of previous financial statements and Auditor Generals findings

7. Participation of members of the Municipal Public Committee

End of observation.



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TURFLOOP RESEARCH ETHICS COMMITTEE
ETHICS CLEARANCE CERTIFICATE

MEETING: 24 April 2020

PROJECT NUMBER: TREC/87/2020: PG

PROJECT:

Title: The Role of the Municipal Public Accounts Committee Towards Effective Financial Management: A Case Study of the City of Mbombela Municipality, Mpumalanga Province

Researcher: XV Mhlanga

Supervisor: Prof SK Mokoena

Co-Supervisor/s: N/A

School: Turfloop Graduate School of Leadership

Degree: Master of Public Administration and Management

PROF P MASOKO
CHAIRPERSON: TURFLOOP RESEARCH ETHICS COMMITTEE

The Turfloop Research Ethics Committee (TREC) is registered with the National Health Research Ethics Council, Registration Number: REC-0310111-031

Note:

- i) This Ethics Clearance Certificate will be valid for one (1) year, as from the abovementioned date. Application for annual renewal (or annual review) need to be received by TREC one month before lapse of this period.
- ii) Should any departure be contemplated from the research procedure as approved, the researcher(s) must re-submit the protocol to the committee, together with the Application for Amendment form.
- iii) PLEASE QUOTE THE PROTOCOL NUMBER IN ALL ENQUIRIES.

Finding solutions for Africa

P.O. Box 3574
Barberton
1300
01 June 2020

Office of the Municipal Manager
City of Mbombela
Civic Centre
Nelspruit
1200

Attention Mr W. Khumalo

Dear Sir

REQUESTING PERMISSION TO UNDERTAKE RESEARCH

I am a registered correspondent student at the University of Limpopo, Turfloop Graduate School of Leadership based in Polokwane. I am currently enrolled for my Masters Degree in Public administration and Management . As part of the requirements for obtaining my degree, I am required to conduct and submit a research report.

The research topic I have selected is **The oversight role of Municipal public Accounts Committee towards effective financial management : A case study of City of Mbombela Municipality in Mpumalanag Province .**

I would appreciate your assistance by allowing me to compile the report , should I be granted the opportunity to perform the research .

Yours Sincerely.

XOLANI V. MHLANGA
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OFFICE OF THE MUNICIPAL MANAGER

Tel: 0137592041
Enq: Ms. Bual Sithole

09 February 2021

Mr Xolani Mhlanga
P.O.Box 3575
Barberton
1300

Dear Sir,

RE: REQUESTING PERMISSION TO UNDERTAKE RESEARCH

Your letter dated 29 January 2021 on the abovementioned subject has reference.

The City of Mbombela hereby grants you permission to conduct a research study titled *"The oversight role of Municipal Public Accounts Committee towards effective financial management: A case study of City of Mbombela Municipality in Mpumalanga province"*.

Please take note that the municipality will not be liable for any financial responsibility on this study. Kindly ensure that the work of employees is not interrupted and consent is obtained from each participant before the actual research is conducted. The municipality strictly adheres to COVID-19 regulations, therefore COVID-19 health protocols must be maintained namely; observing at least 1,5 metres from each other, wearing of masks at all time, washing and sanitizing of hands regularly.

We wish you all the best with your research and would appreciate if you share with us the research outcomes and recommendations.

Regards,


W.J. KHUMALO
MUNICIPAL MANAGER