

**The Effects of Strategic Planning and Oversight on Electricity Service Delivery
Outcomes in South African Local Municipalities: A Case Study of Inxuba Yethemba
Municipality**

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ABSTRACT

Poor service delivery in South Africa is a widely researched phenomenon. Yet despite the existing knowledge production efforts, in a context of a progressive developmental municipal legislative framework, South African municipalities continue to be plagued with corruption and poor service delivery performance. This thesis aims to transcend the tendency to attribute poor service delivery to a sole cause (e.g. corruption) by explaining the effects of strategic planning and oversight on several municipal service delivery processes. Therefore, this thesis introduces the Municipal Public Resource Management (MPRM) model as a strategic management tool to explain the relationship between strategic planning, the practical implementation of municipal services, and oversight processes. Specifically, this thesis triangulates legislative mandates, documents published by Inxuba Yethemba Municipality (IYM) and responses from semi-structured interviews conducted with three municipal officials and three Municipal Public Accounts Committee (MPAC) councillors to uncover descriptions and explanations of service delivery processes in IYM. Findings from this thesis confirm that poor strategic planning and weak oversight contributed to poor electricity service delivery outcomes in IYM in the 2018/19 – 2019/20 financial year, and this highlights the importance of implementing strategic management for improved service delivery in South African local municipalities.

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TABLE OF CONTENTS

ABSTRACT	1
ACKNOWLEDGEMENTS	2
TABLE OF CONTENTS.....	3
LIST OF ABBREVIATIONS AND ACRONYMS.....	5
CHAPTER 1 – INTRODUCTION	7
1.1. <i>Contextualising service delivery in IYM</i>	8
1.2. <i>Significance of this research</i>	12
1.3. <i>Introducing the MPRM model</i>	13
1.4. <i>Why Strategic Planning and Oversight?</i>	16
1.5. <i>Research Aims</i>	17
□ <i>Strategic Planning</i>	17
□ <i>Oversight.....</i>	17
□ <i>Service delivery Outcomes</i>	17
1.6. <i>Outline of the Dissertation</i>	17
CHAPTER 2: RESEARCH METHODOLOGY AND METHODS	18
2.1. PHILOSOPHICAL UNDERPINNINGS: CRITICAL REALISM.....	18
2.1.1. <i>Critical Realism, the MPRM Model, and Municipal Governance in IYM.....</i>	19
2.2. RESEARCH METHODOLOGY	21
2.3. SAMPLING	22
2.4. RESEARCH METHODS.....	24
2.5. DATA ANALYSIS	27
2.6. ETHICAL CONSIDERATIONS.....	27
2.7. VALIDITY AND RELIABILITY	28
2.8. LIMITATIONS OF THE STUDY	28
CHAPTER 3 – REVIEWING PUBLIC RESOURCE MANAGEMENT LITERATURE	30
3.1. <i>Strategic Planning in the Public Sector</i>	30
3.2. <i>Strategic Management in South Africa: Integrated Development Planning</i>	33
3.3. <i>Oversight.....</i>	38
3.4. <i>Recommendations for effective Strategic Management.....</i>	42
CHAPTER 4 - THE MPRM MODEL.....	44
THE PLANNING PHASE.....	44
4.1. <i>Needs Assessment</i>	44
4.2. <i>Strategic Planning</i>	45
4.3. <i>Resource Mobilization Planning</i>	47
4.4. <i>Resource Allocation.....</i>	48
THE IMPLEMENTATION PHASE.....	49
4.5. <i>Revenue Collection</i>	49
4.6. <i>Expenditure Management</i>	49
4.7. <i>Performance Management</i>	50
4.8. <i>Preventive and Corrective Action.....</i>	51
THE OVERSIGHT PHASE.....	52
4.9. <i>Oversight.....</i>	52
CHAPTER 5 – TESTING THE MPRM MODEL IN IYM.....	54
5.1. <i>IYM Service Delivery Outcomes</i>	56
5.1.1. <i>The Effects of Poor Electricity Services</i>	57

5.2.	<i>Explaining Poor Service Delivery in IYM</i>	58
5.2.1.	<i>MPRM Process 1 – Needs Assessment</i>	59
5.2.2.	<i>MPRM Process 2 – Strategic Planning</i>	61
5.2.2.1	<i>Strategic Planning Procedures in IYM</i>	64
5.2.3.	<i>MPRM Process 3 – Resource Mobilization Planning</i>	67
5.2.4.	<i>MPRM Process 4 – Resource Allocation</i>	69
5.2.5.	<i>MPRM Process 5 – Revenue Collection</i>	71
5.2.6.	<i>MPRM Process 6 – Expenditure Management</i>	73
5.2.7.	<i>MPRM Process 7 – Performance Management</i>	76
5.2.8.	<i>MPRM Process 8 – Preventive and Corrective Action</i>	81
5.2.9.	<i>MPRM Process 9 – Oversight</i>	85
5.3.	<i>Summary of MPRM results in IYM</i>	98
CHAPTER 6 - CONCLUSION		100
LIST OF REFERENCES		102
APPENDICES		116
	<i>Appendix 1 – The MPRM Model Cycle</i>	116
	<i>Appendix 2 – Consent Forms</i>	117
	<i>Appendix 3 – Interview Schedules</i>	118
3.1.	<i>Interview Schedule for IYM Oversight: MPAC Councillors</i>	118
3.2.	<i>Interview Schedule for IYM Oversight: Internal Unit/ Audit Committee</i>	122
	<i>Background questions:</i>	122
3.3.	<i>Interview Schedule for Service-Sector Governance: Electricity Services Implementation</i>	125
	<i>Background Questions:</i>	125
	<i>Appendix 4 – IYM Organograms</i>	129
4.1.	<i>IYM Structure - Office of the Municipal Manager</i>	129
4.2.	<i>IYM Structure - Technical Services</i>	130
4.3.	<i>IYM Structure – Office of the Executive Mayor</i>	131

LIST OF ABBREVIATIONS AND ACRONYMS

AGSA – Auditor General South Africa

ANC – African National Congress

BLA – Black Local Authorities

BTO – Budget and Treasury Office

CFO – Chief Financial Officer

CHDM – Chris Hani District Municipality

COGTA – Cooperative Governance and Traditional Affairs

CSDT – Cohesive Service Delivery Theory

DA – Democratic Alliance

DCoG – Department of Cooperative Governance

DME – Department of Minerals and Energy

DPLG – Department Provincial and Local Government

IAU – Internal Audit Unit

IDP – Integrated Development Plan / Integrated Development Planning

INEP – Integrated National Electricity Programme

IYM – Inxuba Yethemba Municipality

KPI – Key Performance Indicator

LGTA – Local Government Transition Act

LGNF – Local Government Negotiating Forum

MQSD – Modified Qualitative Service Delivery

MFMA – Municipal Finance Management Act

MPAC – Municipal Public Accounts Committee

MPRM – Municipal Public Resource Management

MSA – Municipal Systems Act

mSCOA – municipal Standard Charter of Accounts

NDP – National Development Plan

NERSA – National Energy Regulator of South Africa

NSPD – National Spatial Development Perspective

OVAC – Oversight and Accountability

PGDS – Provincial Growth and Development Strategy

PMU – Project Management Unit

RDP – Reconstruction and Development Plan

SAHRC – South African Human Rights Commission

SALGA – South African Local Government Association

SALS – South African Legislative Sector

SCM – Supply Chain Management

SDBIP – Service Delivery and Budget Implementation Plan

StatsSA – Statistics South Africa

UIFW – Unauthorised, Irregular, Fruitless and Wasteful [expenditure]

Chapter 1 – Introduction

According to its preamble, the Constitution of the Republic of South Africa, Act 108 of 1996 (henceforth RSA Constitution, 1996) lays the foundation for a society based on “democratic values, social justice and fundamental human rights”. Central to the RSA Constitution (1996) is the desire to improve the quality of life for *all* citizens – and to enhance their capabilities – by ensuring that their basic human rights are progressively realised within available resources.

Access to electricity can be conceptualised as a basic human right because it constitutes the South African Human Rights Commission (SAHRC) definition of “adequate housing”, which all South African citizens are entitled to according to the South African Bill of Rights (RSA Constitution, 1996: s26; SAHRC, n.d.: 4). Access to electricity is also necessary for the facilitation of economic development, and the advancement of human life (National Treasury, 2008: 109). In South Africa, the Ministry of Mineral Resources and Energy is tasked with the responsibility to “ensure uninterrupted supply of energy to the Republic” (National Energy Act, 2008: s2(a)). However, because the effective functioning of the South African government relies on a form of co-operative governance between its three interdependent spheres of government, the Ministry’s integrated energy plans should take account of integrated development plans drafted by local and provincial authorities (National Energy Act, 2008: s3(a), & 5; RSA Constitution, 1996: s40). The three distinct spheres of government include the *national*, *provincial*, and *local* sphere of government.

This research focuses on South African local municipalities – which constitute the sphere of local government. Municipalities are responsible for the practical provision of basic services such as water, electricity, sanitation, storm water management, refuse removal and municipal transport, and roads (RSA Constitution, 1996: s152). Key electricity services provided by municipalities include electrification, and electricity reticulation – which refers to the trading and distribution of electricity services (National Treasury, 2008: 117). Additionally, municipalities have the responsibility of ensuring sound resource management through the implementation of structured administrative, budgeting and planning processes, to ensure sustainable socio-economic growth and development in ways that enhance community participation and accountability (RSA Constitution, 1996: s153). Thus, this study aims to explore municipal strategic planning and oversight processes; and to explain how the implementation of these public resource management processes affect electricity service delivery outcomes in Inxuba Yethemba Municipality (IYM).

IYM – formerly known as Cradock Local Municipality – is a local municipality which falls within the jurisdiction of the Chris Hani District Municipality (CHDM) in the Eastern Cape Province (IYM, 2020a: 2). And with an estimated population of 70 000 residents, IYM consists of nine municipal wards which are spread over Cradock and Middelburg, which are the two main urban centres situated 100km apart (IYM, 2020b: 4).

IYM is responsible for providing basic services such as electricity reticulation, road maintenance and waste management (IYM, 2019c: 31). However, IYM shares its basic service provision responsibilities with CHDM and Eskom (IYM, 2019c: 56). In IYM, water and sanitation services are rendered by CHDM which is the accredited Water Services Authority (IYM, 2019c: 56). Water Service Authorities, like CHDM, refer to any municipality responsible for regulating and providing water services to residents and businesses as its end users (National Business Initiative, 2019: 6). In IYM, Eskom provides and maintains streetlights throughout the municipality, and it also facilitates the distribution of electricity for Lingelihle township (which makes up three of IYM's nine wards) in the Cradock region (IYM, 2019c: 56). The electricity services in Lingelihle Township were not rendered by the municipality because before 1994 Eskom facilitated the electrification of areas in rural contexts and often in historically Black communities, while municipalities catered for the more urban residential customers in areas falling under municipal supervision (National Treasury, 2008: 117). The section below contextualises the quality of municipal service delivery in IYM.

1.1. Contextualising service delivery in IYM

According to the 2009 State of Local Government Report, compiled by the Ministry of Cooperative Governance and Traditional Affairs (COGTA), IYM was once considered as one of the highest performing local municipalities in South Africa (COGTA, 2009: 85). Drafted using quantitative data from Statistics South Africa (StatsSA) and National Treasury, IYM's high performance classification was based on the municipality's functionality, socio-economic profile, and backlog status indicators (COGTA, 2009: 76).

However, a more recent StatsSA (2017) in-depth analysis of the state of basic service delivery in South Africa, added the perspective of residents in their analysis. And according to StatsSA (2017: 92 & 99) although a significant number of households in IYM reportedly had access to basic services, community members were not pleased with the quality of the rendered services by the municipality. For example, IYM reported that 96.8% of its residents had access to electricity and that only 18.4% experienced interruptions (StatsSA, 2017: 92).

However, the same StatsSA (2017: 99) service delivery study revealed that only 50% of residents rated electricity services in IYM as ‘good’, highlighting that reported municipal performance may not always correspond with the customer or end user satisfaction.

Over the past five years, IYM residents have been more vocal about their perceptions on service delivery standards in their municipality in the media. In 2018, members of the Cradock Business Forum had expressed the view that IYM was “the worst municipality to live in for service delivery” as it had failed to provide free basic services to residents – as required by legislation (Sgqolana, 2018: para 4). Data obtained from Ratings Afrika also listed IYM as the worst performing municipality in the Eastern Cape in 2018 (BusinessTech, 2018: Table 4)

By February 2020, IYM’s municipal debt to Eskom exceeded R127 million, and this indebtedness had rendered IYM unable to effectively operate, as it was unable to pay its officials (Nini & Sgqolana, 2020). As a result, IYM was listed as one of the 14 municipalities in the Eastern Cape Province which may be shut down due to its financial distress (Nini & Sgqolana; 2020). Furthermore, in September 2020, the Hawks – the state priority crime investigating unit – raided IYM, and seized municipal documents relating to a R26 million fraud and corruption case. Reports indicate that IYM allegedly paid full amounts to service providers for services that were only partially rendered (Maphanga, 2020: para. 5). The raid in IYM served as a catalyst for service delivery protests in which residents marched to the municipal offices in Cradock, calling for the removal of implicated municipal officials (Bhongo, 2020: para. 1).

For a more objective analysis of IYM’s service delivery, this thesis reviewed Auditor General South Africa (AGSA) audit reports for IYM between the 2008/09 and 2018/19 financial year. This review assessed annual audit opinions, findings relating to strategic planning and oversight, and the Technical Services Department which renders electricity services in IYM.

The review of AGSA reports indicated that IYM obtained a *Qualified Audit Opinion* from the 2008/09 – 2010/11 municipal financial year. A qualified audit opinion means that the municipality presented financial statements with material misstatements and further did not produce sufficient evidence to confirm or support the figures presented in their financial statements (AGSA, 2011: para. 5). Material misstatements in financial statements are a cause for concern because they mean that the information presented by the municipality is “sufficiently incorrect that it may impact the economic decisions of someone relying on those statements” such as residents, businesses or investors (Accounting Tools, 2021: para.1).

Between 2011/12 and 2015/16, the audit status in IYM regressed as the municipality was issued with a *Disclaimer of Audit Opinion*. A disclaimer of audit opinion – the worst possible audit outcome – indicated that the Auditor General (AG) was obliged to withhold any opinion about a municipality’s financial and non-financial performance due to insufficient documentation presented as evidence in support of its financial statements (AGSA, 2012: para. 5). However, from 2016/17 – 2018/19 IYM obtained an *Unqualified Audit Opinion with Emphasis of Matter Items*, which indicated that its financial statements fairly represented its financial performance, despite highlighted “matters” or existing concerns raised for the attention of the reader (AGSA, 2017: para. 5).

At face value, one may assume that IYM’s financial performance had improved over the past 10 years by moving from a disclaimed audit opinion (from 2009) to an unqualified audit opinion with emphasis of matter items (in 2019). However, this assumption does not accurately reflect the actual quality of municipal processes in IYM as recent media and government reports have dubbed the municipality “dysfunctional” or “distressed” (COGTA, 2018; see also Sgqolana, 2018). Given the reported state of poor service delivery in IYM, the in-depth review of AGSA reports for IYM between 2008/09 and 2018/19 provided useful insights into the status of strategic planning and oversight in IYM over the past decade.

In this thesis, strategic planning is defined as an institution’s systematic formulation of its plan of action, which sets out its current – often less desirable – reality, and the desired future condition (Bryson & George, 2020: 2). Strategic planning may also be conceptualised as a “road map for service delivery” which sets out where a municipality is, where it is trying to go, and how it will get there (Allan, 2019: 54).

Considering these definitions, the AGSA (2009- 2019 reports reviewed indicated that IYM exhibited extremely weak strategic planning. Specifically, no strategic plans were prepared in the 2008/09 financial year (AGSA, 2009: para.15-17). However, from the 2009/10 financial year, the AGSA (2010; 2013; 2015) often described performance targets in strategic plans set by various departments as poorly defined, inconsistent, not relevant, and further maintained that it was often very difficult to measure performance using them. Additionally, the AGSA (2018: para. 46-51) highlighted that several legislative mandates prescribing strategic planning procedures were often ignored, as community members were barely ever consulted in the drafting of municipal plans. These concerns were evident throughout each AGSA (2009-2019) report, highlighting that over a decade, IYM has consistently struggled to conduct adequate strategic planning.

The same analysis of AGSA reports also indicated that IYM failed to effectively implement oversight processes over the decade. Oversight is defined by the South African Parliament as the constitutional mandate vested in legislative - or law-making – organs of state to actively encourage compliance with constitutional obligations in executive or administrative organs of state (RSA Parliament, 2009: 2.1). Specifically, the oversight process seeks to ensure that those who are responsible for converting public resources into services are held accountable for their decisions and performance (Allan, 2019: 15). Oversight bodies in IYM were consistently flagged as weak, and IYM Council resolutions were regarded as obsolete because they were hardly ever implemented as matters raised from previous years persisted (AGSA, 2009-2019).

The consequences of poor oversight, *inter alia*, in IYM were: (i) Unauthorised, Irregular, Fruitless and Wasteful (UIFW) expenditure; (ii) poor consequence management; (iii) the non-payment of creditors within 30 days of receiving relevant invoices (AGSA, 2010: para. 27; AGSA, 2016: para. 19); (iv) electrical losses greater than 10% of consumed electricity (AGSA, 2019a: para.11); and more recently, (v) concerns about IYM possibly closing down due to a lack of financial sustainability (AGSA, 2018: para. 7; AGSA, 2019a: para. 7).

This brief contextualisation of IYM between 2008/09 and 2018/19, points to a serious strategic public resource management challenge within IYM. Strategic management involves the purposeful implementation of strategic plans in a way which links planned activities to “organisational design, resource management, performance management and change management” (Bryson & George, 2020: 3; see also Bryson et al., 2010:2; Poister & Streib, 2005: 46). Therefore, by definition, strategic management transcends strategic planning. In this thesis, strategic management is used to explain the implementation of [strategic] plans and oversight in the public services domain, and these concepts are used to explain service delivery processes in IYM and by extension – South African local municipalities.

Service delivery challenges faced by IYM are not unique, as many South African municipalities are plagued by poor financial and non-financial performance and have been deemed dysfunctional (COGTA, 2018). In the 2017/18 financial year, irregular expenditure recorded from Eastern Cape municipalities amounted to more than R7.3 billion (AGSA, 2019b:105). The highest contributors to this irregular expenditure were the Nelson Mandela Metropolitan Municipality, the Alfred Nzo District Municipality, the King Sabata Dalindyebo Municipality and the CHDM – the district municipality that IYM forms part of – which were collectively responsible for R5.6 billion (77%) of this irregular expenditure (AGSA, 2019b: 105).

As of 31 July 2020, Minister of Public Enterprises, Pravin Gordhan, announced that the recorded national municipal debt to Eskom was R46.1 billion – where R31 billion was overdue debt (Business Tech, 2020). de Kock (2019: para. 1) indicated that by December 2019, Eastern Cape municipalities reportedly owed Eskom a total of R1.1 billion. However, News24 Wire (2021) indicated that by January 2021 the amount owed to Eskom by 18 of 38 municipalities in the Eastern Cape had doubled, reaching over R2 billion. According to Ellis (2021: para. 17) IYM reportedly owed Eskom R193 million by February 2021. Therefore, from the above contextualisation, one may infer that IYM serves as a microcosm reflecting the poor state of public resource management of many South African municipalities.

Several researchers have tried to address the persistent issue of poor service delivery (Dzansi & Dzansi, 2010; Makanyeza, Kwandayi & Ikobe, 2013; Ngcobo & Mdani, 2015; Okafor, Matiwane, & Onuigbo (2015); Pillay, 2016; Pretorius & Schurink (2007); Reddy, 2016). However, despite these research efforts, there seems to be very little change on the ground.

1.2. Significance of this research

Poor service delivery is a global crisis. Internationally, local governments are challenged with an increasing demand for services against the challenges of a stagnant tax base, decreasing government subsidies and declining community support (Poister & Streib, 1989: 240; see also Knies, Boselie, Gould-Williams & Vandenabeele, 2018: 1). South African local government reports prove that existing causes of poor service delivery in South African municipalities were already highlighted in reports from over twenty years ago (Local Government White Paper, 1998). Additionally, studies exploring service delivery in South Africa, have indicated that some causes of poor service delivery include: councillor interference and political manipulation, corruption and lack of accountability and transparency, inadequate citizen participation, poor human resource policy, failure to manage change, lack of employee capacity, poor planning, and poor monitoring and evaluation (Makanyeza, Kwandayi & Ikobe, 2013; see also Dzansi & Dzansi, 2010, Ngcobo & Mdani, 2015; Pillay, 2016; Reddy, 2016).

Therefore, the above summary indicates that there is existing research on the causes and explanations of poor service delivery. However, these studies are often limited in terms of their explanatory power because they fail to address service delivery causes holistically. Researchers often attribute poor service delivery to a single cause, and even where they identify more than one cause, they fail to coherently link these causes within a holistic strategic management model or framework with sufficient explanatory power.

Unlike preceding studies on service delivery in South African local municipalities, the current research is significant for two reasons. Firstly, this thesis acknowledges that service delivery outcomes may not be attributed to one cause or factor (such as strategic planning, corruption, poor citizen participation, or oversight alone). Therefore, service delivery outcomes are considered as a result of strategic management, which considers several different factors which can also be studied independently. Secondly, this thesis introduces a strategic management model or tool for service delivery with sufficient explanatory power to explain why poor service delivery persists, and by extension how poor service delivery can be mitigated.

Strategic management transcends strategic planning as it provides a much more detailed view of how to actively manage resources in organisations and their contexts (Bryson & George, 2020: 3; see also Bryson et al., 2010:2; Poister & Streib, 2005: 46). Central to strategic management is enforcing the link between strategic planning, implementation, and oversight. However, it is necessary to have tools that will guide and coherently explain the strategic management process to display the relationship strategic planning, the implementation of municipal projects, and their oversight. However, currently there is very little research which simultaneously highlights the link between municipal strategic planning, strategic management, oversight, and service delivery outcomes in South Africa. Thus, by employing a strategic management approach, which links strategic planning, implementation, and oversight, this thesis tries bridge the gap in South African municipal governance literature.

The Municipal Public Resource Management (MPRM) model, which is summarised below, may be considered as such a strategic management tool – as it considers planning, implementation and oversight processes – designed to improve resource management, performance management and change management in South African municipalities.

1.3. Introducing the MPRM model

Developed by Colm Allan in 2018, the unpublished MPRM model is a strategic management tool for ensuring effective oversight, good governance, and accountability in South African municipalities for improved service provision. The MPRM model is concerned with the state's progressive realisation of people's needs, within available resources – the model also highlights the logic behind municipal service delivery laws through a series of nine processes postulated retroductively. Specifically, the MPRM model (as a normative or rule-based model) endeavours to answer the question of what conditions need to be met to convert available public resources into goods and services that meet residents' needs.

The solution presented by the MPRM model is the identification of nine public resource management and accountability processes, which are said to be necessary pre-conditions for effective service delivery. In line with the definition of strategic management, these MPRM processes need to be implemented consecutively across three phases of the public resource management cycle: planning; implementation, and; oversight.

The MPRM model starts by mapping out the how existing public sector legislative and regulatory provisions shape what should happen within each process. This provides a picture of how government envisages each process being implemented, which the researcher can then use as the basis for comparing the desired state of implementation of each process versus its 'actual' implementation in practice.

According to Allan (2019) the successful conversion of available public resources to effective services requires the implementation of the following nine municipal processes in anygiven municipality:

- 1) Needs assessment – where the municipality starts out by identifying what residents' priority needs are;
- 2) Strategic planning – where the municipality identifies what activities it will have to implement in order to progressively realise these needs, and groups them into programmes and attaches key performance indicators (KPIs) to programme activities and outputs;
- 3) Resource mobilisation planning – where the municipality costs its planned programmes, and puts forward plans for how to raise the revenues needed to pay for their implementation;
- 4) Resource allocation – where the municipality allocates its projected resources for spending on priority programmes and projects;
- 5) Revenue collection – where the municipality collects funds to pay for planned activities, during the course of implementing its resource mobilisation plans;
- 6) Expenditure management – where the municipality spends funds from its approved budget (as set out in its resource allocation plans) on the implementation of projects and programmes, and implements financial controls and reports on its spending performance;
- 7) Performance management – where the municipality implements the activities, projects and programmes set out in its strategic plans, implements performance controls and reports on its performance in implementing its strategic plans;

- 8) Preventive and corrective action – where the municipality ensure that steps are taken to prevent and correct the ineffective use and abuse of public resources; and,
- 9) Oversight – where oversight bodies hold the individuals responsible for managing public resources to account, for their performance in the progressive realisation of residents’ needs.

Central to the application of this model is the assertion that all the nine processes must be successfully implemented for municipal public resources to be successfully and accountably converted into effective municipal services which meet the needs of residents in any given context. Below, the MPRM model is presented visually in a cyclical diagram to display the connectedness of all the public resource management and accountability processes.

Description: A visual representation of the nine process Municipal Public Resource Management (MPRM) Model Cycle



Source: Allan, C. (2019).

1.4. Why Strategic Planning and Oversight?

While I acknowledge that the MPRM model has nine processes, for the purposes of this thesis, I have chosen to focus primarily on the effects of strategic planning (MPRM Process 2) and oversight (MPRM Process 9) on electricity service delivery outcomes. This study focuses mainly on strategic planning and oversight processes because a more detailed study considering the effectiveness of the implementation of each of the nine MPRM processes in-depth would require a longer and more detailed research study than the current thesis allows for. However, the data analysis presented in Chapter 5 considers the effects of strategic planning and oversight on all nine MPRM processes which ultimately determine service delivery outcomes.

More importantly, according to the National Treasury (2006) Municipal Finance Management Act (MFMA) Circular 32 – which provides municipalities with detailed explanations on how to implement oversight – there is, “an explicit linkage between the strategic goals, set by council through the IDP, which are translated into the budget, and the delivery of those goals, which is reported in the Annual Report” (National Treasury, 2006: 1). Therefore, by this reasoning, one cannot adequately appraise the influence of oversight processes on service delivery outcomes without considering and analysing the quality and effectiveness of strategic planning and strategic management processes in any given year.

Additionally, the review of IYM’s audit reports between 2008/09 – 2018/19 arguably vindicated the decision to focus on strategic planning (MPRM Process 2) and oversight (MPRM Process 9) because it revealed that these two processes had been poorly implemented for almost a decade in IYM. A similar neglect, observed during the literature review process, for strategic planning, strategic management and oversight literature in South African municipalities, also motivated my research focus.

In essence, my contention is that investigating strategic planning and oversight processes allows the best vantage point into the functions of both the implementing municipal officials, and the municipal councillors charged with the responsibility of performing oversight. Specifically, critical engagement with the quality of strategic planning and oversight in IYM would enable fair assessment of the role of municipal officials and councillors in service delivery processes and their subsequent outcomes.

Furthermore, critical engagement with any of the other seven out of the nine processes making up the MPRM model would still be centered on what was planned, and whether there were adequate systems to ensure that what was planned happened in practice.

1.5. Research Aims

The primary objective of this thesis is to explore and explain how the implementation of *strategic planning* (MPRM Process 2) and *oversight* (MPRM Process 9) by municipal officials and councillors contributes to electricity service delivery outcomes in IYM. Put simply, this research seeks to establish what electricity services IYM is expected to provide, what activities IYM planned to implement for effective electricity service provision, how IYM managed deviations from plans through oversight, and whether IYM's methods worked or not, and why.

The primary objective is complemented by subsidiary objectives, which aim to describe:

- **Strategic Planning**
 - Procedures followed by the municipal executive and management for the planning of electricity service provision in IYM.
 - Challenges faced by the IYM Technical Services Department in the implementation of electricity service provision strategic plans
- **Oversight**
 - The relationship between IYM MPAC and key oversight structures in IYM.
 - The role of MPAC and key challenges faced by IYM oversight bodies and MPACs
- **Service delivery Outcomes**
 - The relationship between strategic planning and oversight in IYM as part of a broader strategic management model using Allan's (2019) MPRM model.

1.6. Outline of the Dissertation

This chapter set out the context of the study and briefly introduced IYM, and its reported service delivery outcomes. Additionally, this chapter highlighted the primary and subsidiary research aims. Chapter 2 details the philosophical underpinnings, and the research methods used to guide the research, and Chapter 3 presents a review of literature relating to *strategic planning*, *strategic management*, and *oversight* as the key concepts of this research paper. In Chapter 4, the MPRM model - as a strategic management tool - is presented in detail, to explain processes municipalities need to engage in to effectively provide electricity service delivery. Chapter 5 assesses the data collected, to explore and explain how IYM implements its electricity services, and why IYM's service delivery implementation methods worked or not. In Chapter 5, the descriptions obtained from municipal officials and municipal councillors are compared to expectations from the MPRM model, enabling legislation, and findings from existing literature. And finally, Chapter 6 concludes the thesis.

Chapter 2: Research Methodology and Methods

Against the backdrop of the brief contextualisation of service delivery outcomes in IYM, this section of the thesis draws a link between the research aims highlighted in Chapter 1, and the research strategies used in this thesis to realise these aims. This chapter is important because when generating social scientific knowledge, it is crucial to highlight the theories that inform the way research is conducted (Alasuutari, Bickman & Brannen, 2008: 6). This chapter introduces the critical realist paradigm which underpins this research, and explains its link to the MPRM model. Additionally, the research methodology section justifies using the integrative mixed-methods approach, triangulated research methods, and retroductive analysis techniques. In addition, the ethical considerations and limitations of this study are detailed.

2.1. Philosophical Underpinnings: Critical Realism

This research was informed by a critical realist research paradigm, or way of thinking. Critical realism is a theory-based approach to social science which is concerned with explaining the underlying (and often unobservable) causes of observed regular patterns of social behaviour (Westhorp, 2014:4). Critical realism has gained significant popularity in disciplines such as programme evaluation, which are often concerned with the appraisal of public service policy implementation (Westhorp, 2014: 4). Key proponents of critical realist enquiry include Roy Bhaskar (1979), Margaret Archer (1995), Andrew Sayer (2000), Ray Pawson & Nick Tilley (1997) – who may differ on the details of critical realist theories – but agree on the broad conceptualisation of realist ontology and epistemology, and clearly articulate the difference between these two concepts.

Ontology refers to the criteria which we use to determine what exists or what is real (Henn, Weinstein & Foard, 2006: 17), whereas epistemology refers to the criteria used to determine what constitutes knowledge (Bryman, 2012: 27). Critical realists argue that what is real or what exists (ontology) is not reducible how we come to know of that reality (epistemology) – Bhaskar (cited in Fletcher, 2017: 182) labelled the failure to separate these two foundational concepts as the ‘epistemic fallacy’ and maintains that this fallacy underpins positivist and interpretivist approaches within social theory. Central to critical realist explanation of how science works is the idea that scientists’ observations and experiences should be separated from the actual events that are observed during scientific experiments, and these events must also be seen as separate from the underlying “mechanisms” that generate or cause them (Bhaskar, 1979:12-20).

This separation of ‘experience vs events vs generative mechanisms’ within scientific experiments gives rise to a stratified ontology within critical realism. The critical realist stratified ontology is marked by three distinct layers: (i) the empirical – which considers human experience and observations, (ii) the actual – which considers events without human experience, and (iii) the real – which explains the mechanisms which either enable or inhibit the occurrence of events (Bhaskar, 1979 cited in Easton, 2010: 120). This stratified ontology leads critical realists to reject the empiricist conceptualisation of social laws based on constant conjunction of events (Pawson & Tilley: 1997: 11). Empiricists limit what they deem to be ‘real’ to those things that are open to experience (Given, 2008: 256). As a result, they cannot produce causal explanations of how unobservable ‘generative mechanisms’ produce patterns of events, which may subsequently be ‘experienced’ or observed by scientists or social scientists (Pawson & Tilley, 1997: 11).

By contrast, critical realism encourages social scientists to provide explanations for how generative mechanisms, including historical, social, and political contexts shape how humans think and act (Henn et al., 2006: 15). Critical realist epistemology is therefore considered pluralistic as it does not place precedence over any specific approach (Modell, 2009: 6). Specifically, critical realist researchers are encouraged to flexibly use existing knowledge, theories, models, methods, and techniques which may be subject to different contextual interpretations (Zachariadis, Scott & Barrett, 2013: 856).

2.1.1. Critical Realism, the MPRM Model, and Municipal Governance in IYM

It is crucial to recognise that while critical realist philosophy provides a solid foundation for guiding social research, it is not designed to do this specifically at municipal level. This is because critical realism can be considered as a grand theory which is “the broadest form of theory within a discipline” (Given, 2008: 373). The concepts presented in grand theories are often highly abstract and are not easily testable using hypotheses (Given, 2008: 373). Micro theories on the other hand, are restricted to specific phenomenon or situations, and cannot be generalised to diverse contexts (Given, 2008: 373). However, mid-range theories are theories “used to guide empirical inquiry” as they fall between abstract grand/macro theories and empirical micro theories (Merton, 2004: 448). Unlike grand theories, mid-range theories (which still maintain a slight degree of being abstract) are testable, as they are close enough to observed data necessary to formulate hypotheses for empirical investigation (Merton, 2004: 448). However, mid-range theories are far more inclusive than micro theories as they allow more conceptual abstraction in processes of explaining social behaviour (Merton, 2004: 448).

The MPRM model is an example of a mid-range theory. Firstly, the MPRM model is informed by the critical realist grand theory. However, critical realism as a grand theory does not provide empirical details about specific social behaviour, organisation and change. Therefore, the MPRM model brings the concepts introduced in critical realism closer to the empirical context of South African municipalities. Secondly, the MPRM model is testable. However, unlike micro-theories, the application of the MPRM model is not limited to explaining one specific phenomenon, in one specific municipality. Specifically, the MPRM model could be used to explain service delivery related phenomena, using any of the nine processes in the model, as used in this thesis. And with sufficient contextualisation, the MPRM model may be used to test theories about service delivery and public resource management across local, district and metropolitan municipalities in South Africa, because it allows sufficient abstraction

For example, earlier critical realism was defined as a theory-based approach to social science which is concerned with explaining what causes regular patterns of behaviour in various social phenomena (Westhorp, 2014: 4). Similarly, the MPRM model can be conceptualised as a critical realist mid-range theory used to guide empirical enquiry in the attempt to explain patterns of social behaviours such as poor service delivery in municipalities. Abstract critical realist philosophy focuses on ‘how and why’ things happen, whereas the MPRM model reaches deeper tangible explanations which incorporate considerations about ‘where and when’ things happen. However, at the core of both these critical realist theories is that knowledge production should work by “uncovering the underlying, generative mechanisms that give rise to causal regularities”, where generative or causal mechanisms refer to underlying or ‘deep’ processes with the potential ability to cause regularities or regular observable events or patterns of behaviour (Dalkin, Greenhalgh, Jones, Cunningham & Lhussier, 2015: 1; Easton, 2010: 122).

In this research, the MPRM model focuses on regular patterns of behaviours or ‘regularities’ (such as poor electricity service delivery) and explains why these patterns exist. This explanation is based on the assessment of whether municipal officials and ward councillors – in a given municipality – have effectively implemented the nine MPRM model processes introduced in Chapter 1. These MPRM model processes (which include strategic planning and oversight) are used to explain the observable regular pattern of poor service delivery in South African municipalities. This cumulative and explanation-based approach allows effective engagement with the role of both structure and agency. The balance between structure and agency is struck by considering the existing norms in IYM, and how individual municipal officials and councillors, shape observed outcomes – without reducing one to the other.

For example, MPRM model processes such as strategic planning and oversight are reproduced through wilful action (agency) within the structural constraints (patterned and fairly stable sets of social activities/behaviours) which determine the norms that either enable or inhibit service delivery practices (Dalkin et al. 2015:2). This means the implementation of any MPRM process is concept, context, and time dependent. Meaning, MPRM processes (as forms of social structures) will depend on the repetitive individual and collective actions of municipal officials and councillors – as individual agents with the capacity to reason within historic boundaries set by previous collective actors (Bhaskar, 1989: 38). Therefore, at different points in time, the implementation of various municipal processes is dependent on, and will reflect, the thoughts, behaviours, and motivations of a collective of individuals (Dalkin et al., 2015: 2).

2.2. Research Methodology

By using a critical realist paradigm, a primary underlying assumption adopted was that society cannot be perceived as a ‘closed’ system for investigation as in a laboratory study (Dalkin et al., 2015: 2). Rather, municipalities such as IYM are ‘open’ social systems because people (with different backgrounds, skills, and motivations), resources, ideas and information constantly engage and flow in and out with ease (Westhorp, 2014: 4). These actors and structures, in open systems, are influenced by generative mechanisms which refer to choices and capacities which lead to regular patterns of behaviour (Dalkin et al., 2015: 1). Therefore, to adequately explain any social change in a given context, one would have to understand the choices and capacities of individual actors, and social structures, which are shaped by various factors (Dalkin et al., 2015: 2).

As a result, this research employed an integrative mixed-method approach, using a triangulation research design strategy. The integrative mixed methods approach allows holistic, rigorous research and analysis by employing the use of both empirical/quantitative and interpretive/qualitative data (Castro, Kellison, Boyd & Kopak, 2010: 3). In line with the critical realist stratified ontology, an integrated mixed method approach enables access to quantitative (directly observable) and qualitative (inferred or indirectly observable) data during the knowledge production processes (Henn et al., 2006: 16; Westhorp, 2014: 4; Zachariadis et al., 2013: 856).

The methods section below elaborates on the practical application of each method and explains how the ‘triangulation’ or comparative use of these mixed methods was used to strengthen the validity of the study – by eliminating potential biases which may be the result of focusing on one source of data in IYM (Modell, 2009: 2).

2.3. Sampling

The individual actors approached in this research were chosen through a purposive sampling method based on their direct involvement in the provision of electricity services. Purposive samples are useful when trying to determine special knowledge or expertise about a specific group (Lune & Berg, 2017: 39). And because the focus of this research is primarily on the strategic planning and oversight MPRM processes, research participants were divided as per their role in IYM.

Based on the National Treasury (2006: 2) MFMA Circular 32's conceptualisation of 'separation of powers and functions' between the municipal council and the administration, three municipal officials and three ward councillors were interviewed. The table below provides key demographic information about the key respondents. However, information relating to age, race, gender, education, and political affiliation is deliberately omitted as this would reveal the identity of the participants.

Research Participant No	Position in IYM	Function	Years of Experience in current role
1	Administrative Senior Official	Planning and Implementation	3 months (7 years in local government)
2	Internal Audit Official	Risk Management Internal Oversight	3 years
3	Audit Committee Official	Risk Management Internal Oversight	18 years (2 serving IYM)
4	MPAC Councillor	Oversight	4 years
5	MPAC Councillor	Oversight	4 years
6	MPAC Councillor	Oversight	4 years

The National Treasury (2006: 2) MFMA Circular 32 clearly stipulates that the division of labour is intended to strengthen the oversight function of councillors. According to the National Treasury (2006: 1) financial governance framework, the responsibility to oversee the implementation of strategic plans or planned tasks, and the production of service delivery outputs, rests on 'the administration' which is led by the Municipal Manager, Chief Financial Officer (CFO) and senior managers.

Senior managers and the CFO oversee the financial management and operational functions, while the Municipal Manager oversees the administration of the municipality and the performance of Senior Managers and the CFO (National Treasury, 2006: 1). However, the Municipal Manager accounts to the Executive Mayor, and Executive Committee, who oversee municipal policy, budgets, outcomes and the performance of the Municipal Manager (National Treasury, 2006: 1). The Executive Mayor and Executive Committee should be accountable to the municipal council which is responsible for approving municipal policy and budgets. And finally, the municipal council is accountable to the community members it serves, and it performs oversight over the performance of the administration through council and committee meetings (National Treasury, 2006: 1-2).

In accordance with the Municipal Structures Act (1998: s79 (1&2)), a municipal council may establish one or more committees to aid its effective and efficient performance. Committees established by council itself – as opposed to being established by the executive arm of council – have powers of council delegated to them and are referred to as ‘Section 79 committees’ (named after the section of the Municipal Structures Act that creates them). An example of a Section 79 Committee is the Municipal Public Accounts Committee (MPAC), which is tasked with performing the key oversight role of council. MPACs, were first established in 2011 as a response to wasteful expenditure in municipalities, to conduct oversight by scrutinising the collection and expenditure of public funds relative to approved budgets (National Treasury & COGTA, 2018: 11).

This thesis considers the role of MPAC as central in the discussion of oversight in IYM.

However, in line with the National Treasury (2006) financial governance framework, this thesis draws a distinction between ‘internal oversight’ and ‘oversight’ as conceptualised in the MPRM model.

According to the South African Local Government Association (SALGA, 2012: 4) the Internal Audit Unit (IAU), and the Audit Committee are responsible for the internal oversight of the municipal administration. The IAU is an extension of management – which accounts to the Municipal Manager – while the Audit Committee is an independent advisory oversight body which is responsible for advising the municipal council rather than the executive (SALGA, 2012: 4). The IAU has the responsibility of advising the Municipal Manager on matters relating to risk management, performance management, internal audits and compliance with legislation. For oversight purposes, the Internal Audit also reports to the Audit Committee which has a similar function to that of the IAU (SALGA, 2012: 4).

Unlike the IAU which primarily advises the Municipal Manager, the Audit Committee is a committee of council. The Audit Committee advises the Municipal Manager, political office bearers, council and management staff on issues relating to risk management, accounting policies, reliability of administrative reporting information, performance management, compliance with legislative and other governance related issues (SALGA, 2012: 5). However, the Audit Committee is an independent advisory body with no power to enforce any of its recommendations (SALGA, 2012: 5). Like MPAC, the Audit Committee is a Section 79 committee, but no councillors may be members of the Audit Committee (SALGA, 2012: 5).

Research participants were purposely chosen in a way that acknowledges the clear separation of powers between those who plan and implement (the administration), those who flag risks potential risks and aid implementation (IAU), and those who simply hold implementers to account for their actions on behalf of council (Audit Committee and MPAC).

2.4. Research Methods

In line with an integrative mixed method approach, this study used multiple data-collection methods to explain how the implementation of MPRM processes (by municipal officials and councillors) contributes to the quality of observed electricity service outcomes. These data collection methods included: (i) a review of legislative provisions relevant to nine MPRM model processes; (ii) a document analysis of IYM reports relevant to selected MPRM process; and (iii) semi-structured interviews with officials and councillors involved in implementing the strategic planning and oversight processes in IYM.

2.4.1. Review of Legislation

Because critical realist epistemology argues that research cannot be conducted without drawing on pre-existing knowledge and assumptions this study was preceded by an assessment of legislative and regulatory provisions relating to the two MPRM processes that form the key focus of the study (Pawson & Tilley, 1997: 26). These legislative rules are in essence, intended to create repetitive work practices – or structures – which are intended to produce predictable outputs and outcomes. However, the sole existence of work practice rules and regulations does not guarantee compliance, or the effective implementation of these regulatory provisions because individuals have ‘agency’ and are driven by different sets of motivations (Dalkin et al., 2015: 2). And at any given time, different individual actors or groups in a particular context, may choose to act in accordance with the existing legislative structures or they may also choose to ignore or bypass the existing structures for various reasons (Dalkin et al., 2015: 2).

The nine processes in the MPRM model are informed by an understanding of these legislative provisions. However, to understand the actual performance of the municipal officials and councillors, a document analysis focusing on the production of planning and oversight-related documents within the strategic planning and oversight processes in IYM was undertaken. These documents were used for purposes of comparing reported performance, based on what was planned for effective service delivery, with requirements set out in the legislative and regulatory provisions that govern these processes.

2.4.2. Document analysis

The document analysis was concerned with the collection of quantitative municipal reports detailing what IYM had planned, whether this was achieved or not, and why. For each process in the MPRM model, key documents which should be produced by the municipality according to relevant municipal legislation. For municipal electricity services, key documents included the Electricity Master Plan, municipal maintenance plans, the Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP) and municipal budgets.

According to the Department of Minerals and Energy (DME, 2007: 3) the Energy or Electricity Master Plan (henceforth Electricity Master Plan) is a municipality's long-term electricity sector planning document which guides the growth and upgrading needs of the municipality's electricity network. The short-term goals of the Electricity Master Plan – as other sector plans – are communicated in a municipality's IDP which is the municipality's main planning document (Harrison, 2001: 176). Ideally, the IDP is meant to link and co-ordinate various sector plans, projects, and budgets within a municipality over a planning period of 5 years (Harrison, 2001: 176). The IDP (which may be updated annually) is implemented through a more detailed Service Delivery and Budget Implementation Plan (SDBIP) – which is “a key management, implementation and monitoring tool” for assessing the performance and implementation of municipal projects (van der Walt, 2015: 6). Unlike the IDP, the SDBIP is operationalised annually and may be used to revise the long-term plans in the IDP (van der Walt, 2015: 6). These planning documents were used to evaluate how effectively municipal officials implemented strategic planning relative to the required legislative provisions.

Because this study focused on electricity service provision, the researcher focused on information relevant to the *Technical Services Department: Electricity Services* function in IYM's planning documents. Planning documents such as the IDP and SDBIP were used to quantify the service delivery goals of the Technical Services Department, and to identify key performance indicators (KPIs) for the achievement of these targets.

The IDP and SDBIP, maintenance plans, and allocated budgets provided a source of quantitative data such as existing infrastructure, planned activities or proposed spending on these activities. However, for the oversight process, the document analysis focused primarily on electricity service-related findings in the 2017/18 and 2018/19 Annual Report, and the MPAC Oversight Report. The Annual Report is a yearly service delivery performance report detailing how the municipality used municipal funds in the attempt to realise the needs of residents (National Treasury, 2006: 1). The Annual Report is a measure to strengthen accountability to the local community, as the municipality is supposed to provide explanations and justifications for the way it implemented projects and spent municipal funds (National Treasury, 2006: 2). After the Annual Report is tabled, the municipal council should draft and publish the Oversight Report which comments on the Annual Report produced by the municipal executive (National Treasury, 2006: 4). The Oversight Report should clarify whether council approves, rejects, or refers the Annual Report back for revision, and why.

Other sources of information used to assess the implementation of electricity service delivery in IYM included information from municipal audit reports, newspaper reports, and documents from other government institutions (Given, 2008: 71). These sources are considered appropriate in mixed methods research, especially because they assist with the process of cross-referencing the authenticity of information obtained across institutions.

2.4.3. Semi-Structured Interviews

Semi-structured interviews with municipal officials and councillors in IYM, served as the third and qualitative element of the study. The semi-structured interviews were used to triangulate or verify the information reported in municipal documents relative to what is expected as per the legislation. Interview questions in semi-structured interview are open-ended and flexible, therefore they were necessary because they encouraged research participants to provide in-depth answers (Lune & Berg, 2017: 70). As highlighted earlier, three municipal officials from IYM (a senior official, IAU official and former Audit Committee member) and three MPAC councillors were interviewed. And before conducting the interviews, research participants were asked to give informed consent by signing a consent form explaining the interview procedure and purpose. The semi-structured interviews were conducted telephonically and lasted for an hour, approximately. These interviews were recorded and later transcribed for analysis, and stored in a password protected laptop.

The triangulation and robust content analysis of legislative mandates, the document analysis of municipal documents, and semi-structured interviews strengthened the validity of this study.

2.5. Data Analysis

To analyse the data collected, this research relied on a retroductive analysis approach which is suitable for critical realist enquiry (Zachariadis et al., 2013: 856). The process of retroduction as highlighted by Zachariadis et al. (2013: 866), involves four main components: (i) contextualization and *description* of the research focus (i.e. electricity service delivery in IYM, focusing on strategic planning, strategic management and oversight); (ii) *retroductive analysis*, which involves hypothesising about the potential underlying mechanisms (using the nine MPRM model processes as mid-range theory) necessary for generating the observed outcomes (effective or ineffective service delivery); (iii) *critical assessment and elimination* of alternative explanations (through rigorous engagement with the findings from existing legislation, relevant literature, the document analysis and semi-structured interviews); and finally (iv) *circulating findings* to verify if causal explanations are satisfactory to the “intended audience”.

Retroductive analysis was best suited for this study as it easily facilitated the process of establishing cumulative explanations about the implementation and implementation of MPRM model processes – as causal structures with the ability to enable or inhibit efficient service delivery. These cumulative explanations about the causal relationship between strategic planning, strategic management, oversight and service delivery, were obtained by moving from a series of descriptions of observable phenomena in IYM – using both qualitative and quantitative data – to obtain deeper descriptions of some underlying, but generally unobservable, structures that can be said to have caused or generated those phenomena (Zachariadis et al., 2013: 858).

2.6. Ethical Considerations

In this study, several ethical considerations were observed. Prior to being interviewed, all interviewees were asked to sign consent forms indicating that they volunteer to participate in the research study. All consent forms included a brief explanation of the study, and the interview schedules used in this study were approved by the Rhodes University Ethical Standards Committee (RUESC).

During the interview process, interviewees were reminded that their participation in the study was voluntary and that they were free to withdraw at any point if they felt uncomfortable (Lune & Berg, 2017: 46). Research participants were also given the option to use pseudonyms to minimise any potential harm by maintaining their anonymity. Anonymity ensured that respondents remain nameless (Lune & Berg: 2017: 48).

Names of non-participants mentioned during the semi-structured interviews were also changed to protect their identities. It is important to note that the nature of the study made it difficult to guarantee confidentiality, which is an effort to conceal information which would make research participants identifiable (Lune & Berg, 2017: 48). However, in an effort to protect the identity of research participants, information relating to political affiliation, age, race and gender was concealed. Information relating to function was necessary to explain processes clearly. Finally, all the research data was stored in a password protected hard drive.

2.7. Validity and Reliability

The quality of research is determined by its ‘internal validity’, or the extent to which a research method can be said to measure what it sets out to measure. (Matthews & Ross, 2010: 53). In this study, the use of triangulation of methods facilitated the development of holistic description and cumulative explanation which strengthened the internal validity of the study (Easton, 2010: 119; Bryman, 2012: 392). Triangulation highlighted any contradictions between municipal reporting and personal accounts provided by both municipal officials and councillors.

This thesis posits that the challenges that are faced by municipal officials and councillors in IYM are not unique (COGTA, 2018). Therefore, this thesis maintains that the findings from this study should be generalizable beyond the context of IYM. In other words, these findings should also have ‘external validity’. Pawson & Tilley (1997: 86) state that critical realist enquiry focuses is on establishing “what works, for whom, and in what conditions”. Therefore, the findings of this study may also apply in other local municipal contexts in South Africa, on condition that there is thorough description of contextual factors which are not limited to socio-economic or political factors.

2.8. Limitations of the Study

This study was conducted during the peak of the global COVID-19 pandemic, which posed several practical challenges. For example, due to travel and social distancing restrictions imposed between March 2020 and December 2020, it was not possible to conduct face-to-face interviews. For this reason, these interviews were conducted telephonically. Beyond travel restrictions imposed by government, gaining access to municipal officials and councillors was also extremely challenging. The IYM MPAC consists of five Councillors from opposing parties. However, while all five Councillors initially agreed to be interviewed, only three Councillors were available to be interviewed telephonically.

In addition, it is important to note that at the time that this research data was collected – in the period between June and December 2020 – the IYM Municipal Manager was under suspension. Subsequently, the CFO assumed the role of Acting Municipal Manager, before the Director of Corporate Services took over this role (despite having been criminally charged with stock theft) (Dayimani, 2020: para. 1). Both the CFO and the new Acting Municipal Manager were approached and neither responded to the invitation to be interviewed. And the newly appointed IDP Manager was also reluctant to be interviewed without the consent of their new employer. The IYM Internal Audit Manager had also been suspended, after launching an investigation for Unauthorised, Irregular, Fruitless and Wasteful (UIFW) expenditure incurred by the CFO. As a result, only one senior official in the department responsible for electricity services was available to be interviewed.

Finally, as noted at the beginning of this chapter, at the time the interviews were conducted, the municipality had recently been raided by the Hawks for an alleged R26-million fraud case, which led to community protests (Maphanga, 2020). Therefore, some municipal officials were reluctant to be interviewed and other key respondents had either resigned or had been suspended for matters relating to various cases.

Despite the aforementioned challenges, this chapter introduced the critical realist paradigm which underpins this research, and explained its link to the MPRM model as a mid-range theory for municipal governance and effective strategic management. Additionally, the research methodology section justified the use of an integrative mixed-methods approach, and triangulation of legislative mandates, municipal public documents and semi-structured interviews of both municipal officials and councillors responsible for conducting strategic planning and oversight. This chapter also introduced the retroductive analysis techniques which are appropriate for critical realist enquiry, and explained their link to the research design. All the ethical considerations and limitations of this study were also highlighted. The next chapter briefly considers a review of literature relating to strategic planning, strategic management and oversight for improved service delivery in municipalities.

Chapter 3 – Reviewing Public Resource Management Literature

Over 25 years have passed since South Africa transitioned to democracy. Yet, most South African municipalities are still failing to provide effective basic services to residents. This chapter explores how existing literature has framed explanations around the causes of poor service delivery in South African municipalities. But more importantly it explores the development of literature relevant to the key concepts used in this thesis i.e., *strategic planning*, *strategic management*, and *oversight* in municipalities. This chapter firstly demonstrates that existing authors and policy makers acknowledge that effective service delivery is dependent on strategic planning and effective oversight. Additionally, it demonstrates that while the focus of existing literature has moved from a sole focus on strategic planning to a more inclusive focus on strategic management, existing authors have arguably been unable to come up with adequate strategic management tools to facilitate the implementation of municipal processes in a manner which could mitigate poor service delivery in the South African context.

3.1. Strategic Planning in the Public Sector

Strategic planning was introduced in the public sector more than 35 years ago, with early literature focusing on local government application in the United States of America (Dodge and Eadie 1982; Eadie 1983; Sorkin, Ferris, and Hudak 1984; Denhardt 1985 cited in Poister & Streib, 2005: 45). Over the past three decades, there have been developments within the theory of strategic planning, with authors such as Bryson (2003), Johnsen (2015; 2016), Poister & Streib (1989; 2005) making immense contributions to studies of organisational planning. However, despite these developments, strategic planning remains a highly misunderstood and poorly used tool, especially in municipalities across the globe (Kayuni, 2016; Maleka, 2014: 16, Poister & Streib, 1989; Johnsen, 2016). This strategic planning literature finds that while strategic planning is a useful concept and tool, it is pointless without a good strategic management model which guides its implementation (Bryson & George, 2020; Poister, 2010).

The conceptual benefits of good strategic plans are not easy to oppose, although the merits of the practical application of strategic planning have been widely debated – especially in the public sector (Johnsen, 2016: 333). As the name suggests, strategic planning is ideally rooted in ‘strategy’ or the desire to add value in a way that recognises purpose, direction, constraints, opportunities, and goals (Bryson et al., 2010: 15; Bryson & George, 2020: 7). Therefore, a primary assumption is that strategic planning optimises operations for the benefit of the organisation and its environment (Poister & Streib, 2005: 45).

However, as marked by Johnsen (2016: 333) the effectiveness of using strategic planning has been widely debated. For example, earlier research (Backoff, Wechsler & Crew, 1993; Gargan, 1989; Swanstrom, 1987 cited in Poister & Streib, 2005: 45) highlighted the difficulty of using strategic planning in local government settings. However, concerns about the effective use of strategic planning still remain decades later as Kayuni (2016) investigates whether strategic planning in the Malawi public sector is a tool for progression or regression.

Findings from Kayuni's work (2016) indicate that in Malawi, strategic planning does not have sufficient power to make significant reform because it occurs in a context where individual actors in municipalities are still reluctant to adopt new ways of thinking which – to a certain extent – largely resemble business-like or private sector thinking. Like several other researchers (Bryson & George 2020; Maleka, 2014; Poister & Streib, 2005), Kayuni (2016: 374) acknowledges that good strategic plans can improve the co-ordination between various departments within an organisation as well as the efficiency and cost cutting measures in the public sector. However, it seems that Kayuni's (2016) argument is based on questioning the application or implementation of strategic planning and not necessarily the concept itself.

3.1.1. From Strategic Planning to Strategic Management

As researchers realised that strategic planning without aligned action and effective implementation is pointless, focus shifted from sole strategic planning to a more inclusive strategic management theory around the very same time in the 1980s (Bryson, Berry & Yang, 2010: 2; Bryson & George, 2020). Strategic management is defined as the calculated process of *implementing* and *evaluating* strategic plans which links planned activities to “organisational design, resource management, performance management and change management” (Bryson, 2020: 3; see also Bryson et al., 2010: 2; David, 2009 cited in Maleka, 2014: 13; Poister & Streib, 2005: 46;). Strategic management transcends strategic planning by focusing on issues beyond the sole formulation of an institution's detailed plan of action (Bryson et al. 2010: 2).

Most strategic management research has been largely reflective, with authors such as Bryson et al. (2010), Johnsen (2016), Paul (1999) and Poister (2010) assessing the history and development of strategic planning in the public sector, and often making predictions about the future of strategic planning and strategic management. This thesis agrees with most predictions made by Poister (2010) and Bryson et al. (2010) which assert that strategic management practices, which are premised on good strategic planning are central to improved municipal service delivery performance.

In essence, strategic management cannot exist without good strategic planning (Bryson & George, 2020: 8). And equally, strategic planning is pointless without strategic management, because strategic management sets these plans in motion by facilitating their implementation (Pina et al., 2011: 554 cited in Kayuni, 2016: 376). However, some researchers still seem to conflate these two concepts and use them interchangeably, and I argue that this contributes to the ineffectiveness in the practical application of both strategic planning and strategic management. For example, Maleka (2014: 22) argues that “both strategic management and strategic planning terms mean the same” but maintains that the difference lies in the context of application, where strategic planning is used in business and strategic management in academia. Kayuni (2016: 376) opposes the notion presented by Maleka (2014) by acknowledging that these two concepts are fundamentally different and explicitly stating that other researchers tend to conflate them. Surprisingly, Kayuni (2016) chooses to follow the existing tendency to conflate these two concepts.

This thesis argues that the MPRM model as a strategic management tool, is a progressive development in strategic management literature, because the MPRM model embodies a clear separation of strategic planning and strategic management. By design, the MPRM model clearly the MPRM model differentiates between the planning phase of the MPRM cycle, and the implementation phase. The MPRM model attempts to monitor the implementation of targets set during the strategic planning process by tracking the performance management process. Thus, encouraging more accountability in municipal governance processes.

A significant portion of literature has also been dedicated to explaining what informs strategic planning and strategic management theory (Bryson & George, 2020; Johnsen, 2015; Paul, 1999). Bryson & George (2020: 18) distinguish between eight approaches to strategic planning, and seven approaches to strategic management, and further emphasises that it is necessary for future researchers to clearly define what they mean when using these concepts to enable better comparison and contrasts among results. Johnsen’s (2015) analysis indicates that strategic planning in the public sector is informed by various schools of thought. And according to the South African Department of Planning, Monitoring and Evaluation (DPME, 2018: i), the three most relevant schools of thought include, the planning school, the learning school and the configuration school of thought. Bryson & George (2020: 19) also encourage future researchers to explore the combinations of strategic planning and strategic management which work effectively together in various contexts. The section below considers the application of strategic planning and strategic management in South Africa.

3.2. Strategic Management in South Africa: Integrated Development Planning

Strategic planning and strategic management within the South African government operates within the three-tiered cooperative government system as stipulated by Chapter 3 of the RSA Constitution (1996: s21). This three-tiered system draws a distinction between national, provincial, and local spheres of government which are interrelated and interdependent (RSA Constitution, 1996: s40). The interdependency between the spheres of government implies that it should be impossible to consider the functioning of one sphere without considering how the other spheres influence it. However, Chipkin (1998, cited in Harrison, 2001: 177) highlights the “contradiction between the attempt to create an autonomous sphere of local government operating within a system of cooperative governance”.

Despite this contradiction, in South Africa, there is a hierarchy of plans which exists which moves from the “strategic to the specific” across the different spheres of government and within each sphere (SALGA, South African Planning Institute (SAPI) & Municipal Institute of Learning (MILE), 2011: 7). Across the different spheres of government, this hierarchy moves from the National Development Plan (NDP) – which is a 20-year plan operationalised nationally – right down to the SDBIP – which is operationalised annually and functions at local government level. There are many other development guides which exist, but broadly, the NDP and National Spatial Development Perspective (NSPD) inform how “economic planning, infrastructure investment and development” should be occurring at national level (Department: Provincial and Local Government (DPLG), 2005: 1).

The provincial plans are guided by the Provincial Growth and Development Strategy (PGDS) which coordinates the allocation of resources across the three tiers of government and private sector investment (DPLG, 2005: 1). The PGDS considers long term abstract planning which spans over 10 – 20 years, and practical implementation revised annually (DPLG, 2005: 6). These PGDS long term plans are reviewed every five years, and may be revised annually (DPLG, 2005: 6).

A similar planning pattern, which mirrors the PGDS, is observed at municipal level. In municipalities, the hierarchy of planning starts at the long-term development strategy (LTDS) which is a long term, strategic map setting the development objectives of a municipality over a period of twenty years or more. Ideally, the LTDS should be realised through shorter five-year plans referred to as IDPs which are ideally meant to link and co-ordinate various sector plans, strategies and projects within a municipality (Harrison, 2001: 176).

In this thesis, the MPRM model considers strategic planning and strategic management from the level of IDPs and goes deeper into the more empirical and specific SDBIPs which are yearly plans that detail municipal budgets and implementation of projects.

3.2.1. The Politics Informing Integrated Development Planning

Harrison (2001: 177) discusses the genealogy of the IDP and argues that “an appreciation of the politics of the IDP, especially in relation to the construction of a new system of local government, is a necessary starting point for an understanding of integrated development planning in South Africa”. Therefore, the section below briefly considers the context surrounding the laws that inform strategic management in South Africa, and demonstrates the importance of legislation on strategic planning in the public sector.

The IDP approach emerged in South Africa to transition from the exclusionary nature of planning during the apartheid era, which fostered the strategic, separate, and unequal development of races (Harrison, 2001: 175). The apartheid system entrenched white minority rule, through a series of laws and policies which ensured that black South Africans were strategically excluded from service delivery systems by law (Fernandez, 2020: 26; White Paper on Local Government, 1998). However, towards the end of the apartheid era, significant legislative reform was initiated nationally, due to civil unrest, international sanctions, and a declining economy. At local government level this reform began in 1990 with the work done by the Local Government Negotiating Forum (LGNF) and Local Government Transition Act (LGTA) of 1993 (Harrison, 2001: 175).

In essence, during apartheid, service delivery for black South Africans was facilitated by Bantu Administrative Boards (BABs) which collapsed after a decade due to “lack of financial capacity, misadministration, and corruption” (Picard and Mogale, 2015 cited in Fernandez, 2020: 37). The Black Local Authorities (BLAs) took over the work of the BABs in 1982.

However, BLAs were seen as “politically illegitimate from their inception”, and they also had an extremely limited revenue base. According to the Department of Public Services and Administration (DPSA) (1997: 4) these “financial shortfalls were built into local government for black areas” because apartheid regulations prohibited retail and industrial development in black areas, as opposed to white areas. Thus, this strategic limitation of tax as a source of income for BLAs, is considered a key contributor to the facilitation of the inequality and service delivery backlogs that can be observed between many cities/towns and townships/rural areas in South Africa today (DPSA, 1997: 4)

In summary, the LGNF negotiated writing off money owed by BLAs, and the approval of the LGTA of 1993 which broadly explained the processes which would facilitate a new local government system which was inclusive to all individuals despite their race (DPSA, 1997). By 1994, the South African government had been democratized and deracialized. And the adoption of the RSA Constitution (1996) set out the broad strategies for the functioning of a newer developmental approach within a cooperative government system which is designed to serve all citizens despite their differences. The MPRM model reflects the value of integrated development in line with the RSA Constitution (1996).

The IDP was introduced in 1996 as an amendment to the LGTA of 1993, and was intended to facilitate the achievement of Reconstruction and Development Programme (RDP) objectives which aimed at redressing the legacy of apartheid through an equity and needs based approach (Harrison, 2001: 176). Baker & Phillips (2019: 182) consider the implications of the political transition and the implications it had for electricity distribution in South Africa, and assert that the political transition to democracy meant that access to electricity would be considered as a “basic need and basic right” – a philosophy central to the RDP.

The political change in South Africa was a major milestone because Baker & Phillips (2019: 182) indicate that during apartheid, only one third of the population had access to electricity, where “nearly all white households including remote farms, enjoyed secure and reliable electricity connection, while few black townships and informal settlements had access”. Harrison’s (2001) study also highlights some of the contradictory politics that arose around the inception of the IDP. Harrison (2001: 177) highlights how the ambitions of the RDP for transformation and equity were in conflict with the Growth, Employment and Redistribution (GEAR) policies which were more focused on “businesslike efficiency and fiscal responsibility”.

Nevertheless, since 1996, several legislative guides were introduced to guide the implementation of IDPs, and local government planning and oversight in general. These legislative guides included the: the White Paper on Transforming Public Service Delivery – henceforth the Batho Pele White Paper – (DPSA, 1997), the White Paper on Local Government (1998), the Municipal Structures Act (1998), the Municipal Systems Act (1999), MFMA (2003) and National Treasury (2006) MFMA Circular 32. Below I briefly explain the significance of these legislative guides in a bid to explain how the values of government post-1994 had significant implications for service delivery strategic planning oversight, especially at local government level.

The Batho Pele White Paper (DPSA, 1997) aimed at redressing apartheid systems which served a minority, lacked innovation, were inefficient and ineffective, non-transparent and not responsive to needs. Good strategic planning should be well informed about the internal and external needs at a given place (Bryson, 2020). Therefore, the Batho Pele White Paper (DPSA, 1997:15) introduced eight principles, and a policy framework and implementation strategies which local government must abide by to effectively provide services to all South African citizens. The eight Batho Pele principles included: (i) consultation; (ii) service standards; (iii) access; (iv) courtesy, (v) information, (vi) openness and transparency, (vii) redress, and (viii) value for money.

The White Paper on Local Government (1998) established the basis for a new democratic and developmental local government system in South Africa post-1994. This legislation is especially important because it redefined the boundaries and roles of different types of municipalities allowing for planning which integrates the rural and urban areas, and thus catering to context.

According to the White Paper on Local Government (RSA, 1998: para 1), by 1990, key challenges faced by local government included extreme backlogs in service infrastructure in historically underdeveloped areas, variation in financial management capacity and non-payment for municipal services. However, it was the establishment of the Municipal Structures Act (1998), the Municipal Systems Act (2000), and the MFMA (2003) which reflected the South African government's acknowledgment of the importance of strategic management processes especially for local government transformation (Paul, 1999: 10).

The Structures Act (1998) was published in the same year as the White Paper on Local Government (1998), reflecting the government's focus on establishing clear separation of function and powers between different types of municipalities and within internal municipal structures. Paul (1999) argues that this was an elaborate attempt from the government to make it easier to understand who does what, and where, for improved strategic planning. The passing of the Structures Act (1998) was strengthened by the Systems Act (2000) which sets out the processes required for the progressive realisation of the needs of people.

The Systems Act (2000) is crucial as it sets out a framework for processes of planning, performance management, resource mobilisation and organisational change, which aligns the key functions within strategic management. And finally, the MFMA (2003) established norms and standards for ensuring transparency and accountability in the financial matters of municipalities through the clarification of roles and responsibilities of council and municipal officials, creating grounds for effective oversight.

Unfortunately, on a more practical level, integrated development planning has not proved to be effective across the three spheres of government, and within municipalities. According to the NDP 2030 “many municipalities are struggling to produce credible IDPs”, and there is no “effective system for them to gain the national and provincial support they require to be meaningful” (National Planning Commission, 2012: 274). Three main issues highlighted recurringly in the existing literature (National Planning Commission, 2012; Ngcobo & Mdani, 2015) included the lack of public participation in IDP preparation, lack of coherence between plans and performance management systems, and a hyper dependence on consultants in producing municipal strategic planning documents. This thesis maintains that this is a reflection that the existence of progressive legislation is not enough to guarantee effective service delivery. Ngcobo & Mdani’s (2015) study echoes similar sentiments to those expressed in the NDP 2030 as their literature review highlights several cases where IDPs across municipalities in South Africa were prepared incorrectly.

However, to further depict how planning and oversight is designed to operate in a system of co-operative governance in South Africa, Ngcobo and Mdani’s (2015) study shows that efforts have since been made to support municipalities with IDPs. In their study, Ngcobo & Mdani (2015) consider how the Eastern Cape Department of Local Government and Traditional Affairs assisted CHDM – IYM’s district municipality – to improve their strategic management practices. And the relationship between the Eastern Cape Department of Local Government and Traditional Affairs and CHDM, also highlights the general importance of oversight when considering how to improve service delivery processes.

Nevertheless, since 1994 there has been immense progress in the electrification of houses in South Africa. Despite a decrease in the rate of electrification post by the early 2000s, due to infrastructure costs, Baker & Philips (2019: 182) attribute the 87 percent increase in electricity connections by 2012 to the RDP policy, Eskom’s surplus generation capacity and low prices.

In essence, the literature reviewed on strategic planning and strategic management, highlights the fact that that existing authors and policy makers have chosen to focus on strategic management. And in South Africa, the political transition and transformation in the legislative landscape highlights that that after 1994, municipalities had a much bigger responsibility as they had to cater for a larger demographic. However, despite the introduction of legislation that enables effective strategic management, municipalities are still failing to implement services effectively. The section below considers how researchers have shied away from discussing oversight in a manner which links it to strategic planning and strategic management.

3.3. Oversight

In Chapter One, oversight was defined as the constitutional mandate vested in legislative or law-making organs of state to actively encourage compliance with constitutional obligations in executive or administrative organs of state. However, the RSA Constitution (1996) does not provide an adequate in-depth explanation of what constitutes oversight in the sphere of local government (Mbunge, 2015; van der Waldt, 2015). Rather, the establishment of the Municipal Structures Act (1998), and Municipal Systems Act (2000), and National Treasury's (2006) MFMA Circular 32, provide greater elaboration on what oversight means at local government level. Specifically, these legislative frameworks detail the clear establishment of separation of powers and functions in South African municipalities. Based on the existing literature, this thesis posits that like strategic planning, there is consensus within the existing literature that effective service delivery is also dependent on effective oversight. However, the literature discussing oversight has mainly focused on the establishment of oversight, describing oversight bodies, their roles and the challenges they face.

3.3.1. Establishment of Oversight

As explained earlier, co-operative governance sets the tone for activities in the South African public sector (RSA Constitution, 1996: s40). Therefore, like strategic planning, the government also considered the establishment of oversight from the national level down to the level of local municipalities. However, according to RSA Parliament's (2009) *Oversight and Accountability (OVAC) Model*, legislative transformation was the main priority from local government level to national parliament level after the democratisation of South Africa in 1994. Therefore, the first decade post-1994 focused on the transformation of the legislation, and as a result, practical implementation of the oversight function received less attention (RSA Parliament: 2009: para. 1.1).

RSA Parliament's (2009) OVAC model is a key document in the reconceptualization of oversight in South Africa. According to Obiyo (2013: 97) the OVAC model is significant because it redefines oversight and accountability in a South African context and frames it in a manner that inherently acknowledges the importance of strategic management. The principles in the OVAC model are also adopted in the *Oversight Model of the South African Legislative Sector* (SALS) which sets out the provisions for oversight for Parliament and all provincial law-making bodies. At local government level, National Treasury's (2006) MFMA Circular 32 discussed in Chapter 2 serves as a model for oversight at local government level.

The publication of the OVAC model and SALS oversight model, indicates that authors within the existing literature are aware of the importance of linking oversight to strategic management. However, researchers have been unable to adequately link oversight practices to public sector planning, policy making, budgeting and performance because a comprehensive strategic management model explaining public sector resource management does not exist (van der Waldt, 2015: 16). This thesis posits that the inability to engage with local government oversight within the SALS and OVAC model also points to the lack of effective strategic management between the three tiers of government, and this is reflected in the existing literature, despite the efforts highlighted by Ngcobo & Mdani (2015) in CHDM – IYM’s district municipality. National Treasury’s (2006) MFMA Circular 32 defines the intricacies of oversight and the importance of the separation of functions between the administration, the executive, and council. Moreover, it highlights the explicit link between strategic planning and oversight. The section below considers how authors within the existing literature have considered and framed discussions surrounding the concept of oversight.

3.3.2. Local Government Oversight

The Overview Report on the State of Local Government in South Africa (COGTA, 2009 cited in van der Waldt, 2015:4) highlighted that poor oversight causes dysfunctionality and instability within municipalities and creates room for fraud and corruption. However, researchers believed that the effective implementation of oversight had the capability to play a crucial role in improving accountability and transparency (Botlhoko, 2017; Khalo, 2013; Kraai et al., 2018; Malapane, 2019; van der Waldt, 2015). And in the research that exists, very few researchers adequately and holistically link oversight to strategic planning and strategic management because there is no comprehensive municipal strategic public resource management model which links various service delivery functions, and even less considers the role of MPACs.

As explained earlier, MPAC is an example of a Section 79 Committee that is tasked with performing the key oversight role of council. MPACs were first established in 2011, as a response to wasteful expenditure in municipalities, to conduct oversight on behalf of municipal councils by scrutinising the collection and expenditure of public funds relative to approved budgets (National Treasury & COGTA, 2018: 11). And since the formation of MPACs in 2011, 232 of 278 municipalities had already established MPACs by August 2012, in response to the 2009 State of Local Government Report which highlighted poor oversight as one of the root causes of municipal inefficiencies (COGTA, 2012: para 4).

However, only a limited number of studies (Botlhoko, 2017; Khalo, 2013; Okafor, Matiwane & Onuigbo, 2015; Van der Waldt 2015) have been dedicated to studying the role of MPACs, Audit Committees and/or councillors in improving governance through municipal oversight structures.

Khalo's (2013) study discusses the role of MPACs in ensuring accountability in municipal financial management processes. Since MPACs were first established in 2012, it is understandable why Khalo (2013) is mostly concerned with the future performance and potential impact of the committee. Khalo (2013) asserts that in a context where the local government is riddled by "unauthorised, fruitless and wasteful expenditure, ineffectiveness, inefficiency and corruption" MPACs would serve as a useful mechanism to promote good governance. Subsequent studies have considered the oversight role of municipal councillors (Okafor et al., 2015), oversight structures in municipalities (van der Waldt, 2015) and guidelines to develop MPACs to promote financial accountability (Botlhoko, 2017).

While these studies are useful, their approach only scratches the surface of explaining the relationship between poor service delivery outcomes and oversight. For example, solely attributing poor service delivery to a lack of public participation (Mubangizi & Tshishonga, 2013) or a lack of role clarity for municipal officials and councillors (Okafor et al., 2015: 58) offers a limited perspective on municipal oversight challenges. van der Waldt (2015) supports the stance presented in this thesis.

Specifically, van der Waldt (2015) acknowledges that existing literature fails to present a comprehensive model explaining how to remedy the crisis of poor service delivery in a way that recognises that it takes more than just legislative structures and policies to determine service delivery outcomes in municipalities. Additionally, van der Waldt's (2015) assertion – that there are adequate statutory and regulative guides to establish functioning oversight structures in municipalities – also emphasises that research on local government service delivery, and oversight, needs to transcend the description of legislation and policies.

3.3.3. Challenges for Oversight Bodies

What is evident in the existing oversight literature, are immense challenges faced by oversight bodies across the public sector (Khalo, 2013). Existing literature on government oversight across the different spheres of government acknowledges that oversight is a necessary tool for achieving service delivery, however, the current mechanisms for ensuring public accountability are weak and ineffective (Makhado, 2016; Munzhedzi, 2016; Obiyo, 2012).

In the Eastern Cape Province, Obiyo's (2013) study concluded that oversight at provincial level is superficially conducted, mainly for compliance purposes. However, even where there may be genuine efforts, these are often inhibited by several challenges which included: a weak separation of powers between the executive and legislative at municipalities; capacity constraints; budget constraints; lack of effective monitoring and transparency; and lack of implementation of resolutions and consequence management.

Kraai et al (2018) and Malapane (2019) support the notion that a separation of powers leads to greater accountability and improved oversight. In addition, these authors provide an in-depth discussion of the several challenges that accompanied the separation of powers as mechanism for facilitating oversight within the Gauteng Province. And while their studies are not based on local municipalities, Malapane's (2019) study on Gauteng's Provincial Legislature and Kraai et al.'s (2018) study on the Ekurhuleni Metropolitan Municipality both reveal findings that are relevant to local municipalities which face similar challenges.

Kraai (2018:70) and Mbunge (2015: 79) indicated that, the implementation of oversight often fails because oversight bodies were denied access to relevant and up to date information because there is a lack of role clarification in municipalities between the municipal executive and legislature. On the other hand, van der Waldt (2015: 15) notes that in other instances, oversight structures overstep their jurisdiction or misinterpret their legal mandates. This separation of powers, and lack of co-ordination is also a problem which Pretorius and Schurink (2007: 23) argue exists between district municipalities and local municipalities.

Several other scholars have identified a lack of capacity and appropriate skills from municipal officials and councillors to be the cause of local government oversight challenges (Malapane, 2019: 216; van der Waldt, 2015). The lack of capacity could be used to explain how agency plays a role in influencing service delivery outcomes within municipal structures. For example, Obiyo's (2012) study indicated that where there is a separation of powers, feelings of "distrust, suspicion and fear" are a common inhibitor of effective oversight. I argue that this is a reflection of individuals not knowing what their role is and further assert that this is a consequence of not having a clear strategic management model which explains who should be doing what, why they should be doing it and how they should do it.

In the section below, consideration of how several authors have recommended to alleviate the existing strategic management crisis is considered. This discussion considers strategic planning, strategic management, and oversight as key concepts used in this thesis.

3.4. Recommendations for effective Strategic Management

The development of post-apartheid legislation shows that there have been progressive measures to ensure that there are service delivery processes designed to realise the needs of all citizens. However, despite these legislative strides, poor service delivery has persisted post-1994. Below, I consider how other researchers have framed the discussion around efforts to improve service delivery and why this has created the existing gap which could be filled by a commitment to strategic management as conceptualised in this thesis. Additionally, I consider two other strategic management models to compare with the MPRM model.

Makhado's (2016) study supports ideas which are in line with the strategic management approach presented in this thesis. While Makhado's (2016) study is about Public Account Committees – which operate at provincial level - and their role in overseeing State Owned Enterprises (SOEs), it clearly highlights the importance of oversight across all three spheres of government. Makhado's (2016) study supports the assertion presented in the first chapter of this thesis, that municipalities are a microcosm of the public sector in South Africa. Makhado's study (2016: 8) also supports the contention that effective oversight is necessary for improved service delivery and even though his research does not present a public resource management model, he acknowledges that there is a need “to develop [innovative] mechanisms to effectively monitor performance” in the public sector.

van der Waldt's (2015: 15) work supports the assertions presented by Makhado (2016), stating that there is a need to establish an innovative and comprehensive oversight framework to strengthen existing structures and mechanisms for effective service delivery, and a framework which provides capacity building for councillors. What differs between van der Waldt's (2015) work and Makhado's (2016) view of oversight in the public sector are the challenges faced by oversight structures at the different levels of study. Due to their different focus areas, van der Waldt's approach (2015: 4) focused on the more political aspects of oversight such as poor separation of powers, deployment issues and insufficient controls which enable transgressions such as nepotism and cronyism. However, Makhado (2016) focused more on the effects of capacity and budget constraints, lack of implementation of resolutions and poor monitoring and evaluation, which limit transparency.

Proposed strategic management models for improving service delivery have included Za-Mulamba's (2014) Cohesive Service Delivery Theory (CSDT) model, and Khalil & Adilabu's (2012) Modified Qualitative Service Delivery Model.

The CSDT model asserts that effective service delivery is the result of a number of individual elements: public participation; sufficient government resources; good governance and e-governance; relevant laws, policies and practices; and planning, monitoring, and evaluation (Za-Mulamba, 2014: 274). In essence, the CSDT is good because it recognises that there are multiple factors that contribute to effective service delivery. However, while it recognises that there are multiple contributors to effective service provision, it fails to explain how the individual elements it proposes (such as “good governance, planning and evaluation”) should be achieved. Also, the CSDT displays unrealistic optimism by assuming that if there are “sufficient government resources” they will be managed effectively and efficiently in a country which has consistently proven that effective resource management is not the norm.

On the other hand, while the Modified Qualitative Service Delivery Model (MQSD) recognizes the importance of transcending a focus on the financial aspects of service delivery, it fails to provide sufficient detail (Khalil & Adilabu, 2012: 89). The MQSD provides an oversimplified conceptualisation of factors influencing effective service delivery which were limited to managerial accountability, fiscal management, and leadership (Khalil & Adilabu, 2012: 89). While this is a short appraisal, the quality of strategic management models produced in South Africa, support van der Waldt’s (2015: 15) claim that there is a need for a more comprehensive model for oversight and by extension – strategic management.

In conclusion, this chapter has considered literature discussing the basic concepts of strategic planning and oversight, and their application to South African local government. Based on the literature reviewed, it was evident that focus had shifted from sole strategic planning to a more inclusive strategic management. And a discussion of post-apartheid legislation highlighted how South Africa has laws which enable effective strategic planning, strategic management and effective oversight through an integrated development planning approach. However, while extremely progressive, the integrated development approach (which is useful for planning and implementation purposes) still did not effectively explain oversight and service delivery issues in municipalities.

Solutions presented, such as the CSDT model and the MQSD model were briefly appraised as strategic management tools for service delivery. However, these models proved to be oversimplified, and unrealistic. Thus, as a response to the shortfalls of existing literature in coming up with an adequate strategic management model, the next chapter presents a detailed discussion of the MPRM model, which is a strategic management tool which can be applied at South African municipal level.

Chapter 4 - The MPRM Model

To respond to the shortfalls of existing strategic planning, strategic management, and oversight literature, this thesis introduces Allan's (2019) MPRM model. This chapter expands on the summary presented in the introductory chapter, giving greater detail to each of the nine processes. As explained in the introductory chapter the MPRM model consists of nine processes, namely: (i) Needs Assessment; (ii) Strategic Planning; (iii) Resource Mobilization Planning; (iv) Resource Allocation; (v) Revenue Collection; (vi) Expenditure Management; (vii) Performance Management; (viii) Preventive and Corrective Action; and (ix) Oversight. This section briefly discusses each MPRM process and illustrates how it would ideally be applied for electricity services in IYM as an example. In line with the strategic management approach, the nine processes of the MPRM model are separated into a *planning*, *implementation* and *oversight* phases.

The Planning Phase

4.1. Needs Assessment

The first process of the MPRM model marks the beginning of the planning phase. Needs assessment is the process of identifying existing gaps between the current service delivery conditions and the desired level of realisation of needs (Allan, 2019; 52). Needs assessment, can be conducted within the municipality (as an institution) and for the community at large (Johnsen, 2015: 245; Poister & Streib, 2005: 46). During this process, useful information may include surveys detailing residents' demographics, surveys indicating residents' current ability to meet their basic needs, employee performance statistics, complaints raised by the community and service backlog data etc. (Allan, 2019: 52). This process is important for determining the contents that inform strategic plans and the activities which will be implemented by the municipality when delivering electricity services.

In line with a developmental (needs and rights based) approach to governance, the MPRM model differentiates between four types of needs: physiological needs, basic functioning needs, person-specific functioning needs and finally, flourishing needs, which are necessary for enhancing the capabilities of individuals (Allan, 2019). Access to electricity can be considered as an all-encompassing need because it constitutes the definition of adequate shelter which is a basic functioning need necessary for aiding basic processes such as cooking and cleaning, and even more complex ones such as learning, business and specialised health care (SAHRC, n.d.: 4).

To develop appropriate strategic plans for the provision of electricity services, during the needs assessment process, a municipality would have to consider how many households require electrification in each ward (Allan, 2019: 52). However, because most of the households in IYM have electrical connections, electricity needs would include ensuring that all households have working electricity meters and safe connections (IYM, 2019c: 143). Another important factor would be to consider how many houses in IYM are categorised as indigent households, where residents cannot afford to pay for the units of electricity that they consume, and therefore require subsidised or free electricity (Allan, 2019:52). Additionally, to maintain or improve the efficiency of existing municipal electricity distribution systems, needs assessment processes would have to include checking the status of existing municipal electrical infrastructure, and ensuring that there are enough qualified electrical services staff members to address these needs (Allan, 2019: 52). The collected needs assessment information would then be used to formulate short, and long-term strategic plans.

4.2. Strategic Planning

Strategic planning – one of the key focus areas in this thesis – is the second process in the MPRM model. Allan (2019: 53) compares strategic planning to “a road map for service delivery” which sets out where you are, where you are trying to go, and how to get there. However, the definition in chapter 1 which views strategic planning as “an institution’s deliberate approach to the formulation of its plan of action” considers that it “aligns or updates its mandates relative to its mission, vision, and environment” (Bryson & George, 2020: 2).

According to Allan (2019: 53) the needs assessment process (MPRM Process 1) gives an indication of the current position of the municipality, relative to its desired service delivery goals. However, the strategic planning process (MPRM Process 2) explains how to identify the desired service delivery objectives by:

- (i) identifying activities which are necessary for the progressive realisation of the priority needs of municipal residents;
- (ii) grouping these activities into programmes setting out the activities which need to be achieved over a specified amount of time;
- (iii) attaching costs to each activity identified for service provision;
- (iv) identifying personnel with skills to carry out activities and to ensure accountability, and;
- (v) attaching performance targets and, key performance indicators (KPIs) to help people know what to expect and when.

For this reason, strategic plans, performance targets and KPIs need to be SMART (specific, measurable, achievable, realistic and time bound) and they should have clear goals and objectives. The MPRM model also posits that good strategic plans should be multi-year to avoid reactive, short-term planning which often leads to financial instability (Allan, 2019: 54).

As indicated in the first part of this chapter, there are legislative provisions which stipulate how strategic planning in municipalities are meant to function. Below, legislative provisions applying to electricity services are considered.

The information gathered in the needs assessment process (MPRM Process 1), should be clearly reflected in the municipality's planning documents. These documents include the Electricity Master Plan, the Integrated Development Plan (IDP), and the Service Delivery Budget and Implementation Plan (SDBIP) and an Infrastructure Maintenance Plan (Allan, 2019: 54). Below, I give brief descriptions of what these documents entail.

As explained in Chapter 2, the Electricity Master Plan is a municipality's long-term integrated planning document which guides the growth and upgrading needs of the municipality's electricity network (DME, 2007: 3). The Electricity Master Plan, which the DME (2007: 3) recommends should be reviewed every three years, often differentiates between the five-year (short-term) and a twenty-year (long term) planning horizon using information based on a municipality's electricity data contained in its IDP's. As explained earlier, the IDP is a municipality's five-year planning document, which aligns municipal projects with its human and financial resources across all service delivery departments (Allan, 2019: 3). The IDP, which should be reviewed annually, is also broken down into three-year plans to accommodate more details about projects and their financial implications.

IDPs are operationalised through the SDBIP which is a more detailed annual plan which guides service delivery. The SDBIP attaches costs to planned activities and programmes, and KPIs are also included in these plans to help officials and oversight bodies to keep track of the progress in the implementation of planned activities (Allan, 2019: 54). And finally, the Infrastructure Maintenance Plan is a strategic planning document outlining a systematic approach towards the upkeep of the municipality's assets and infrastructure to optimise the effective usage and functioning of the infrastructure. Because municipalities are considered the closest sphere of government to citizens, it is imperative that the Electricity Master Plan, IDP, SDBIP and Infrastructure Maintenance Plan are constructed from the bottom-up, after a proper assessment of needs is done, to reflect the needs of residents within the municipality.

The next MPRM process (below) considers how municipalities plan to fund the priority activities and programmes identified in their strategic plans. In essence, it also considers how they mobilise the resources (i.e. revenue) to fund the implementation of these plans.

4.3. Resource Mobilization Planning

A crucial part of the planning phase is consideration for how municipal projects will be funded. Resource mobilization planning is the process of drawing up plans specifying where the municipality will obtain the revenue that is needed to pay for the cost of implementing its planned activities (Allan, 2019: 56). Without this revenue forecasting process, municipal officials will not have a clear way of knowing where and how to *collect* municipal revenue (Allan, 2019: 56). Additionally, councillors will not be able to determine whether proposed budgets and planned activities are realistic relative to anticipated funds (Allan, 2019: 56).

According to Section F5 of the IDP Format Guide, and Section 9 of Municipal Budget and Reporting Regulations, information about the municipality's revenue plans should be made available in the IDP, SDBIP, municipal budget documents (which set out estimates of revenue as well as spending targets), indigent registers, and property rates policies (National Treasury, 2008; National Treasury, 2009).

Potential sources of income to fund municipal projects include property taxes and tariffs (or service charges) on refuse removal, electricity or water and sanitation (Allan, 56). However, in IYM, these resource mobilisation plans would exclude electricity service charges for the three wards in Lingelihle where Eskom has responsibility for providing electricity directly to the community (IYM, 2018: 96). Water and sanitation service charges would also be excluded since the district municipality is the accredited Water Service Authority (IYM, 2018: 95).

As a result, to maximise their own revenue base, IYM would have to ensure that there are accurate billing systems and an electricity tariff policy which is in line with the National Energy Regulator of South Africa (NERSA). Additionally, IYM could benefit from donor funds, central government grants and transfers, and the equitable share (Allan, 2019: 56). The equitable share is a nationally raised tax, which is redistributed at municipal level to provide free basic services such as electricity to indigent households who cannot afford to pay for these services. Therefore, IYM should also have an updated Indigent Policy to clarify who qualifies to be classified as indigent, and therefore qualifies for free (or subsidised) electricity (Allan, 2019: 56).

Resource mobilisation plans are reflected in municipal budget documents and the IDP.

Schedule A budget tables will disclose information about the original budgets set out by the municipality. IYM would have to specify how much money it expects through grants, electricity service charges and internally raised revenues. However, if the municipality makes changes to the original budget, this information will be listed in Schedule B amended budget tables. According to the section F5 of the IDP Format Guide, the IDP should also contain a strategy disclosing how the municipality will mobilise its revenue over 3-5 years. It is important for these plans to be realistic

4.4. Resource Allocation

Unlike the resource mobilisation planning process, which is concerned with the municipality's *revenue collection* targets, resource allocation sets out the municipality's *spending* targets (Allan, 2019: 57). Resource allocation occurs over two phases: formulation and approval.

The formulation phase is the processes of attaching cost to the strategic plans based on projected revenue. IYM would have to use the municipal Standard Charter of Accounts (mSCOA) to list key details of the planned projects (Allan, 2019: 3). National Treasury (2016) MFMA Circular 80 introduced mSCOA principles which require information to be captured throughout a municipality's accountability cycle which includes planning, budgeting, implementation, monitoring and reporting. The draft budgets would be prepared by the IYM municipal executive committee and tabled before the IYM Council. According to section 23(1)(a) and (2) of the MFMA (2003), IYM should publish the draft budget for the community to review and respond to the inputs given by the community before budgets are approved. And during the approval phase is the formulated budgets would be considered, amended, and approved by law. The IYM municipal council would approve the municipal budget and publish it within five days that the budgets are approved. At the end of this process, the same Schedule A/B budget tables used in the Resource mobilisation planning process in IYM would have be used to outline how it intends on collecting money and how it intends on spending that money.

For effective service delivery to be realised, it is important to ensure that the formulated and approved budgets reflect the consideration of both municipal and residents' needs in line with strategic plans. For electricity services, IYM would have to explain how much it plans to spend on capital expenditure projects, and day-to-day operational expenditure within the municipality.

This process marks the end of the planning phase in the MPRM Model.

The Implementation Phase

4.5. Revenue Collection

The implementation phase in the MPRM model begins with the revenue collection process. Revenue collection is the process of actively collecting all available revenue, relative to the resource mobilisation plans set in MPRM Process 3 during the planning phase (Allan, 2019: 61). IYM must meet its revenue collection targets to fund planned projects, and it is also obligated to report on its performance in meeting the targets set out in the budget (MFMA, 2003: s166(2)). Information about the IYM's revenue collection, should be made available in its: valuation rolls, monthly reports (MFMA, 2003: s71), quarterly reports (MFMA, 2003: s52(d)), annual reports (National Treasury, 2012: Circular 63), budget documentation and its revenue collection policy (Systems Act, 2000: s96 & s97).

For electricity services, IYM would have to ensure that households have functioning electricity meters and that the houses have legal electricity connections. IYM must also have an effective debt collection policy and a functioning Budget and Treasury Office (BTO). Electricity service charges are often one of the main sources of revenue raised by municipalities, and without adequate planning such as accurate billing, municipalities could have to rely more on external funds which is not sustainable. The IAU in IYM would also have to monitor risks that may inhibit effective revenue collection and inform the municipal manager (Allan, 2019: 8). These revenue collection risks should be listed on the municipal risk register.

The revenue collection process is important because without it, municipalities will not be able to implement any activities as there will be no money to finance them. All information relating to IYM's monthly reporting budget statements will be listed in its Schedule C tables – as opposed to its Schedule A tables (for original planned budgets) or its Schedule B tables (for amended planned budgets).

4.6. Expenditure Management

Once revenue from various sources has been collected, how it is spent must be monitored through the expenditure management process (Allan, 2019: 63). The expenditure management process is necessary to track the spending of collected funds against expenditure targets in the budget and it highlights the importance of having internal controls to identify and mitigate risks which could hinder the progressive realisation of needs (Allan, 2019: 63). This process includes having clear risk management systems through a functioning IAU and Audit Committee who assess the accuracy of spending reports mentioned in the revenue collection process above.

To function effectively, IYM must have clear accounting systems to properly record and classify their expenditure (Allan, 2019: 64). IYM should clearly report where the money came from, how much it used for electricity services bulk purchases, whether there was any money used for infrastructure upgrades and maintenance, or daily operating costs, etc. All this reporting should be in line with the mSCOA requirements from the budgeting processes discussed earlier. Other measures include cash management, financial controls, personnel and salary systems and open and transparent procurement systems. In MPRM process 9, MPAC's role in investigating expenditure classified as UIFW expenditure is discussed in more detail.

4.7. Performance Management

Until this point, the MPRM model has been focused primarily on financial management, including revenue planning focusing, the actual collection of revenue relative to budgeted targets, and the spending of budgeted funds. However, the MPRM model further proves to be a quality strategic management model by linking strategic plans not only to financial management, but to performance management. The performance management process focuses on the progress made by municipal officials (human resources) in the implementation of planned activities and programs, relative to KPIs set out in SDBIPs (strategic plans).

For effective electricity services, this MPRM process demands that IYM has a clear division of labour in the IYM Technical Services Department. Employees should have written contracts, clear job descriptions and performance agreements which align with the institutional plans informed by existing priority needs (Allan, 2019: 67). This means that the IYM Human Resources (HR) department plays a crucial role in setting clear performance policies and ensuring that the employees responsible for implementing electricity services have the necessary skills to carry out the activities planned to meet the needs of residents. IYM should also have a clear Performance Management System (PMS) which is in line with its priorities, objectives, performance indicators and targets set out in IYM's strategic plans such as the IDP and SDBIP. The Technical Services Department would have to account for how much work has been done, and how much money has been spent relative to their plans.

The quality of performance management will also be dependent on the quality of monitoring and reporting on the implementation of activities, and the quality of strategic plans which should have clearly indicated potential risks or weaknesses before the implementation of projects (Allan, 2019: 67).

During implementation, municipal officials in IYM should note errors or deviations from planned activities, and explanations and justifications for these actions should be provided.

If the Technical Services Department performs exceptionally, as per the municipality's performance evaluation outcome targets, the senior managers could be rewarded a performance bonus between 5% and 14% of their remuneration package. However, poor performance may require remedial support, or termination of contracts of relevant officials in worst case scenarios. The performance management process is imperative because it makes it easier to hold individuals to account for their actions, which may be driven by various motivations.

4.8. Preventive and Corrective Action

Because strategic management should be responsive, this eighth process facilitates the overarching prevention and rectification of the ineffective use or abuse of public resources (Allan, 2019: 70). Preventive measures should be put in place before the appointment of municipal officials and councillors, and before the implementation of any strategic plans, to mitigate the possibility of poor expenditure management, poor performance management and corruption (Allan, 2019: 71).

Municipal officials, councillors and senior managers have separate codes of conduct which they should agree to before they start working. The respective codes of conduct serve as preventive action as they specify the appropriate behaviours which are acceptable in the workplace, and the inappropriate behaviours which would require corrective action. Codes of conduct may also determine the degree of corrective action which needs to be taken in the event of the misuse or abuse of state resources. Other preventive measures include the enforcement of public declaration of private interest by municipal officials and councillors and having clear disciplinary measures in place to deter inappropriate behaviour (Allan, 2019: 72).

For electricity services, the Supply Chain Management (SCM) officials and suppliers, should ensure that companies applying for municipal tenders supply declarations. These declarations should confirm that the stakeholders of the company in question have not been employed in the state in the previous 12 months. This means that members of the Technical Services, IYM municipal officials and councillors (and their close relatives and associates) cannot apply for electricity service tenders in IYM.

Where these preventive measures fail, corrective action must be taken to address poor performance, and the abuse of public resources. Allan (2019: 15) highlights that key offences include bribery, corruption, conflict of interest, misconduct, fraud, and theft. Any disciplinary action taken against IYM personnel would be implemented in terms of the Code of Good Practice contained in Schedule 8 of the Labour Relations Act of 1995.

According to Regulation 4(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings every municipality must have a Disciplinary Board with at least 5 members to investigate and monitor the corrective action taken in response to financial misconduct cases. The details about cases of maladministration, fraud, theft and corruption should be recorded, solved and the details should be communicated to oversight bodies and the public. This process marks the end of the implementation phase.

The Oversight Phase

4.9. Oversight

The last process in the MPRM model is the oversight process, which is often conflated with “evaluation” in existing strategic management theory. The oversight phase is marked by the oversight process where key oversight bodies request those who are managing public resources to account for their performance in progressively realising the needs of the community (Allan, 2019: 75). State oversight in municipalities includes: the on-going review of internal risk done by the IAU, and Audit Committee; external oversight performed by the Auditor General; and the financial and performance management related oversight on the municipal administrative and executive done by MPAC (Allan, 2019: 75). However, this discussion focuses mainly on the role of MPAC the main oversight committee of Council. As discussed in the introductory chapter, MFMA (2003) Circular 32 details the separation of powers within municipalities and also provide municipal councillors with practical guidance on how to practice oversight.

MPAC is responsible for the rigorous review of the municipality’s in-year reports, financial statements, and information taken on disciplinary action with regards to compliance with relevant legislative mandates. In performing its oversight role, MPAC must consider Audit Committee opinions, recommendations and reports on the performance of the municipality’s administration and executive when providing services (Allan, 2019: 76). MPAC has the right to request explanations and justifications from the municipal executive and administration to ensure that resident’s electricity service needs are progressively realised. Using the information presented to the committee, key documents MPAC should produce include quarterly reports to Council on UIFW expenditure, and non-financial performance of the municipality.

Most importantly, MPAC should produce the Oversight Report which makes recommendations on whether to adopt, revise or reject the on the Annual report detailing the annual performance of the municipality (MFMA Circular 32, 2003).

To perform their duty, MPAC also needs their own internal strategic work plan.

The MPAC work plan stipulates the activities that MPAC has to engage in, and the relevant time frames, set out during planning cycle (SDBIP). MPAC may also choose to conduct site visits as a practical way to oversee performance on projects initiated (Makhado, 2016: 3). Oversight bodies rely on monthly, quarterly, mid-year, and annual plans and reports which are based on strategic plans such as the IDP and SDBIP and budget documents compiled by the administration and executive (Allan, 2019: 76; MFMA Circular 32, 2003). Therefore, the support and cooperation of municipal officials with oversight councillors is imperative, even though the oversight literature review highlighted the challenges faced by oversight bodies in the public sector. Despite these challenges, this thesis posits that the implementation of these processes is a necessary condition for the effective delivery of services, including electrical services, in South African municipalities.

The oversight process concludes the discussion and general application of the MPRM model.

Through the discussion in this chapter, this thesis argues that the effective implementation of strategic planning and oversight processes significantly contribute to effective service delivery outcomes. The MPRM model proved to be an effective strategic management tool as it realistically considered the implementation of strategic plan targets, and oversight within the parameters set by relevant legislation. And unlike the preceding strategic management models presented in the previous chapter, it offers a normative model for explaining how to achieve each process, without assuming a context that is ideal for service delivery.

The following chapter considers the practical implementation of electricity service delivery processes in IYM and uses the MPRM model as a guide to appraise the quality of implementation. Specifically, there is considerable focus placed on emic or insider perspectives – as strategic planning and oversight is explained and conceptualised by municipal officials and councillors relative to the MPRM model. Through this appraisal, the next chapter aims to provide both in depth descriptions and explanations of how and why electricity service in delivery has been deemed as ‘poor’ for almost a decade in IYM.

Chapter 5 – Testing the MPRM Model in IYM

To recap, the primary aim of this research was to explore and explain how the implementation of *strategic planning* (MPRM Process 2) and *oversight* (MPRM Process 9) by municipal officials and councillors, respectively, contribute to electricity service delivery outcomes in IYM. Other subsidiary objectives included providing descriptions of how IYM municipal officials implement strategic planning and oversight by considering: (i) procedures followed by the municipal executive and management for the planning of electricity service provision in IYM; (ii) challenges faced by the IYM Technical Services Directorate in the implementation of electricity service provision; (iii) the relationship between IYM MPAC and key oversight structures in IYM; and (iv) key challenges faced by IYM MPAC councillors.

This data analysis section, triangulates data collected using an integrated mixed methods approach, and considers descriptions of events in IYM based on:

- (i) a desk analysis of legislative provisions for municipal planning and oversight
- (ii) empirical quantitative findings from the IYM document analysis, which included the review of the outputs of Strategic Planning (MPRM Process 2) and Oversight (MPRM Process 9), these include the: Electricity Master Plan, IDP, SDBIP, 2018/19 Fourth Quarter Reports and the Oversight Report on the Annual Report
- (iii) a qualitative analysis of the responses of municipal officials to semi-structured interview questions on strategic planning and,
- (iv) a qualitative analysis of the responses of oversight bodies (with particular emphasis on IYM MPAC Councillors) to semi-structured interview questions.

To analyse the data collected, this entire thesis relied on a retroductive analysis, which forms a key part of any critical realist enquiry (Zachariadis et al., 2013: 856). As explained in Chapter 2, the process of retroduction as explained by Zachariadis et al. (2013), involves four main components which structured this thesis. These included: (i) contextualization and *description* of strategic planning, strategic management, oversight and service delivery in IYM [Chapter 1-3]; (ii) *retroductive analysis*, using the MPRM model which involves hypothesising about the potential underlying mechanisms necessary for effective strategic management and efficient service delivery [Chapter 4]; (iii) *critical assessment and elimination* of alternative explanations [discussed through the triangulation of findings from existing legislation, relevant literature, and the data collected from key respondents in this chapter]; and finally (iv) *circulating findings* to the “intended audience”.

The descriptions gathered from the data collection process were grouped according to the nine MPRM processes to explain electricity service outcomes in IYM. As explained in the introductory chapter, the focus of this thesis is on strategic planning and oversight. Hence the literature review focused on the theoretical significance and literary development of strategic planning and oversight. However, as highlighted by the literature review, strategic management is a more effective way to explain service delivery challenges as it considers strategic planning, implementation and oversight. Thus, this thesis considers the effects of these strategic planning and oversight processes on service delivery implementation and subsequent outcomes.

This chapter considers the nine MPRM model processes as themes. Themes are useful because they highlight existing patterns of behaviour, which different research participants may respond to differently (Given, 2008: 463). The MPRM processes are used as themes to explain how strategic planning is prepared (MPRM Process 1), how strategic planning is conducted (MPRM Process 2) and how it affects other MPRM model processes, which are necessary for effective service delivery (MPRM Process 3-9). Additionally, this chapter explains how oversight enabled or inhibited poor resource management through each process or theme. Therefore, this thesis does not deviate from its initial plan to focus on strategic planning and oversight. But rather, it uses the other MPRM Processes to prove the effects of strategic planning and oversight on processes necessary for effective electricity service delivery.

To recap, at the time that this study was conducted, research participants in this study included:

Research Participant No	Position in IYM	Function	Years of Experience in current role
1	Administrative Senior Official	Planning and Implementation	3 months (7 years in local gov)
2	Internal Audit Official	Risk Management Internal Oversight	3 years
3	Audit Committee Official	Risk Management Internal Oversight	18 years (2 serving IYM)
4	MPAC Councillor	Oversight	4 years
5	MPAC Councillor	Oversight	4 years
6	MPAC Councillor	Oversight	4 years

5.1. IYM Service Delivery Outcomes

Using information obtained from the AGSA, StatsSA, various media outlets, and government departments, the introductory chapter contextualised the state of service delivery in IYM over the past decade. Based on the information gathered in the introductory phase of this research, the conclusion was reached that electricity services in IYM were poor. However, the views in the first chapter were extensively *etic* or primarily focused on the perspective of *external* stakeholders. But unlike the introductory chapter, this section focuses on IYM's own reporting of its service delivery based on its public documents. Thus, the data collected using the IYM document analysis, and the semi-structured interviews of key respondents in IYM provides quantitative and qualitative *emic* views or *insider* perspectives of individual actors. These descriptive findings from the triangulation of the qualitative and quantitative data were compared against legislative prescripts used in the MPRM model. As explained above, these descriptions were thematically grouped using the 9 processes of the MPRM model.

The data obtained in the document analysis confirmed the poor quality of electricity services in IYM, as stated in the introductory chapter.

Key electricity service challenges in IYM included ageing electricity infrastructure, and inadequate street lighting (IYM, 2020a: 2). Based on challenges reported in the 2018/19 Annual Report, IYM (2019c: 59) indicated that “electrical infrastructure requires serious and urgent attention as the municipality is currently unable to meet the increasing current demands”.

The IYM (2020b) Maintenance Plan provided by Respondent 1 after their interview contextualised the status of the electricity network in IYM. The Maintenance Plan had been drafted by a then newly appointed Technical Services Director who has since left the municipality. According to the Maintenance Plan, the electricity network in IYM was designed and constructed around 1969 and additions to the network were made around 1986 (IYM, 2020b: 7). The network, which had exceeded its designated 20 – 30-year lifespan was worn out, and the spare parts necessary for its maintenance were no longer in production (IYM, 2020b: 7). Therefore, it was inevitable that the network could not function optimally and caused interruptions to the flow of electricity (IYM, 2020b: 7). The IYM (2020b) Maintenance Plan also highlighted that some areas of the network were simply overloaded. Thus, the municipality struggled to effectively provide electricity services in the winter months where the demand for electricity was higher, as the network would often fail (IYM, 2020b: 7).

5.1.1. The Effects of Poor Electricity Services

The municipality also acknowledged in its 2019/20 IDP that poor electricity infrastructure in IYM had not only affected residents, but it had also largely affected the manufacturing sector and housing developments within the municipal region (IYM, 2020a: 69-72). The semi-structured interviews were useful because they highlighted the experiences of individuals within the municipality.

Respondent 6,0 an MPAC councillor who also served as an ordinary ward councillor, highlighted the impact of poor electricity for businesses in IYM:

“The industrial area – which is the industrial heartbeat of the municipality – has electrical outages every single day. If you add up all the hours with electrical outages, you could find that they lose a full work day in a month, and more sometimes. Our network is unstable; it is old and decaying”. (Respondent 6, 21/10/2020)

Residents were also negatively affected by the poor quality of electricity services in IYM. Feedback from the community, detailed in the 2019/20 IDP indicated that residents in IYM were particularly unhappy about the electrification of houses, inaccurate billing, and poor maintenance of electricity infrastructure (IYM, 2020a: 182 – 183).

Other MPAC councillors, Respondents 4 and 5 (who also served as ordinary Councillors in their respective wards in IYM) also confirmed that they received regular complaints about electricity services. The councillors stated that the frequency of complaints they received ranged from daily to at least once a week.

“Streetlights are not working. We are called every day. Indigents are also not getting the 50 free basic units. One will receive 4-5 complaints a day and those are only related to electricity” (Respondent 4, 15/10/2020).

Even in areas where electricity is serviced by Eskom, residents complained about power outages and the slow response rate and turnaround time. However, Baker & Philips (2019: 183) indicate that Eskom is responsible for 60 percent of electricity distribution in the country, which could possibly explain why it may not be as responsive to individual household cases.

“If one reports anything electricity related, they [Eskom] can take two to three days to respond while residents stay without electricity. And remember, electricity in the times we live in, you can’t live without it. A day is a year when you are without.” (Respondent 5, 14/10/2020).

The above-mentioned reports confirm the poor status of electricity service delivery in IYM.

5.2. Explaining Poor Service Delivery in IYM

When asked about their perceptions about the causes of poor electricity services in IYM, the respondents displayed varying views. Municipal officials tended to attribute poor electricity services to external factors, while interviewees charged with exercising oversight attributed poor service delivery to more internal factors. For example, Respondent 1 and 2 who form part of the municipal administration, which is responsible for implementing service delivery processes, mainly attributed poor electricity services to budget constraints.

“We’ve got an aging infrastructure...it’s very old and the funding that we are receiving from INEP [Integrated National Electrification Programme] is not sufficient to cover a large scope of work. So, then we can’t close the gap in terms of the backlog that we are having” (Respondent 1, 21/10/2020).

The response given by Respondent 1, a senior official who is responsible for facilitating the implementation of electricity services in IYM, differed from responses given by Respondents 3 and 6 who are responsible for performing risk management and oversight, respectively. Respondent 3 (01/12/2020) believed that the outcomes of electricity services were the result of poor leadership and a “lack of commitment by the respective directors” who failed to properly manage contracts. Respondent 6 elaborated, giving a specific example of an event in IYM:

“We [IYM] awarded a contract for electricity. More than R10 million was received for upgrading the electrical network from INEP. All the money was paid, but only 72% of the work has been done. So, financial management is a huge issue.” (Respondent 6, 21/10/2020).

The varying responses given by the respondents highlighted why it is necessary to use an objective measure – such as the MPRM model, informed by a critical realist philosophy – to assess and explain why IYM had been failing to effectively provide electricity services to its residents. As explained in Chapter 2, a critical realist stratified ontology separates subjective empirical observations (which depend on human experiences) from actual events (which occur independently from human experiences) and explains the real mechanisms which cause events to occur – whether these events are observed or not (Easton, 2010; Fletcher, 2017). And this chapter considers the reality of service delivery in IYM by considering explanations beyond the subjective experiences of those who are meant to implement or oversee these service delivery processes.

The analysis below uncovers the regular patterns of behaviour of IYM officials and councillors using the MPRM processes to explain the effects of strategic planning and oversight on service delivery in IYM.

5.2.1. MPRM Process 1 – Needs Assessment

Based on the triangulation of data collected, this thesis posits that IYM did not have adequate measures to prepare for effective strategic planning. The lack of preparation for strategic planning is discussed through the description of the needs assessment process, in line with the MPRM model which details the normative guidelines for municipal service processes.

To effectively determine and accurately quantify residents' electricity service needs, IYM needed to produce informed municipal strategic plans. Key considerations that municipalities needed to make when producing strategic plans were discussed in the previous chapter. These normative considerations included recording: how many households required electrification in each ward; how many households had working electricity meters and safe connections; and how many households were categorised as indigent (where residents cannot afford to pay for the units of electricity that they consume) (Allan, 2019: 52). In addition to these needs assessment challenges, to maintain or improve the efficiency of existing municipal electricity distribution systems, the municipality had to evaluate the status of existing municipal electrical infrastructure, and ensure that there were enough financial human and financial resources to address these needs (Allan, 2019: 52).

During the document analysis process, the IYM 2019/20 IDP revealed that most households in IYM had electrical connections, therefore more focus was placed on ensuring that all households have working electricity meters and safe connections (IYM, 2020a: 143). The situational analysis in the 2019/20 IDP indicated a decrease in households with no electricity connection from 2006-2016 (IYM, 2020a: 143). Additionally, statistics provided by the municipality showed that an average of 98.3% of households in IYM had electricity, and that an average of 98.8% wards had adequate streetlights (Municipal Data, 2015 cited in IYM 2020a: 141). These statistics were similar to the StatsSA (2017) in-depth analysis of the community which assessed the state of basic service delivery in South Africa which indicated that IYM often reported performance which did not reflect the same community satisfaction.

In the StatsSA (2017: 92) study mentioned briefly in the introductory chapter, IYM reported that 96.8% of its residents had access to electricity and that only 18.4% experienced interruptions (StatsSA, 2017: 92). However, the same study revealed that only 50% of residents rated electricity services in IYM as 'good' (StatsSA, 2017: 99). Similarly, the key challenges highlighted in the 2019/20 IDP contradicted the progress claimed in the situational analysis within the very same document highlighting a potential disconnect in IYM's strategic plans.

Key challenges identified in IYM's municipal plans included ageing municipal infrastructure, inadequate street lighting, and limited capacity to provide power for future housing and business developments in both Cradock and Middleburg (IYM, 2020a: 2).

In essence, IYM used outdated demographic statistics in its 2019/20 IDP, and the needs of IYM residents were not quantitated accurately. This was further confirmed by the admission that the municipality did not have a complaint management system dedicated to accurately understanding and addressing the constantly changing electricity needs of residents (IYM, 2020a: 26). I argue that the lack of a complaint management system explains why IYM kept using outdated statistics – the municipality simply did not develop measures to quantify the needs of residents. Despite these inadequacies, the IDP reported that IYM had an indigent register which it used to establish which households could not afford free basic services (IYM, 2020a: 28). Moreover, according to the IDP, IYM had recently adopted a Petitions Policy and established a Petitions Committee, dedicated to addressing residents' concerns, although the effectiveness of these systems were not discussed in the IDP.

In their forecast of strategic planning and strategic management into 2020, Poister (2010: S248) warned against a heavy reliance on overly centralised systems and formalised planning as this leads to a detachment to the real needs of citizens. According to Poister (2010: S248) soft data should take precedence to “intensive number crunching” because “strategy formulation should be influenced by experience, intuition, inspiration...as well as a keen sense of political feasibility”. However, this thesis posits that there should be a balance between an approach which respects qualitative and quantitative data, and IYM did not have such a balance.

The semi-structured interviews indicated that IYM seemed to primarily focus on qualitative needs assessment processes. The Technical Services senior official and MPAC Councillors indicated that other activities IYM used to determine the electricity needs of residents included the use of data collected from community engagement meetings during the IDP Forums, door to door inspections, and councillor contributions or feedback based on the complaints they received from residents (Respondents 1, 4, 5 and 6). However, it was unclear how these qualitative inputs were converted to measurable quantitative data.

In summary, based on the document analysis, and insights from semi-structured interviews, it was evident that IYM had made attempts to consider the needs of residents in IYM. However, there was not enough evidence to prove that there were standardised procedures used to determine residents' needs in order to adequately inform IYM's strategic plans.

5.2.2. MPRM Process 2 – Strategic Planning

The analysis conducted for the strategic planning process showed that IYM strategic planning documents were not based on a rigorous needs assessment for both the internal and external environment when planning for electricity services. Additionally, based on the triangulation of data collected, this thesis posits that IYM failed to effectively implement strategic planning. According to the MPRM model used as a normative model, IYM's strategic plans for electricity services needed to reflect in the municipality's IDP, SDBIP and Electricity Master Plans and municipal budgets. The descriptive analysis in this process focused mainly on the triangulation of data collected from the IDP, SDBIP, Electricity Master Plan and responses from municipal officials and councillors relative to the MPRM model.

At the time that this research was conducted (between June and December 2020), the IYM Council had been in office for 4 years as it was first elected in 2016. However, there was no evidence that IYM had produced any strategic planning documents for the 2016/17 and 2017/18 financial year. Neither the municipal website, nor the National Treasury MFMA website – which publishes financial management documents of municipalities across South Africa – had uploads of these planning documents in the 2016/17 and 2017/18 financial year. I assert that the audit reports from the 2016/17 and 2017/18, which had repeated negative findings for “strategic planning and performance”, further support my argument that there was a lack of rigorous needs assessments for municipal strategic plans. Primarily, according to the AG, IYM did not consider inputs and proposals made by the local community and district municipality when drafting, amending, or implementing the IDP (AGSA, 2017: para.55 – 57; AGSA, 2018: para. 46-50). Furthermore, the AGSA (2018: para. 51) asserts that amendments made to the IDP were not approved by council, as required by legislation.

The only IDPs obtained for purposes of the document analysis were from the 2018/19 and 2019/20 financial year and the SDBIP was from the 2019/20 financial year. However, what was even more concerning was that there were significantly different versions of the IDP and SDBIP published on the IYM website, versus the ones published on the National Treasury website. The discrepancies between these planning documents were a major cause for concern and they highlighted that there are not enough measures to verify the accuracy of the information in these documents by National Treasury officials.

The information used in this thesis was primarily obtained from cross referencing between the 2018/19 IDP (uploaded on the National Treasury website) and 2019/20 IDP (uploaded on the IYM website).

The 2019/20 IDP had more relevant information, as it included a section which responded to “outstanding IDP Compliance matters raised by COGTA” (IYM, 2020a: 26 – 28). From the information obtained through the IDP document analysis, and semi structured interviews, it was clear that there was no existing Electricity Master Plan in IYM (IYM, 2020a: 111). The municipality also did not have the majority of the other mandatory sector plans, except a draft Housing Sector Plan prepared in 2014 (IYM, 2020a: 111). However, to verify the information obtained through the document analysis, research participants were asked whether an Electricity Master Plan existed in IYM, and if they had used it to conduct their work.

The responses given by the Technical Services senior official and MPAC Councillors contradicted each other. As expected, based on references to the municipal documents produced in the municipality, municipal officials seemed to have a vested interest in painting a positive picture about the functioning of municipal processes in IYM.

Unlike the MPAC councillors, who were honest about not being sure about the status of the Electricity Master Plan, the Technical Services senior official confidently confirmed that IYM had an existing Electricity Master Plan. However, when asked to elaborate on the content of the Electricity Master Plan, the senior official responded:

“Uhm, although I did not also have an opportunity to study that master plan, it looks at future development of our own planning with regards to the electrical section and also briefly at issues of maintenance. It talks to anticipated future development. Then also the issue of maintenance, although the Maintenance Plan is there” (Respondent 1, 21/10/2020).

MPAC Councillors explained that while they could not confirm the existence of an Electricity Master Plan, the municipality relied on a Project Management Unit (PMU) document which detailed the status of capital projects in IYM (Respondents 4 & 5).

“I would be lying if I say yes or no [to confirm the existence of the Electricity Master Plan]. This is the first time I hear of an Energy Master Plan. But there’s a PMU document that assists with that [identification and monitoring of municipal projects].” (Respondent 5, 14/10/2020)

At the end of the interview with the Technical Services senior official (Respondent 1), the key respondent was asked to send copies of the Electricity Master Plan, and the Maintenance Plan mentioned during the interview – as these were not made available on the municipality website. However, Respondent 1 only sent a copy of the Technical Services Maintenance Plan adopted in June 2020.

No explanation was provided for the absence of an Electricity Master Plan in the email – which appeared to confirm that the document does not exist.

In the absence of an Electricity Master Plan, the document analysis and semi-structured interviews confirmed that the IDP is the main planning document in the IYM electricity service provision planning and that, in essence, IYM also did not have an implementable SDBIP. I argue that IYM did not have an implementable SDBIP – even though there were three different documents which were published as the municipality’s SDBIP – because establishing which document to use was challenging due to the poor quality of the documents published. The Draft 2018/19 SDBIP was the exact same as the Final 2019/20 SDBIP published on the National Treasury MFMA website. However, the 2019/20 SDBIP, which was published on the IYM website, only started from page 27 and had no introduction or contextualisation and was an exact copy of page 225 – 333 of the final 2019/20 IDP, and for this reason the SDBIP could not be differentiated from the IDP.

In effect, IYM simply duplicated its IDP from one year to another in the first instance, and in the second instance it failed to produce a detailed activity breakdown of the first year of its IDP, which is what the SDBIP is supposed to consist of. No additional or supplementary documents relating to the SDBIP were available on the IYM website.

The assertions presented in this thesis about the IYM IDP and SDBIP are supported by the 2018/19 and 2019/20 Audit Report which indicated that the municipality still did not consult the community or the district municipality before making amendments to its IDP (AGSA, 2019a: para 70 – 71; AGSA, 2020: para. 39 – 40). Furthermore, the 2019/20 IDP (which was available on the IYM website but was different from the version available on the National Treasury website) was not adopted by Council as required by the municipal planning regulations (AGSA, 2020: para. 42). The sub-standard SDBIP was also not approved by the mayor and was revised during the year without the approval of council (AGSA, 2020: para.42).

During the semi-structured interviews, research participants also made no substantial references to the SDBIP. Based on responses given it seemed as if both municipal officials and MPAC councillors reflexively mentioned the SDBIP when mentioning the IDP because they had a vague idea of the relationship between the two documents. However, it was clear that research participants did not have a clear understanding of the function of the SDBIP independently. Ngcobo & Mdani (2015: 116) highlighted through their literature review that researchers tended to ignore the SDBIP when discussing strategic planning and strategic management.

Below, I triangulate the document analysis and responses from semi-structured interviews to prove that IYM did not have an SDBIP, despite the various documents presented.

For example, when asked about key activities and projects implemented in IYM for electricity service delivery, the Technical Services senior official emphasised that the IDP is the main planning document in IYM:

“You don’t move outside the IDP. It’s [i.e. Electricity Service Provision is] always guided by the IDP. Whatever projects you are going to implement, it’s supposed to be registered in the IDP” (Respondent 1, 21/10/2020).

Based on the lack of preparation highlighted in the needs assessment process and the poor quality of reporting in this process, it is evident that Maleka (2014), Poister & Streib (2005) and Johnsen (2015) were correct when arguing that strategic planning remains a highly misunderstood and poorly used tool. According to the analysis conducted until this point, one could easily anticipate that IYM would fail to implement effective strategic management, as effective strategic management is dependent on effective strategic planning (Bryson & George, 2020: 8). However, because this thesis aims at exploring and explaining how the implementation of *strategic planning* (as it exists in IYM) contributes to electricity service delivery outcomes in IYM, the next part focuses on describing strategic planning events and procedures in IYM. These descriptions will later be used to explain the effects of weak strategic planning in IYM on subsequent MPRM processes necessary for electricity service provision.

5.2.2.1 Strategic Planning Procedures in IYM

According to the 2019/20 IDP, IYM’s (2020a: 140), role in providing electricity services included facilitating: (i) bulk purchases of electricity supply from Eskom; (ii) distribution of electricity to consumers; (iii) management of prepaid electricity; (iv) taking measures to prevent theft of electricity (v) maintaining links with governmental department institutions such as DME and NERSA; (vi) implementation of projects on housing electrification; (vii) maintenance and upgrade of electricity infrastructure and networks (viii) public lighting of streets and maintenance of street light fittings and fixtures.

IYM’s strategic objectives included ensuring that all communities receive adequate and uninterrupted supply of electricity and ensuring adequate street lighting. Yet, the only activities highlighted in the IDP, which also had key performance indicators and targets attached included (i) the repair of meters; (ii) connecting households to electricity, and finally; (iii) repairing streetlights. However, in the official municipal planning documents, there was very little evidence of a link between what IYM was obligated to do by law, what it planned to do, and how IYM officials planned to track their implementation for oversight purposes. Performance targets and KPIs set by municipal officials also barely made any sense.

In the strategic documents used in IYM, there were often no baseline indicators, or the same targets were used annually, which implied that there would be no improvement in the number of electrical meters, or streetlights fixed, etc. The incoherence of performance targets and indicators was evidence that a needs assessment process had been neglected, therefore IYM had no way of knowing what its internal and external needs were.

The IAU official emphasised that the issue of poorly set performance targets and indicators had been a long-standing issue. The IAU official explained that this issue was partly a result of the municipality copying documents from other municipalities:

“There’s a tendency to benchmark with other municipalities....There’s nothing wrong with benchmarking, but benchmark what is relevant. You can’t benchmark with a district municipality when you are a local municipality because obviously a DM will have more KPAs and KPIs” (Respondent 2, 22/10/2020).

The sentiments echoed by the IAU official supported the argument presented by the former Audit Committee member who believed that IYM merely failed to plan ahead, but rather they practiced “crises management” for the sake of compliance (Respondent 3, 01/12/2020).

I argue that the poor quality of performance planning again reflects the poor implementation of the needs assessment process which was not clearly quantified. IYM failed to plan the activities it would be conducting because it did not know how many end-users it would be serving and where. Furthermore, no reference was made to the KPIs and targets that the municipality would attempt to fulfil in line with its abovementioned roles e.g., the ongoing Electricity Infrastructure Upgrade project which was funded by INEP. The costing of this project depended on figures presented in the 2019/20 IDP.

According to the IYM 2019/20 IDP, the Electricity Infrastructure Upgrade project was introduced in the 2017/18 financial year, and it was established with the aim of upgrading and rehabilitating the rapidly deteriorating IYM electricity infrastructure (IYM, 2020a: 365). This project would operate in all the wards in IYM, except the three wards in Lingelihle Township, which receive their electricity services directly from Eskom (IYM, 2019c: 12).

The activities necessary to achieve the upgrading objectives were not clarified, but the project had a R28 million cost attached to it (IYM, 2019c:12).

This project would be facilitated by the Technical Services Department (IYM, 2020a: 365). However, there is never any specific mention of responsible individuals as advised in the MPRM model to increase accountability. Finally, as stated above, there were no key performance indicators and targets relating to this project in the 2019/20 IDP.

The 2019/20 IDP also claimed that there was R1 million reserved for the replacement of conventional electricity meters to prepaid electricity meters (IYM, 2020a: 365). And that in the 2019/20 financial year there will be SMART prepaid meters introduced in houses (IYM, 2020b: 365). And while this information suggests a vague responsiveness towards some of the needs highlighted by residents in the needs assessment process in (MPRM 1), there was insufficient evidence presented to support these claims.

The triangulation of data collected also considered reasons to explain why strategic planning was poor in IYM. And findings from the document analysis revealed human resource management was at the crux of the matter in IYM, which confirmed Dzansi & Dzansi's (2010) claim about the importance of human resource management for effective service delivery. According to the 2019/20 IDP (IYM, 2019: 384 – 386) there were a series of vacant posts in IYM which directly affected the Technical Services department. IYM did not have personnel for the following posts: Director – Technical Services, Manager – IDP/PMS, Risk Officer, Junior Internal Auditor, Technician – Electrical Services, Superintendent Distribution, Superintendent Electrical, Artisan Electrical Metering, Handyman Mechanical and five Meter Readers. Not only were there no planners in IYM, but there were also insufficient staff members to conduct electricity services in general, which could potentially explain why the municipality did not even know what residents needed in the first place.

Nevertheless, it is important to note that at the time that this research was conducted, IYM had recently appointed a new IDP manager, a post which had been historically vacant. The historical absence of an IDP manager in IYM could potentially explain why the AGSA had consistent concerns about the state of planning in IYM, as explained in the introductory chapter.

Essentially, the municipality had never had a long-term strategy explaining how it intended on ensuring that residents received an uninterrupted supply of electricity. When approached for an interview, the new IDP manager was reluctant to be interviewed as she was still new in the institution. She asked that permission be requested from her employer – the new Acting Municipal Manager – who did not respond to the invitation to be interviewed. Despite this, the Technical Services senior official (Respondent 1) gave useful insights about the IDP preparation process in IYM prior to the arrival of the newly appointed IDP manager.

“It was an ad hoc thing. There was no person really or official. You'd find that our town planner, Thabisile [not her real name], would go to a certain meeting. If she can't go, I will go, then sometimes you are requested by the MM [Municipal Manager] to organise IDP forums or technical IDP meetings. So, there was nobody in fact who was delegated to handle the IDP.” (Respondent 1, 21/10/2020).

One MPAC member believed that there was no true engagement with strategic planning in IYM (Respondent 4, 15/10/2020). In essence, while the municipality presented an IDP Process Plan and Council Calendar, which aims to co-ordinates the annual strategic management process within the municipality, this MPAC member argued that this was “just for compliance sake” as “those meetings are not followed” (Respondent 4, 21/10/2020). Respondent 6 (21/10/2020) also confirmed that IYM had outsourced an external company to compile the IDP.

Based on the semi-structured interviews conducted, this thesis concluded that the IAU did not do enough to guide IYM in its IDP drafting process to mitigate risks related to poor planning in IYM. When asked about the IAU’s participation in IDP and SDBIP preparations, the official explained:

“I don’t want to lie to you. I think we do get the invite, then we go there to maybe assist where we can. But at the end, it comes to Internal Audit for review then we report based on what we have noted, the weaknesses that we have noted, and that report goes back to management to be discussed and management fixes what they have to fix. That report also goes to be discussed by the audit committee.”

The IAU official also confirmed that they had not personally worked with the IDP before (further suggesting that the SDBIP, was not a true working document in IYM) but rather that the suspended IAU manager may have more knowledge about the planning document (Respondent 2, 22/10/2020). The former Audit Committee member could not comment on whether recommendations made by the committee were implemented on the IDP and SDBIP because “no or little feedback was provided at AC meetings” (Respondent 3, 01/12/2020).

In summary, based on the triangulation of data conducted, this data analysis concluded that municipal officials in IYM did not meet the conditions necessary to fulfil effective strategic planning. And the quality of IYM’s strategic plans was significantly affected by a lack of a rigorous needs assessment process and human resource planning. The MPRM processes below consider how IYM’s poor strategic planning affected IYM’s budgeting, implementation and oversight process in line with a strategic management approach

5.2.3. MPRM Process 3 – Resource Mobilization Planning

The resource mobilisation planning process is the first process that the effects of poor strategic planning may be observed. According to Bryson & Bryson (2020: 8) strategic management consists of planning, budgeting, performance management, and feedback or oversight processes which help to manage change. Therefore, based on the sequence presented by Bryson & Bryson (2020), resource mobilisation planning is positioned perfectly to highlight the effects of planning on budget processes.

In the previous process IYM failed to produce documents which clearly explain the activities it would implement to conduct electricity services. Due to the poor reporting practices in IYM, it was evident that there was also no clear costing of activities necessary for electricity services because IYM did not have a functional SDBIP. The poor strategic planning thus had severe impacts on the municipality's ability to calculate how much revenue would be required to implement these activities.

Firstly, the IDP and draft SDBIPs did not mention any cost related to projects in the IDP e.g. meter repairs or electrification projects. Nevertheless, as explained earlier, the Electricity Infrastructure Upgrade project was being funded by INEP. However, other means IYM used to realise municipal projects, and the everyday functioning of the municipality, included funds from the equitable share, municipal infrastructure grants, property taxes and rates for refuse removal and electricity (Allan, 2019: 56). According to the IAU official, IYM had a limited revenue base (Respondent 2, 22/10/2020). The IAU official attributed the revenue limitations to the fact that district municipality had the responsibility for managing water and sanitation services, while Eskom was responsible for providing electricity in 3 of 9 wards in IYM. This left little by way of plausible resources for IYM to use to collect 'own-revenues'.

The document analysis referred to IYM's Table A4 Budgets (which detail budgeted financial performance) for the fourth quarter in the 2018/19 financial year. According to this analysis, IYM planned to receive more than 50% of its revenue from service charges for electricity and refuse removal. The Budgeted Statement of Financial Performance also confirmed the significance of electricity services as a contribution to revenue in IYM, as the municipality's single biggest source of revenue. Thus, confirming the assertion presented by National Treasury (2009: 109) that electricity is an important source of funding for local government. The same analysis also revealed that IYM planned to obtain only 14% of its revenue from property rates, and another 16% from transfers and subsidies.

What was concerning was that – according to 2018/19 Budgeted Statement of Financial Performance - IYM planned to increase its electricity service revenue collection rate by 39% in the period between 2016/17 and 2018/19. This projected 39% increase was an entirely unrealistic target. This dramatic increase of anticipated collection served to inflate the amount of assets owned by the municipality in its *Statement of Financial Position* in a context where it is extremely unlikely that IYM would be able to successfully collect this revenue.

For instance, according to the Statement of Financial Position which report the municipalities financial performance, IYM (2019a) failed to even bill 27% of the R124,6m it had planned to

bill for electricity (R32,5m) by the fourth quarter in the 2018/19 financial year. This confirms that the municipality's planned electricity revenue targets were unrealistically inflated.

This analysis shows that IYM's planning processes did not correspond with their budgeting processes. IYM's resource mobilisation plans were unrealistic, and heavily reliant on electricity service charges – a service residents were reportedly unhappy about.

5.2.4. MPRM Process 4 – Resource Allocation

The resource allocation process marks a continuation of the budgeting process during the process of strategic management. According to Poister (2010: s249) the process of aligning strategic initiatives with budgets is crucial to convert strategic plans to strategic action. Yet again, it was difficult to prove the link between IYM's plans and its spending budgets due to IYM's poor reporting. The document analysis below considered IYM's budgets to assess how IYM planned to spend money it anticipated to collect, on electricity services.

Despite its plan to increase its electricity services collection rate by 38.9% in the period between 2016/17 and 2018/19, according to IYM's (2019a) budget tables, there was no significant planned increase in spending on electricity infrastructure between 2017/18 and 2018/19. According to its planned budget tables, which detail budgeted financial performance by function, IYM (2019a) only planned to increase electricity spending by R57 000 which marked a 0.8% increase. This failure to increase spending on dilapidated electricity infrastructure raised concerns because the municipality highlighted it in its IDP that the electricity infrastructure was aging and thus would obviously have required increased investment. And it stands to reason, that frequent breakdowns in the provision of electricity due to dilapidated electrical infrastructure would result in less consumption by residents. Less consumption of electricity would in turn result in less revenue being collected, which consequently, would limit the amount of money available to spend on electricity services provision (within the operating and capital budget).

It is important to note that for electricity services, it was impossible to establish how realistic IYM's (2019a) capital expenditure planned budgets were. The capital expenditure budgets presented, did not include figures for audited outcomes for 2016/17 for electricity under Trading Services. Additionally, it was not possible to establish how realistic the IYM capital expenditure targets for new assets for electricity were, because there were no audited outcome figures included in IYM's (2019a) budget tables which detail Asset Management for 2016/17.

The questionable reporting in IYM partially explained why MPAC Councillors generally

described reading and analysing budget documents as a “challenging” experience (Respondent 5, 14/10/2020; Respondent 6, 21/10/2020). This raised questions about how MPAC councillors managed to conduct oversight over the financial performance of the municipality. This is discussed in detail in the expenditure management process in MPRM Process 6 and the oversight process in MPRM Process 9 later in this chapter.

The poor reporting in IYM (2019a) is further demonstrated by the disconnect between what was stated in its planned budgets and the IDP, which this thesis established as the primary planning document in IYM. Specifically, between 2017/18 and 2018/19 IYM set a target of a 5% increase in capital expenditure spending for new assets for electricity services. As pointed out above, IYM planned to increase its electricity service collection rate by 38.9% in the period between 2016/17 and 2018/19, which creates the expectation that it would invest more in its electricity infrastructure and bulk services. However, according to the 2019/20 IDP, the municipality allocated R9 million for the electricity Infrastructure Upgrading project during the 2017/18 financial year. And further, R7 million was allocated for the same project for the 2018/19 financial year. Yet this information did not clearly reflect in the municipality’s budget documents for at the fourth quarter of the 2018/19 financial year. However, the very same IDP was not adopted in Council, and it is difficult to assure that the figures presented are verifiable. One may infer that due to a lack of clear strategic planning processes, and projects not being clearly costed, the municipality failed to be candid about the money it would allocate to which projects and when.

The resource allocation phased marks the end of the planning phase in the MPRM model. And the evidence collected through the document analysis and semi structured interviews indicated that there was not enough evidence to prove that there was a coherence between IYM’s strategic planning and budget processes. While the municipality’s role is clear and IYM knows what it is expected to do to provide electricity services, the municipality did not prove to have rigorous needs assessment systems to quantify the needs of its residents. As a result, IYM could not plan adequate activities to meet the needs of both the municipality and its residents. Furthermore, the poor quality of plans, affected IYM’s budgeting processes significantly. While the municipality had various avenues that it could potentially use to finance any planned activities, it was unclear from its budgeting and reporting documents what this money would be used for.

Based on the analysis conducted, this thesis posits that IYM could not claim that it conducts strategic management as this process was compromised due to the deficiencies presented during the planning phase – which affected the quality of budgeting in IYM.

Key contributors to poor planning in IYM were a lack of rigorous needs assessment, poor human resource management and poor reporting. However, what was interesting is that one could argue that these very same contributors to poor planning were the result of poor strategic planning. Nevertheless, since strategic management considers strategic planning, implementation and oversight, the next processes consider the effects of poor strategic planning on implementation processes below.

5.2.5. MPRM Process 5 – Revenue Collection

Revenue collection in the MPRM model, marks the first process of implementation within a strategic management process. And this section describes IYM's performance in collecting revenue relative to what it planned in the resource mobilisation planning processes above. This section maintains that poor strategic planning, and unrealistic budgets had negative effects on IYM's ability to collect revenue.

The document analysis indicated that IYM's revenue collection rates for electricity were very poor. According to IYM's (2019b) financial reports which detail actual reported cash flow, IYM failed to collect R20,8m out of the R131,6m it planned to collect in service charges (which includes electricity revenue collection) in the 2018/19 financial year. In other words, it under-collected its service charges by almost 14%. As highlighted above, this again indicates that its electricity revenue targets were slightly unrealistic, or that the municipality is not doing enough to encourage residents to pay for municipal services. The under-collection of revenue generated from selling electricity and refuse removal is even more concerning considering that this made up 50% of revenue that IYM planned to collect.

The IAU official's insights contradicted the assertion that electricity is the main source of revenue in IYM:

“Our revenue collection is very poor, it's very low. Because some wards are not under the municipality for electricity, they are under Eskom. And the municipality tried to fight to have these wards under the municipality. So our main revenues come from refuse removal.” (Respondent 2, 22/10/2020).

According to the debtor's collection rate detailed in financial reports, IYM (2019b) indicated that for the fourth quarter in 2018/19 it collected over 100% of what it billed for property rates, electricity, and refuse. However, the figures presented in the reported summaries were contradicted by the figures presented in financial performance reports (IYM, 2019b). The financial reports indicated that R124,6m was budgeted for collection on electricity, but inexplicably this amount is reduced to R96,9m in its report summary (IYM, 2019b).

In other words, the initial budgeted amount which was meant to be collected was reduced by an amount of R27,7m or 22,2% of what was planned. IYM's (2019b) financial reports indicated that by the fourth quarter of 2018/19, IYM only billed R92m from the R124m was intended at the beginning of the financial year– this R92m represented an under billing of R32m or 25,8%. I argue that this reflected the poor strategic planning in the municipality, which was based on figures that overestimated the amounts that the municipality could potentially collect, because there were inadequate assessments of needs in the first place. However, the reported figures also could indicate that the municipality was not being honest in its reporting which manipulated the figures to bolster municipal collection rates. IYM's financial reports created the impression that electricity revenue had been over-collected by 6% (Table C1). For this reason, the debtor's collection rate presented in Table C1 cannot be trusted and constitutes a misrepresentation of the actual debtor's position of IYM.

Additionally, it was difficult to establish how much capital revenue IYM collected/received in the 2018/19 financial year. The figures for capital revenue received in IYM's (2019b) financial report which detail the municipality's capital expenditure simply did not make sense. IYM reported that it had only received 74% of its capital revenue from national government transfers, but its adjusted budget (R4,7m) was significantly lower than the money they anticipated to collect by the end of the year (R36,1m), which was incoherent. Such examples of incoherence tend to confirm the difficulties faced by oversight bodies such as MPAC when trying to perform oversight using municipal reporting documents (which are further discussed in MPRM Process 9).

Yet again, this thesis posits that poor human resource management, was a potential contributor to the poor quality of budget planning and reporting in IYM. According to the 2019/20 IDP, other vacant posts in IYM included a Revenue & Expenditure Manager, Expenditure Controller, Budget & Reporting Accountant, and an Accountant for Assets (IYM, 2020a: 386). Again, the poor human resource management in IYM demonstrates a lack of strategic planning and poor recruitment strategies because the municipality was supposed to regularly conduct an internal evaluation of its needs to ensure that there would be individuals who assist the process of converting state funds to effective service delivery as mandated by legislation. In summary, I argue that poor strategic planning in IYM affected the municipality's revenue collection processes, highlighting the interconnectedness of strategic planning and implementation in strategic management. Revenue collection was based on figures that overestimated the amounts that the municipality could potentially collect, and this thesis maintains that this was the result of inadequate assessments of residents' needs in the first place.

Nevertheless, this thesis noted the effects of human resource management which affected revenue collection processes due to understaffing. However, this thesis does not overlook the probability that the poor quality of reporting in IYM could indicate that the municipality was not being honest in its reporting as it manipulated the figures to bolster municipal collection rates.

5.2.6. MPRM Process 6 – Expenditure Management

In line with a strategic management approach, expenditure management as an implementation process was considered relative to what was indicated in the municipality's planning documents. Expenditure management has the strongest relationship with the resource allocation process in MPRM Process 4. As explained earlier, the expenditure management process is necessary to track the spending of collected funds against expenditure targets in the budget and it highlights the importance of having internal controls to identify and mitigate risks which could hinder the progressive realisation of needs (Allan, 2019: 63). However, based on findings from the revenue collection, IYM overestimated its ability to generate revenue as under-collected revenue from service charges which would inevitably have a negative impact on expenditure since this would result in the municipality having less funds to spend.

According to IYM's (2019b) financial statements by the end of the 2018/19 fourth quarter, IYM had reportedly underspent its total operating budget by R89,8m (31%) and had underspent its electricity services budget by 42% (an amount of R29m). In addition, the same financial statement indicated that IYM reported that it spent 30,4% of its operating costs on wages and salaries, which is within the National Treasury expenditure norms which range between 25 and 40% of operating costs. However, in the context that IYM had a significant number of vacant posts, this indicated that IYM is actually overspending on employee costs, and in fact does not have enough money to hire all the individuals necessary to implement services within the municipality.

IYM's (2019b) financial summary report for the fourth quarter in 2018/19 also indicated that IYM underspent its total capital expenditure budget of R42,6m by R15,8m which is 37% of the original budgeted expenditure. As highlighted earlier, part of IYM's role was facilitating bulk purchases of electricity supply from Eskom (IYM, 2020a: 140). However, IYM had underspent on its bulk purchases by R27m (42%) which means that the municipality initially did not have a clear estimate of how much electricity its residents used on average, and thus its budgets were not informed by realistic costs. Alternatively, IYM's underspending implies that they did not buy enough electricity to cater to its residents during the year, further proving the

negative effects of strategic planning on electricity service outcomes.

IYM's entire budget for debt impairment, depreciation and asset impairment, was left unspent, which indicated that the municipality was not marking the decreasing value of its assets and was not properly putting measures in place to maintain their assets.

National Treasury requires at least 8% of fixed assets to be spent on repairs and maintenance per year. However, IYM's (2019b) Asset Management financial reports, IYM spent less than 1% (0,69%) on repairs and maintenance which explains the poor quality of its existing and outdated network. According to its budgets, IYM apparently spent R10,1m out of its R12,5m capital expenditure budget for new assets for electricity, which meant it still underspent its capital expenditure budget for new electricity assets by 19%.

The events reported in the document analysis, which indicated that IYM was significantly underspending, contradicted the Technical Services senior official's views who felt that the municipality was failing to effectively deliver services due to not receiving enough funding to conduct maintenance. The senior official explained:

“The main challenge...we've got an aging infrastructure...it's very old and the funding that we are receiving from INEP is not sufficient to cover a large scope of work. So, then we can't close the gap in terms of the backlog that we are having. Hence, we are still experiencing in those areas where the infrastructure is old like in the Coloured area in Cradock, Michausdal, there is always electricity outages. You need to replace this and replace that.” (Respondent 1, 21/10/2020).

The 2019/20 IDP claimed that the municipality had managed to spend 100% of its capital budget (IYM, 2020a: 27). However, no explanations were provided as to what the said capital budget was spent on, or why they were reported incorrectly in the first place – that is if the reported figures were errors. The former Audit Committee member's insights shed light on IYM's expenditure patterns:

“Capital Expenditure was always behind schedule exposing the municipality to the risk of irregular expenditure towards the end of the year as SCM processes could then be compromised” (Respondent 3, 01/12/2020).

MPAC Councillors supported the views expressed by the former Audit Committee member who expressed extreme concern about expenditure management in the municipality. Respondent 4 (15/10/2020) described expenditure management in IYM as very poor, and further suggested that the quality of expenditure management was the cause of the recent raid by the Hawks. According to the AGSA (2020: para. 63) the investigation related to a disregard for tender awarding processes for “road construction, maintenance projects and the design of a community hall in the municipal district”.

The outcomes of the Hawks investigation are still unknown. Furthermore, I argue that the polarised responses from those charged with implementing service delivery and oversight bodies, highlights the importance of strategic management in ensuring accountability in municipalities.

Despite the document analysis indicating that there was poor expenditure management in IYM, the semi structured interview process wanted to understand what IYM actually spent municipal resources on from the perspective of the officials who implement activities on a day-to-day basis. This would help to compare whether IYM was implementing the activities that it planned in its IDP – since the SDBIP was not functional.

The Technical Services senior official gave examples of projects that had been a priority in IYM around the time the interview was being conducted, and the activities highlighted by corresponded with activities mentioned in the 2018/19 IDP (IYM, 2018: 344). According to the senior official:

“There’s an old location called Lusaka where they have built 2 room houses. We were ensuring the electricity supply in the area of the 2 room houses. From there there’s an area outside called Rosmead, it’s a small location or community. In that area there’s an installation of electricity, streetlights and there are houses that don’t have electricity there.” (Respondent 1, 21/10/2020).

At the end of the 2018/19 financial year, IYM reported that it generated a surplus of R35,7 million. However, according to the AGSA (2019: para.7) IYM owed more than it owned, as its current liabilities exceed its current assets, therefore there was significant doubt that the municipality would be able to continue to function. The same concern was raised in the AGSA (2018: para.7) 2017/18 Audit report for IYM – highlighting the consequences of a lack of strategic management over a decade. According to National Treasury’s MFMA website, at the end of the fourth quarter in the 2017/18 financial year, IYM owed R79.3 million to its creditors, which points to a history poor municipal resource management which continues to date.

The 2018/19 Audit Report also gave key insights about expenditure management in IYM. Based on the AGSA (2019: para. 59) IYM failed to pay money it owed within 30 days as required by legislation. According to the AGSA (2019: para: 62-64) reasonable steps were not taken to ensure the prevention of UIFW expenditure which had increased from 2018-2019. Unauthorised expenditure had increased from R45.6 million in 2018, to R76,8 million in 2019 (AGSA, 2019a: para.14) Irregular expenditure increased by R3,5 million and Fruitless and Wasteful expenditure also increased from R7.8 million in 2018 to 13,6 million in 2019 (AGSA,2019a para. 14&15).

In summary, the analysis of this process shows that IYM did not have clear plans on how to spend its money due to a lack of clear costing in previous processes, and this had negative effects on the spending of funds for big capital projects for electricity, and for day to day operations, which posed a major risk for IYM.

5.2.7. MPRM Process 7 – Performance Management

At the heart of strategic management processes are people that are expected to perform the activities listed in strategic plans, the implementation of service delivery processes and oversight. Therefore performance management is an important process. However, like Poister & Streib (2001: 240) who highlighted the challenges faced by local municipalities internationally, Knies et al., (2018: 1) argue that many countries are challenged by limited resources which fail to meet the expectations and needs of citizens. Therefore, against this backdrop, it becomes even more critical to implement effective strategic management. As in the previous processes, this section highlights the effects of poor strategic planning on performance management, and explains how expenditure management contributed to poor performance management in IYM.

According to the MPRM model, based on the performance management process, IYM is expected to have clear plans highlighting the division of labour in the IYM Technical Services Department. This means that employees should have written contracts, clear job descriptions and performance agreements, which align with the institutional plans informed by existing priority needs.

Another key consideration was confirming whether IYM had a clear Performance Management System (PMS) which is in line with its priorities, objectives, performance indicators and targets set out in IYM's strategic plans such as the IDP and SDBIP – which are its key strategic planning documents. The section below considers the findings based on the document analysis and responses from semi-structured interviews.

According to the 2019/20 IDP, IYM had an existing Performance Management System in place (IYM, 2020a: 180). The 2018/19 IDP explained that the Performance Management System in IYM was adopted in 2009 and was being re-reviewed (IYM 2018: 145). However, there was no meaningful engagement with what 'performance management' means for IYM in its 2019/20 IDP, and the outcomes of the 2018/19 "review" were not mentioned. More concerning, according to the 2019/20 Audit Report, the AGSA (2020: para 43) maintained that "a performance management system was not established, as required by section 38(a) of the Municipal Systems Act".

The appraisal of the performance management process also considered whether there were sufficient staff members on the municipality payroll to render electricity services to residents. Again, there was a disconnect with the views of the Technical Services senior official and the MPAC Councillors responsible for conducting oversight. And this confirms the importance of triangulation of data to verify information, and strategic management in municipalities.

Responses from the semi-structured interviews indicated that MPAC Councillors Respondent 4 (15/10/2020) and Respondent 6 (21/10/2020), both believed that there were sufficient electricity services staff in the municipality. One MPAC Councillor elaborated that they did not believe that some of the electricity services staff were fully capacitated for the work they were performing:

“A few of them are fully qualified electricians that are certified to climb up the ladder to work at the top end of the pole. Not everybody can do that. We’ve got too few qualified [electricians], some acquired skills on the job but with no certified qualification. And their management is so poor – they wear no protective gear! Our electrical staff will climb without a harness, with flip flops and a t-shirt. Even the quality of supervision is non-existent.” (Respondent 6, 21/10/2020).

However, as explained in the strategic planning process, the municipality had several vacant positions, which significantly affected the Technical Services department. IYM had no Technical Services Director, and there was also no Performance Management System (PMS) Manager. Other vacant positions included artisan mechanics, artisan electricians, electrical metering artisans, electricity service technicians, electrical superintendents, distribution superintendents, meter readers.

The Technical Services senior official confirmed that the Technical Services department had insufficient staff:

“We have insufficient staff because it’s not according to the approved structure because some of the vacancies were not filled.” (Respondent 1, 21/10/2020).

While this thesis acknowledges that IYM was significantly understaffed, the data collection and analysis process also considered how the performance of the existing staff is managed.

The document analysis also revealed through the 2018/19 IDP that not all employees had job descriptions, although the Human Resources Department had updated a few job descriptions – one which included the Chief: Electrical Services (IYM, 2018: 144). This thesis posits that a lack of clear job descriptions, was linked to poor human resource management processes in IYM which were central to poor planning practices within the municipality, as explained earlier. Based on the lack of job descriptions, one can argue that employees did not know what was expected from them in the municipality due to a lack of strategic planning.

Therefore, this revolving cycle in turn explains why strategic plans had incoherent performance targets and indicators in the IDP – employees may not have had a clear indication of what is expected. Furthermore, IYM had no Electricity Master Plan to adequately set out the long-term planning for electricity services, but it also lacked short-term clear, costed plans in its IDP and SDBIP. Therefore, not only did IYM fail to set direction for its employees, it also failed to control them.

The audit reports for 2018/19 raised several concerns relating to performance management in the Technical Services department for electricity services. According to the AGSA (2019: para.35) IYM had inflated its reported achievement, because the audited values were significantly lower.

Indicator Description	Reported Achievement	Audited Value
Number of streetlights repaired	174	77
Number of faulty electrical meters repaired	361	0

Source: AGSA (2019) Inxuba Yethemba Audit Report for the year ended 30 June 2019

The semi-structured interviews were used to obtain explanations and justifications about the information gathered from the document analysis, which would also fill in the gaps in details about the everyday performance of municipal officials. The process of semi-structured interviews also indicated that the former Audit Committee member and one MPAC Councillor felt that the poor implementation of performance management processes was central to IYM’s poor service delivery outcomes (Respondent 3, 01/12/2020; Respondent 6, 21/10/2020). And again, this contradicted the Technical Services senior official view that limited financial resources were at the core of IYM’s service, as explained earlier in the chapter.

When asked to comment on what caused the discrepancies in reported values vs audited values for the work done by the Technical Services department, the Technical Services senior official explained that the electricians often do not record their work on the appropriate registers:

“If this electrician is on standby, let’s say you are called to fix a faulty electrical box...then when you come back, you must record the complaint in the register...because, if you do not record that complaint in the register...and at the stores, it recorded that there was material taken for this work...then the whole issue of recording will not be aligned and as such it will mess up with your reports. (Respondent 1, 21/10/2020).

The senior official also explained that electricity service personnel do not conduct monthly reflections and reporting (Respondent 1, 21/10/2020). Rather, the officials will often wait for

the end of the quarter to reconcile their reporting figures which makes it difficult to keep track of what work was done and when (Respondent 1, 21/10/2020). There were no explanations provided on what disciplinary measures were taken, which suggested that there were potentially weak systems of corrective action within the municipality. The section below considers a deeper analysis of performance management in IYM, and its link to strategic plans.

All MPAC councillors that were interviewed agreed that the standard of performance management in IYM was very poor, and this thesis posits that this was because IYM failed to clearly set out its strategic plans. Poor planning in IYM affected the municipality's ability to produce clear budgets which explain where IYM would get money, and how it would spend it. IYM thus failed to effectively implement revenue collection. The section below proves how limited funds from revenue collection, which was the result of poor planning, resulted in poor expenditure management, which contributed to poor performance management.

Firstly, all the MPAC Councillors agreed that the Technical Services Department did not meet the required standard and that it took way too long to resolve electricity service delivery issues. The Councillors gave examples:

“For example, with regards to streetlights. With streetlights you cannot take 6 months...” (Respondent 5, 14/10/2020)

Disheartened, another MPAC Councillor echoed similar sentiments:

“Some of the issues have been raised before but nothing has been done 18 months later.” (Respondent 4, 15/10/2020)

Another very frustrated MPAC Councillor added:

“To install meters, I'd say maybe 10% is done. The fact is they don't have money to buy prepaid meters. They don't have money to buy stock!” (Respondent 6, 21/10/2020).

Respondent 6 also gave an account of the day to day functioning of municipal officials:

“Electricians report late for duty, they are never there at 07h45. They stand in the sun for an hour and a half before doing field work then they never finish those things... They [IYM officials] don't have a single prepaid meter in stock in Cradock that if a meter breaks at a house, it can be replaced [by the municipality]. So, what happens is they [IYM electricians] connect the house directly to the pole outside without a meter to control the household usage, and they leave it that way for 3 years. And it's not that the resident is stealing it, the electricians of the municipality made that link with the pole bypassing the prepaid meter. Those people [residents] will go on a monthly basis to the Technical Services to complain and request meters.”

According to Baker & Phillips (2019: 182) while electricity theft is often associated with low-income houses, this is often organised and done by businesses, which supports the case highlighted by Respondent 6.

IYM incurred electricity losses worth R11,8 million in 2019, which increased from R7,9 million in 2018 (AGSA, 2019a: para.11). These illegal electricity connections, which bypass the municipality's (or Eskom's) meters, contribute to the interrupted power supply – and in the worst cases – have resulted in electrocutions from live wires which may result in injuries or death (Baker, 2019: 182).

Nevertheless, the Technical Services senior official confirmed some of the claims made by MPAC Councillors stating that the municipality generally took too long to respond to the needs of residents. The senior official explained why the Technical Services Department staff failed to efficiently deliver electricity services within the recommended Standard Operation Procedures:

“I would say it's very much difficult to assess the performance of the staff if your support system is not in order.... Like I'm saying, sometimes we don't have materials because of our supply chain, or cash flow issues and sometimes it might be a vehicle issue. So that will be a challenge” (Respondent 1, 21/10/2020).

The explanation presented by the Technical Services director, directly proves how Vinzant & Vinzant (1996, cited in Poister & Streib, 2005: 46) were correct in stating that strategic planning and budgeting are important elements in strategic planning. But more importantly, that Streib (1999 in Poister & Streib, 2005: 46) was justified to add performance management to these strategic management considerations. But even more, that the MPRM model is holistic in its approach as it fills the gaps between the broad processes highlighted by the aforementioned authors.

In essence, this process proved that the effects of poor strategic planning in IYM had several budgeting processes which limited the municipality's ability to effectively collect revenue to fund service delivery processes. Again, due to poor planning, IYM failed to spend the money it had because the municipality did not have long-term plans such as the Electricity Master Plan, which set the direction for electricity service development. But also, IYM did not have coherent short-term plans which detailed what electricity service projects would cost in a given year.

The poor expenditure management, which was the result of poor planning, thus significantly impacted employees in the Technical Services department. Due to poor planning and expenditure management in IYM, the municipality had neglected maintaining its assets. Therefore, vehicles would also break down when needed by municipal officials who were thus rendered unable to measure their performance based on IYM's Standard Operating Procedure benchmarks.

Furthermore, the effects of poor human resource management, which had a significant impact on the quality of several processes in the strategic planning and implementation phase are also attributed to a lack of strategic planning and poor oversight. The sections below consider how IYM dealt with the misuse and abuse of state resources, and explains why oversight did not mitigate the poor implementation of service delivery process as discussed above.

5.2.8. MPRM Process 8 – Preventive and Corrective Action

The process of strategic management is meant to be a responsive one where feedback can be provided to enhance the processes of strategic planning and implementation and oversight (Bryson & George 2020: 8). However, the quality of expenditure management and performance management bears testament to the assertion that IYM did not have strong preventive and corrective measures in place. This thesis also posits that a lack of adequate preventative and corrective measures reflects poor strategic planning and a lack of effective oversight in IYM.

According to the MPRM model, IYM was responsible for establishing systems that would mitigate the ineffective use and abuse of public resources. These systems included developing a risk register, declaration of interest forms for municipal officials, councillors and personnel in the SCM department. Additionally, IYM had to ensure that it had a register detailing and categorising UIFW expenditure. The document analysis indicated that the municipality had an existing risk register, Declaration of Interest forms, and a UIFW register. However, the existence of these preventive measures did not seem to curb UIFW expenditure and fraud that was allegedly happening within the municipality. As a result, the analysis of this process primarily focused on practical descriptions of how real cases of poor performance were handled.

The IAU official explained how the risk register is used:

“Remember we [IYM] have a risk register. So, they [municipal officials] normally reflect and list actions to mitigate the identified risks. So, we [risk management officials] need to monitor the risk register closely, so we can see that those identified actions are implemented. On a quarterly basis we [risk management officials] usually ask for evidence to verify against what is being reported. That’s what we do to manage risk.” (Respondent 2, 22/10/2020).

The former Audit Committee member suggested that there were weaknesses in risk management processes in IYM because there were inconsistencies with the number of times the committee had to meet (Respondent 3, 01/12/2020). The former Audit Committee member was also the only interviewed research participant who made mention of IAU inefficiencies in mitigating risk during the strategic management process.

The former Audit Committee member explained:

“Internal Audit was very weak. Communication was poor. Documents/agendas [submitted to prior to meetings] were late and incomplete.” (Respondent 3, 01/12/2020).

When asked to explain the role the IAU plays in relation to the Technical Services department, the IAU official first contextualised challenges faced by the IAU:

Firstly, let me highlight the challenges that the IAU faces. We have a challenge of...the unit is not fully staffed. We are understaffed. Currently, I’m the only official here. So according to the organogram we only have three positions that were occupied but one resigned, then we were left with two and that one was suspended. So, I’m the only one who is available.” (Respondent 2, 22/10/2020).

The IAU official explained that the IAU essentially evaluated the performance reports submitted by departments, such as the Technical Services, and verified if the reported performance is true through conducting site visits (Respondent 2, 22/10/2020). Then based on their audit findings, the IAU made recommendation on remedial actions to remedy existing problems, or suggestions to aid the prevention of poor performance in future. Evidently, the IAU was struggling because it failed to pick up that the Technical Services Department had discrepancies in their performance reporting as highlighted in the performance management process. Thus, confirming the claims made by the former Audit Committee member about IAU being “very weak” (Respondent 3, 01/12/2020).

Again, human resource management which was the result of poor planning in IYM was again a contributing factor to the poor performance of the IAU which was failing to effectively mitigate risks concerning planning, budgeting, expenditure management and performance management in IYM.

Nevertheless, where preventive measures failed, the municipality also proved to be lackadaisical in its approach to corrective actions. The 2018/19 Annual Report highlighted that in the absence of an Anti-Corruption Unit, the IAU were responsible for carrying out the role of the Anti-Corruption Unit (IYM, 2019c: 53). According to the 2018/19 IDP, disciplinary cases in IYM were reported in the Corporate Services Standing Committee meetings (IYM, 2018: 145). According to IYM (2019b: 194), there were 6 disciplinary reports in IYM in the 2018/19 financial year. However, there is no elaboration on what these disciplinary processes were about, only that they were “effectively managed within the relevant time-frames” and others outside of time frames due to availability of the Prosecutors (IYM, 2019c: 285). On a more general level, this thesis maintains that IYM had poor systems for effective corrective action.

Specifically, the lack of consequence management in IYM was illustrated by a lack of adequate disciplinary measures for municipal officials who allegedly reported late for duty and those who failed to meet performance targets set in the municipality's strategic plans.

According to the former Audit Committee member the quality of strategic planning in IYM was directly linked to a lack of corrective action in IYM. After describing strategic planning in IYM as "very poor", the former Audit Committee member explained:

"The Finance Director was underperforming with no consequence management."
(Respondent 3, 01/12/2020)

This assertion made by the former Audit Committee member contributed to explanations about the relationship between strategic planning and the poor implementation of budget processes explained earlier in MPRM Process 4 – 6 which explained the quality of resource allocation, revenue collection and revenue expenditure. Respondent 3's (01/12/2020) assertion further emphasised the interdependent relationship of planning, budgeting, expenditure management, performance management, and now preventive and corrective action.

One MPAC Councillor gave examples of cases of ineffective use and abuse of state resources, which were relevant to electricity services:

"Our chief electrician has been suspended now, since the first week in July 2019. Up to now [21/10/2020] he's still suspended on full pay and no charges have been put to him. He [the chief electrician] was suspected for stealing cables from the municipalities and sharing the money, and when they [alleged accomplices] didn't get [the expected compensation], they reported him [the chief electrician]. Abattoirs were out of electricity for 5 days. Cameras caught them pulling out the cables" (Respondent 6, 21/10/2020).

The same MPAC Councillor also had concerns about the INEP funded Electricity Infrastructure Upgrade project discussed earlier in this chapter:

"I've tried for 2 years now to get them to do an investigation into this contract that was awarded for ten million rand. But they are ignoring it because they know that there is corruption. But there's no investigation, there's no consequence management, there's no follow up." (Respondent 6, 21/10/2020).

The irony in the statement presented by Respondent 6 (21/10/2020) is that the responsibility to perform investigations into UIFW expenditure was part of the role of MPAC – which Respondent 6 is part of – indicating that capacity may be a contributing challenge in the functioning of MPAC. The role of MPAC is discussed in detail in the next process. However, both the 2018/19 and 2019/20 Audit Report indicated that there were no investigations on UIFW expenditure conducted by MPAC (AGSA, 2019a; AGSA, 2020).

The Auditor General attributed the lack of consequence management to MPAC's failure to conduct investigations into UIFW so that appropriate disciplinary measures could be taken (AGSA, 2019; AGSA, 2020).

Botlhoko's (2017) study confirmed that IYM was simply a microcosm of other municipalities in South Africa as it highlighted inefficiencies in several municipalities in the North West province which were similar to those in IYM over the past decade. Like IYM, most municipalities discussed by Botlhoko's (2017) study were also struggling to effectively implement corrective actions. Regular patterns of behaviour often observed in these municipalities included the provision of inaccurate financial data, and weak or inadequate systems to investigate UIFW expenditure (Botlhoko, 2017:191). Some of these municipalities also often had no personnel filling key vacancies, and there was a lack of consequences of poor performance – which is similar to the case of IYM (Botlhoko, 2017: 177).

Nevertheless, while IYM seemed to not prioritise preventive and corrective action, some cases did receive attention. One MPAC Councillor elaborated:

“There's not even one [corrective action] that has been taken. The only action I can refer to is that which was taken by the Public Protector. It's the Public Protector who made those recommendations [which were taken seriously]. That's what led to the removal of the Executive Mayor and the then Chief Whip.” (Respondent 5, 14/10/2020).

In the case highlighted by Respondent 5, the Executive Mayor failed to comply with the municipality's Supply Chain Management policy on three counts, and thus the municipality incurred irregular and wasteful expenditure. The first count was for the transportation of 60 individuals from Cradock to Johannesburg, and back for a political rally. The expenses from this first charge cost the municipality R45 000 and this maladministration resulted in the misappropriation of public funds.

The second count was the procuring of a luxury vehicle at the cost of R8 200 for the same trip used in the first count. And finally, the third count was for transportation procured for 180 individuals to travel from Cradock to Mthatha and back for a political rally in 2017. The final mentioned trip cost the municipality R72 000. However, this case was reported to the Public Protector by a member of an opposition party. So, it does not reflect on the degree to which the administration is or is not implementing corrective action.

The report of the Public Protector demonstrates that the responsibility to effectively administer service provision should not be left to municipal officials alone, hence the need for strategic management in municipalities.

Specifically, if left unchecked, municipal officials have the capacity to misuse and abuse municipal resources which are meant to provide for the needs of community members. Therefore, the next and final phase in the MPRM model is important, as it highlights the significance of oversight in municipalities, in addition to strategic planning and implementation – as per the recommendations of strategic management.

5.2.9. MPRM Process 9 – Oversight

As highlighted earlier, strategic management is marked by a clear separation between strategic planning, implementation and evaluation/oversight processes. The earlier processes considered how the needs assessment processes affected the formulation of strategic plans. And subsequently, how poor strategic planning affected the implementation of budget processes, revenue collection, expenditure management, performance management and corrective action. However, this section focuses on describing how oversight is implemented in IYM, and its effects on the above-mentioned MPRM processes.

Here, oversight is primarily from the perspective of MPAC, but to add further insights about oversight in IYM, responses from the IAU and Audit Committee perspectives are also included.

As explained in the MPRM model, MPAC oversees the financial and non-financial performance of the municipal administrative and executive on behalf of council. And according to IYM MPAC's own Terms of Reference adopted by council, MPAC was expected to: (i) exercise oversight on behalf of Council over the municipal executive and administration, and (ii) assist in raising awareness on financial and performance issues with the council and the public (IYM, n.d., para: 4). In addition to this, at the end of the financial year, the oversight process was marked by the Auditor General conducting an external audit on both the financial and non-financial performance of the municipality.

The IYM MPAC consisted of five Councillors – where three Councillors were from the African National Congress (ANC) (representing 60% of votes) and the other two from the Democratic Alliance (DA) (representing 40% of votes) (IYM, 2019c: 39). All five councillors were approached to participate in the study, and while all initially showed interest, only three committed and actively participated in the interviews.

To protect the identity of the councillors, no references to their age, gender, race or political affiliation were made during this thesis. And as indicated in the strategic planning process above (MPRM Process 2), one of the vacant posts in the municipality was that of an MPAC coordinator (IYM, 2020a: 384).

In the process of trying to establish the division of labour within MPAC, all the interviewed MPAC members confirmed that there was no formal division of labour within the IYM MPAC, and that all councillors worked together to perform their oversight role (Respondent 4, 15/10/2020; Respondent 5, 14/10/2020; Respondent 6, 21/10/2020). The only distinct roles in within MPAC were those of the MPAC Chairperson (occupied by one of the Councillors) and the vacant MPAC coordinator post.

According to IYM's 2019/20 IDP, the IYM MPAC was "fully functional" (2020a: 26). However, the research conducted for this thesis finds no evidence to support these claims. Instead, this thesis maintains that the IYM MPAC cannot be considered as fully functional in the section below. Firstly, the IYM MPAC did not publish sufficient documents, as required by legislation, for an adequate document analysis to be conducted on its performance. Key documents produced by MPAC included the Oversight Report. However, prior to the 2017/18 financial year MPAC had not published any Oversight Reports as required by MFMA Circular 32. Moreover, the quality of the Oversight Report drafted by MPAC for 2017/18 and 2018/19 were materially different and displayed a decline in the degree of analysis. As a result, the document analysis considered the IYM's Annual Reports and AGSA audit reports.

During the document analysis, the first observation made was that the 2017/18 and 2018/19 Oversight Reports were different. The oversight report should be accompanied by a checklist with questions to be answered by the Municipal Manager as per MFMA (2006) Circular 32. However, the 2018/19 Oversight Report had limited information, and no checklist attached. The lack of rigour in analysis was attributed the inability to effectively communicate with stakeholders due to the Declaration of state of Disaster on 15 March 2020 (IYM, 2020c: 6).

As a result of the limited documentation of oversight in IYM, triangulation of qualitative descriptions from semi-structured interviews with MPAC Councillors – who were interviewed individually (rather than in a focus group) – were central to this data analysis process.

In line with the Terms of Reference adopted by the IYM Council, and normative MPRM guidelines, this section considers how effectively MPAC fulfilled its oversight role. As mentioned above, MPAC's oversight roles included: (i) exercising oversight on behalf of council over the municipal executive and administration, and (ii) assisting in raising awareness on financial and performance issues with the council and the public (IYM, n.d, para: 4). And the analysis considers these oversight roles in the presented sequence.

The assessment of MPAC's ability to implement its role was determined through the process the

key activities MPAC councillors implemented to ensure the effective and efficient provision of electricity services in IYM, which are described in detail. And later, this section considered the relationship between MPAC and other oversight bodies in IYM, to establish whether there were clear separation of powers and function in IYM. And finally, the challenges that inhibit MPAC's effective performance are also discussed.

Contrary to findings in the IYM (2020a: 26) IDP, which claimed that IYM was fully functional, the document analysis and semi-structured interviews indicated that the IYM MPAC failed to exercise oversight on behalf of council over the municipal executive and administration. MPAC's ability to perform its oversight role as a committee of council, was considered relative to its annual work plan which must be tabled and approved by council annually according to legislation (National Treasury, 2006: 10).

The MPAC work plan helped the committee to keep track of the monthly activities it is supposed to perform to effectively exercise its oversight role which include: conducting investigations and reporting about UIFW expenditure, reflecting on the appropriateness of the Annual Report presented by the IYM administration, and drafting the Oversight Report based on findings – using dates prescribed in the MFMA (2003), Systems Act (2000), National Treasury (2006) MFMA Circular 32 and any other supporting legislation.

All MPAC members (Respondent 4, 5 and 6) agreed that only a few tasks in the work plan were completed in any given year. General tasks that the committee often managed to complete included: requesting verification of the publication of documents, investigating UIFW reports, performing service delivery project site visits to assess whether there was value for money, and drafting the Oversight Report on the Annual Report. However, in 2020, MPAC reported that their capabilities were limited by the surge of the CORONA Virus Pandemic which started in March 2020, and the suspension of the Internal Audit Manager who significantly contributed to the process of investigating UIFW expenditure (IYM, 2020c; Respondent 5, 14/10/2020).

Respondent 6 (21/10/2020) admitted that in 2020, the only significant task completed on the MPAC work plan was the drafting and tabling of the 2018/19 Oversight Report which was required to be adopted by the 31st of March annually. However, beyond that, Respondent 4 (15/10/2020) and Respondent 6 (21/10/2020) acknowledged that there was no oversight conducted on electricity service provision.

“None of the planned activities have to do with electricity provision... As MPAC we did not plan anything. But in my personal capacity I check.” (Respondent 4, 15/10/2020).

Despite MPAC's admitted inability to perform oversight on behalf of the IYM council, this thesis posits that a key contributing factor was a general lack of strategic planning in IYM, as discussed in the MPRM processes above. This argument is in line with the strategic management approach, which recognises that IYM failed to produce effective strategic plans due to a lack of needs assessment, which in turn affected implementation processes and subsequently the oversight process.

Specifically, due to a lack of strategic planning in IYM, the municipality did not have an Electricity Master Plan which set out its long term plans. The discussion earlier proved that it also did not have short term plans, as this thesis maintained that IYM also did not have a functional SDBIP to guide the annual projects in the municipality. However, in its incorrectly used IDP – which is meant to be a 5-year strategic plan, revised annually as needed – IYM (2020a) did not fully disclose all the electricity services projects it would be implementing as these are meant to be detailed in the SDBIP. And the presented KPIs or performance targets used in strategic plans were often incoherent. Therefore, this thesis maintains that oversight by the IYM MPAC was bound to be inadequate because it did not know what to oversee to evaluate non-financial performance, since this was not clearly set out in the IDP, used as the main planning document, as opposed to the SDBIP, which was not finalised.

Furthermore, a lack of strategic planning in IYM severely undermined the budgeting process, explained in the resource mobilisation planning and resource allocation processes above. In the budget planning and formulation processes, IYM failed to produce sound revenue collection and spending targets. Specifically, not only were budgets often unrealistic (which affected revenue collection processes), but financial reporting on the expenditure of municipal funds in the municipality seemed quite unreliable. Therefore, again as a result of strategic planning, the IYM MPAC could not aid the process of strategic management because it could not effectively perform oversight on IYM's financial performance either – which were meant to be clearly set out in the Electricity Master Plan, IDP and SDBIP.

The framing of the events in IYM within a strategic management framework in this thesis, further prove the point that despite developments made by authors such as Bryson (1995), Berry (2010) and Poister & Streib (2001) strategic management remains misunderstood and poorly applied in the public sector (Johnsen, 2015; Maleka, 2014; Poister & Streib, 2005). Additionally, the views expressed in this thesis expand van der Waldt's (2015:4) view that a lack of oversight causes dysfunctionality in municipalities. Rather, this thesis maintains that it is a lack of strategic management (which considers the effects of strategic planning,

implementation and oversight) that creates instability and dysfunction in municipalities. This argument further highlights why it is ineffective to solely attribute poor service delivery to individual factors such as councillor interference and political manipulation (Reddy, 2016), corruption and lack of accountability and transparency (Pillay, 2016), inadequate citizen participation (Ngcobo & Mdani, 2015) or poor human resource management policies (Dzansi & Dzansi, 2010).

Nevertheless, to conduct oversight over the administration and executive in the absence of an Electricity Master Plan, MPAC Councillors mentioned that MPAC used a Project Management Unit (PMU) document which lists existing projects and their status. According to van der Waldt (2015: 11) every municipality which received a Municipal Infrastructure (MIG) grant, is mandated to establish a PMU which should facilitate the co-ordination of projects and ensure that projects meet planning objectives. Participants in van der Waldt's (2015: 12) study argued that the PMU plays a central role to service delivery – however IYM barely reported about it.

One MPAC Councillor raised concerns about the PMU document used in IYM:

“What happens is that there are sometimes discrepancies where documents claim that projects are completed, but when we perform site visits, they are not.” (Respondent 4, 15/10/2020).

The same MPAC Councillor highlighted that electricity projects they were aware of included the installation of high mast lights and overseeing the substation where a palisade fence had been stolen in 2019 (Respondent 4, 15/10/2020). The 2018/19 Annual Report made no reference to the substation. However, the ‘Michausdal and Hillside High Mast Lights’ project was reportedly still in the construction phase according to the 2018/19 Annual Report (IYM, 2019c: 335). What was concerning is that the very same High Mast Light project had different allocations reported in the 2018/19 Annual Report, versus the 2019/20 IDP which should be used to correct or develop outstanding municipal plans based on IYM's strategic objectives. According to the 2018/19 Annual Report, IYM (2019: 335) allocated an amount of R8,8 million to the Michausdal and Hillside High Mast Lights project.

However, in the 2019/20 IDP the total project cost was recorded as R10 million, and the 2018/19 allocation was changed to R7,6 million so that a further R2,4 million was allocated in 2019/20.

Again, this highlights that the municipality may not be entirely accurate in its financial reporting, and MPAC was not performing its role to highlight these discrepancies to Council to improve strategic management.

No detailed explanations or justifications were provided about anything relating to the projects supposedly implemented in IYM in its 2018/19 Annual Report (IYM, 2019c: 337). And the municipality did not have an Annual Report published for the 2019/20 financial year. Finally, Respondent 6 (21/10/2020) asserted that since 2019, MPAC had not followed up on any of the electricity service projects highlighted by their colleague, Respondent 4. And the MPAC Councillor, who asserted that they still checked the status of these projects in their individual capacity, said there had been no improvement in the status of these projects since 2019 (Respondent 4, 15/10/2020).

Beyond failing to conduct oversight over the administration, on behalf of Council, MPAC failed to perform its role in assisting to raise awareness on financial and performance issues with the council and the public. All MPAC Councillors admitted that the committee's relationship with IYM residents was very unsatisfactory as MPAC never held meetings with the community.

“Members of the public don't even know what MPAC is or what it stands for”.
(Respondent 6, 21/10/2020)

Respondent 5's views confirmed the sentiments expressed by Respondent 6:

“The community doesn't even know what is MPAC. Let me start it there. Those who do have previously worked for the municipality” (Respondent 5, 14/10/2020).

Respondent 4 also added:

“The community at large know we are councillors but there was never an opportunity to say go and meet the different communities as MPAC.” (Respondent 4, 15/10/2020).

In essence, while MPAC Councillors failed to meet their responsibilities for raising awareness on financial and performance issues with the public, they indicated that they had engaged with the public more often in their individual capacities as general ward councillors. This thesis maintains that this indicates a lack of strategic planning within MPAC and Council, as they are ideally meant to work together to strengthen oversight in IYM for improved service delivery.

In summary, this thesis posits that the complaints expressed by businesses and residents at the beginning of this thesis and this chapter, are the consequences and outcomes of IYM's inability to perform effective strategic management.

Since strategic management covers strategic planning, implementation and oversight, this thesis maintains that in IYM: (i) poor strategic planning was a result of a lack of rigorous and quantifiable needs assessment; (ii) poor strategic planning undermined budget processes (resource mobilisation planning and resource allocation) which in turn affected the

municipality's ability to implement revenue collection, expenditure management and performance management (iii) poor strategic planning also limited MPAC's ability to perform oversight due to the poor quality of reporting in the municipality.

In turn, MPAC's inability to effectively implement oversight had negative effects on expenditure management, performance management and preventive and corrective actions. As a result, IYM was faced by a severe lack of UIFW expenditure, poor non-financial performance, and a lack of consequences for those who misused and abused state resources.

5.2.9.1. Challenges faced by MPAC

Based on the data analysis conducted, this thesis confirmed that no oversight was conducted on electricity services in IYM, and that MPAC failed to engage with residents to raise awareness about oversight. Consequently, the IYM MPAC failed to perform its general oversight duties effectively. Based in the results obtained, IYM MPAC Councillors were asked to describe the challenges they faced. Key recurring themes included by MPAC Councillors included poor consequence management, political interference, and a general lack of support:

5.2.9.1.1. Poor Consequence Management

MPAC Councillors felt demotivated because there was a pervasive culture of poor consequence management in IYM. As discussed in the preventive and corrective action process in section 5.2.8, action was hardly ever taken against officials who performed poorly or misused and abused public resources. And in cases where MPAC had successfully published coherent oversight documents (2016/17 UIFW Expenditure Report, and 2017/18 Oversight Report) the recommendations made by MPAC were not taken seriously by Council and the IYM administration.

MPAC's 2016/17 UIFW Expenditure Report made similar recommendations to those made by the Public Protector Report which responded to the misuse and abuse of statefunds by the former Executive Mayor and Chief Whip. However, it was only after the Public Protector responded publicly, and media was involved, that the case was taken seriously.

5.2.9.1.2. Lack of Support - Political Interference

Political interference was also highlighted as a challenge by all the interviewed MPAC councillors. According to IYM (2019b: 37) its political governance is shaped by the Executive Mayor elected by the majority party, the Speaker/Chairperson of the Council and Council Whip who supports the Speaker in maintaining order, liaison and maintenance of relationships with

all represented parties in council. IYM also has 18 councillors – nine ward councillors voted for directly by residents in their respective wards and another nine chosen by their respective political parties through a Proportional Representation System (IYM, 2019c: 39). The IYM MPAC felt side-lined as the competitive party dynamics, which existed in the Council oversight structure over the executive and administration, did not exist inside MPAC which comprised of both ANC and DA Councillors who worked harmoniously. As a result, MPAC Councillors expressed that they were sometimes viewed as enemies, by their colleagues, for attempting to perform rigorous oversight in IYM (Respondent 4, 15/10/2020).

The views expressed by the Councillors confirmed Reddy's (2016) argument that political interference undermined service delivery in South African municipalities. According to Reddy (2016: 5) there was a lack of "political and management will to take firm action" against poor service delivery across South African municipalities. One MPAC Councillor explained:

"There is an absolute refusal by political leadership to acknowledge MPAC, so MPAC is completely side-lined. There's no political will to allow MPAC to do its job. It's within the Structures Act, the MPAC Terms of Reference and Charter and those have been adopted, but that is not being acknowledged by leadership. It's cutting the legs of MPAC right below the knees." (Respondent 6, 21/10/2020).

To further prove Reddy's (2016) point about the negative effects of politicisation in municipalities, MPAC Councillors expressed that, in times where MPAC managed to conduct its oversight duties, some MPAC members were often met with intimidation from their political affiliates with higher ranks outside of the municipality. This confirmed Reddy's (2016: 5) argument that politicisation often encouraged unnecessary displays of power (from various stakeholders), which often delayed service delivery and led to backlogs in municipalities. One MPAC Councillor gave an example:

"Oh no, there is a lot of it [political pressure]! I will cite again an example. Most of the time, the caucus will want the preview of the information of the Committee [MPAC]. But we [MPAC] told ourselves that we will not have caucuses that will have first-hand information. One time this caused a lot of conflict, especially that time when we had to table the [Oversight Report on the] Annual Report." (Respondent 5, 14/10/2020).

Respondent 6 also explained:

"The staff members of the municipality that are in a higher political position outside the municipality are threatening the [MPAC] Chairperson when something is being investigated. They threaten to have him removed because they are in higher positions [in the ruling party] outside than the Councillor. I think that's the biggest challenge." (Respondent 6, 21/10/2020).

5.2.9.1.3. Administrative and Executive Lack of Support

In addition to the intense political interference, MPAC Councillors also believed that they received very little support from the administration, and executive, meaning MPAC was sidelined even by the very same council it is meant to serve. The exclusion of MPAC in IYM suggests that “strategic management” in IYM did not intend to meaningfully accommodate oversight as the IAU and former Audit Committee member also complained that their recommendations were often ignored (Respondent 2, 22/10/2020; Respondent 3, 01/12/2020).

MPAC councillors gave examples of the day-to-day struggles MPAC faces when trying to complete tasks according to their adopted work plan.

“We don’t receive all documents from the office of the Executive Mayor. We rely on colleagues in BTO to receive the agenda. This year we have not received a mid-year report as MPAC and Council. We don’t even receive the monthly [statements or reports] – it’s been ages. The new mayor is coddling information. MPAC is being undermined by politicians and officials” (Respondent 4, 15/10/2020).

Respondent 5 also shared similar views:

“We also don’t get information on time, sometimes you don’t get it. If you report to Council, sometimes they just do nothing. There is not enough support to make MPAC recommendations stand.” (Respondent 5, 14/10/2020).

Based on these responses, it seemed as if IYM did not have a clear reporting structures between MPAC and the IYM administrative, and executive. Based on the analysis conducted, MPAC did not know whether to wait for official monthly documents to be provided to the Committee. And in the event that they have to ask for documents, MPAC seemed unsure whether to request financial and non-financial reports from the Municipal Manager or the Executive Mayor. However, when MPAC did explicitly request documents, through memoranda sent to the Office of the Municipal Manager, they were often ignored.

This thesis posits that MPAC’s lack of support from the administration, executive and Council reflects a lack of clear strategic planning and human resource management planning and a general disregard for strategic management. Further inquiry into IYM’s documents indicated that according to the organogram in IYM (2020a: 377) MPAC – or more accurately, the MPAC coordinator post – is listed as a vacancy which is funded under the Municipal Manager’s office. Firstly, the positioning of the MPAC coordinator post (which was still vacant by December 2020) posed risks relating to conflict of interests, posing the question of how effectively the coordinator would perform oversight over the office which funds their livelihood. Additionally, the MPAC post highlights that the administration was unaware, or did not care, that MPAC accounts directly to council.

The organogram also showed that there was no mention of MPAC – as a committee – under the office of the Speaker (who is the chairperson of Council which MPAC should be conducting oversight for).

The quality of strategic planning, the implementation of service delivery process and oversight in IYM highlights a deep disregard for strategic management. And the last part of this thesis considers an external assessment to explain MPAC's inability to effectively perform its oversight role. It also considers MPAC's relationship with other oversight bodies.

5.2.9.2. MPAC Capacity

Throughout the semi-structured interview process, what stood out was that MPAC Councillors – like municipal officials – minimised their role in the poor service delivery outcomes in IYM. Again, this highlights the importance of using strategic management to strengthen accountability between those responsible for implementing strategic planning, implementation of service delivery processes, and oversight. Without strategic management, this thesis displayed how municipal officials would not account for poor strategic planning and oversight. And equally, oversight bodies would most likely not account for failure to effectively implement their roles. As explained above, challenges faced by MPAC were attributed to external factors such as lack of support from the administration, executive and political leaders. However, it was equally important to also consider the degree of the capacitation MPAC members, to assess how equipped MPAC was to effectively implement oversight in IYM.

As explained earlier, this thesis concluded that the IYM MPAC was not fully functional. However, this did not mean that MPAC did not have the knowledge necessary to conduct oversight. The semi-structured interview process indicated that all the MPAC Councillors were aware of the tools they needed to conduct their oversight work. The Councillors referred to financial reports which should be produced by the municipality. These reports included monthly reports, quarterly financial, mid-year reports and Annual Financial Statements which should be produced as mandated by section 71, 52(d), 72 of the MFMA (2003). However, the question remained about whether they were able to utilise the information contained within these documents, and to convert it to accessible information for the public.

When asked about their ability to understand municipal strategic planning documents and municipal reporting documents for the purposes of conducting their oversight work, MPAC Councillors gave varied responses. To effectively implement strategic management, and their oversight role MPAC Councillors needed to be aware of performance targets and indicators set by the municipality to make sound recommendations to Council.

Respondent 4 (15/10/2020) stated that they found it easy or manageable to read and analyse municipal documents. According to Respondent 4 (15/10/2020), their recent capacitation could be attributed to the Essentials of Municipal Public Accounts Committee (E-MPAC) course that the councillor had completed. The E-MPAC course was a 3-module course which was facilitated by the Rhodes University Governance and Development Unit (GDU), which aimed to strengthen municipal oversight by introducing councillors to the MPRM model.

On the other hand, the other MPAC councillors both indicated that – despite having obtained the same training as Respondent 4– reading and analysing municipal documents was still challenging (Respondent 5, 14/10/2020; Respondent 6, 21/10/2020). One exasperated MPAC councillor explained that the challenges they experienced in reading the municipal reporting documents were the result of the poor quality of reporting within the municipality:

“I think it’s very frustrating because when you read these documents. You realise that we pay millions of Rands for these documents and it’s a copy and paste from a district municipality somewhere else that they have put in the IYM document. The quality is dire. It’s a gut-wrenching experience...Some of the performance indicators have no reference to our municipality” (Respondent 6, 21/10/2020).

The views expressed by Respondent 6 again highlighted how IYM had failed to effectively implement strategic planning, which therefore rendered MPAC unable to perform its oversight role. MPAC had no clear reference to what the municipality aimed to achieve in its targets which were often irrelevant, or unrealistic, therefore it could not make any conclusions about the quality of service delivery implementation in IYM.

When asked how the municipality could improve its strategic planning processes, based on their role, the IAU official expressed views which reinforced the comment made by Respondent 6:

“So, what I think we need to improve we need to deal with our **own** challenges and stop taking challenges from other municipalities, and stop taking documents from other municipalities and working on that document because it’s not gonna be relevant. If it means starting a document from scratch, start from scratch! Because it will speak to your municipality...at the end of the day you need to go out there and account to the community...” (Respondent 2, 22/10/2020).

The evidence presented in this thesis confirms that IYM had poor reporting practices, especially in its strategic plans and budget documents. However, this thesis maintains that MPAC’s inability to effectively perform oversight highlighted that the committee could benefit from increased efforts of capacitation. Okafor et al.’s (2015: 67) study stressed the importance of councillor capacitation. However, this thesis maintains that capacitation of MPAC councillors would only be truly beneficial if all stakeholders in IYM are taught about the importance of strategic management, and where individuals fit within this framework in relation to each other.

In essence, MPAC was not completely unclear about its role. However, MPAC's ability to effectively contribute to the strategic management process was a result of a combination of factors which were largely centered on the lack of poor strategic planning in IYM. In the section below, this thesis considers how the relationship between MPAC, and other oversight bodies was shaped largely by factors relating to MPAC's capacitation

Based on the semi-structured interviews, all MPAC Councillors agreed that the Internal Audit Unit played a significant role in the functioning of MPAC. However, MPAC's relationship with other oversight bodies was not as clear.

The semi-structured interviews conducted indicated that MPAC Councillors had worked closely with the Internal Audit Unit in IYM. The IAU official and all MPAC Councillors confirmed that there had been a history of a good working relationship between the MPAC and Internal Audit Unit in IYM. However, both the IAU officials and MPAC Councillors agreed that MPAC's oversight work had been gravely affected since the suspension of the IAU Manager (Respondents 2, 22/10/2020; Respondent 5, 14/10/2020; Respondent 6, 21/10/2020). The IAU official explained the nature of the relationship between MPAC and the IAU:

“...Internal Audit works very closely with MPAC. We review on UIFW expenditure then that report goes to MPAC. I believe that Internal Audit in some of the MPAC meetings is invited that's why I say there are some good relations. But in this financial year we are in [2019/20-2020/21], we haven't done anything because it seems like MPAC itself is stuck somewhere. I don't know what challenges they have, but it's very clear that they have some challenges because there haven't been any meetings held. I can't remember the last time we had meeting, but in this financial year, they have not held a meeting.”

Respondent 4's response also supported Respondent 2's explanation:

“We Involve the Internal Auditor, and most of the UIFW reports we receive through BTO and reports from Council, to determine how many deviations were there. These are already classified as UIF or W [Unauthorised, Irregular, Fruitless or Wasteful] expenditure. We just assess and recommend whether we can recover or writeoff using advice from internal auditors.”

Respondent 5 also commented:

“Internal audit assists with clarifying if there are challenges. They do the work. They just show us to see if we agree.... Our agreement doesn't cloud our judgement. It doesn't mean that because they assist us, we won't assess their work. We regard what they help us with as what they get paid for.

The relationship between the IAU and MPAC, firstly proved that MPAC needed more capacitation. However, it also highlighted the lack of clear separation of roles and powers within IYM's conceptualisation of strategic management.

The IAU was responsible for highlighting risks in strategic planning and implementation processes in IYM. And MPAC, was responsible for conducting oversight on the work done by the administrative and executive. The relationship between IAU and MPAC was more concerning considering that the IAU had proven to be weak as it failed to highlight several risks in IYM's strategic plans. Thus, as much as it helped MPAC, the relationship with IAU also limited MPAC's full potential to improve strategic management in IYM.

Additionally, according to the semi-structured interviews, it was evident that the relationship between the Audit Committee and MPAC was heavily reliant on the MPAC Chairperson. The MPAC Chairperson served as the bridge between the two committees as the only MPAC member with standing invitation to Audit Committee meetings.

One MPAC councillor explained:

“The chairperson is part of the committee, the arrangement was that if he is unable to go, he must send someone to represent him”. (Respondent 5, 14/10/2020).

The MPAC Chairperson received an invitation to the quarterly meetings held by the Audit Committee, as an effort to strengthen MPAC and to aid good governance in IYM. This was a progressive step towards strengthening MPAC's ability to conduct oversight over the implementation of service delivery processes, based on strategic plans set by the municipality, in line with a strategic management approach. However, there were mixed responses about the nature of the relationship between the two committees.

Two MPAC councillors described the relationship between MPAC and the Audit Committee as very good or good (Respondent 4, 15/10/2020; Respondent and Respondent 5, 14/10/2020). However, the other interviewed MPAC Councillor was very hesitant when describing the nature of the relationship between the two committees:

“I am not sure because there is very limited contact between the committees. The chairperson of MPAC is supposed to interact with them so I don't know. If I would take a guess, it's in the middle but I'm hesitant to say okay. Poor much better describes it.”

The former Audit Committee member's view correlated with the views shared by the hesitant MPAC Councillor:

“As a member [of the Audit Committee] I am not aware of any contact with MPAC. The chairperson [of the Audit Committee] might have had interactions with MPAC.”

MPAC's relationship with the IAU and Audit Committee indicated that MPAC was heavily reliant on oversight structures which were primarily designed to serve management and the administration in IYM.

This thesis maintains that the relationship between the IAU, the Audit Committee, and MPAC highlights that the IYM MPAC may not be aware of the need to have separate roles between those who plan, and implement services (municipal officials), and those who oversee the reported performance based on municipal plans (oversight bodies). The implication of this lack of separation of power is observed throughout the needs assessment process to the corrective action processes (MPRM Process 1 – MPRM Process 8) which were discussed above.

The oversight process marked the end of the MPRM cycle in IYM, and the section below summarises findings from each MPRM Process before concluding the thesis.

5.3. Summary of MPRM results in IYM

This research concluded that none of the nine MPRM processes were implemented effectively in IYM. It showed that poor strategic planning and weak oversight had negative effects on the implementation of service delivery in IYM.

- 1) Needs assessment – IYM relied on several qualitative measures to understand resident needs. However, IYM did not have a centralised quantifiable complaint management system to identify what residents' priority needs were.
- 2) Strategic planning – IYM only planned to use the IDP. There was no coherent SDBIP, and no Electricity Master Plan. Projects were based on unclear baseline indicators and were not costed accurately. And several key positions within the municipality were vacant – the municipality had recently appointed an IDP Manager.
- 3) Resource mobilisation planning – while IYM had various avenues to generate revenue from, it had unrealistic billing targets especially for electricity service charges.
- 4) Resource allocation – IYM's poor reporting made it difficult to consider whether budgets were realistic or not. Most reporting documents were not adopted in Council. However, their budgets displayed a lack of strategic thinking.
- 5) Revenue collection – Firstly, because its plans were unrealistic, IYM under-billed its residents. Furthermore, IYM under collected revenue for electricity service charges. IYM also lost millions in revenue due to electricity losses from ageing infrastructure.
- 6) Expenditure management – IYM did not know how to spend its money, because it did not have clear and properly costed plans. The Technical Services did not have money to buy stock. UIFW expenditure also increased.
- 7) Performance management – Based on the data analysis this thesis cannot ascertain that any of the reported electricity service projects were implemented effectively. Standard Operating Procedures were impossible to observe due to a lack of stock. IYM also could

not prove that it had an existing Performance Management System. However, there were also insufficient staff members to perform service delivery.

- 8) Preventive and corrective action – barely any consequence management existed in IYM. Response was only taken when external oversight bodies intervened.
- 9) Oversight – MPAC did not conduct any oversight over electricity services. And there was a poor understanding of separation of powers across the municipality. Finally, while the internal audit was ineffective, it played a significant role in the functioning of MPAC.

Chapter 6 - Conclusion

In conclusion, this thesis fulfilled its primary objective which aimed to explore and explain how the implementation of strategic planning by municipal officials and oversight by MPAC councillors contributed the poor electricity service delivery outcomes observed in IYM.

Firstly, responses from municipal officials, MPAC councillors and various media reports all indicated that electricity service delivery in IYM was extremely poor. And this thesis introduced the MPRM model as strategic management tool to explain the relationship between strategic planning, the implementation of services, strategic management, and oversight. The application of the nine processes in the MPRM model were tested in IYM to appraise the effects of strategic planning, strategic management, and oversight in IYM.

Additionally, through a consideration and description of strategic planning procedures followed by the Technical Services Department, challenges that IYM faced during the implementation of electricity service provision strategic plans were also contextualised. In essence, IYM failed to plan effectively because it failed to accurately quantify residents' needs through a rigorous needs assessment process. Furthermore, this thesis discussed how the effects of poor strategic planning in IYM negatively impacted other service delivery implementation processes using the MPRM Model. Specifically, IYM failed to produce an effective SDBIP which clearly sets out the projects it is meant to implement and their relevant costs. As a result, IYM set unrealistic revenue and expenditure targets. The budgeting processes – which were a result of poor strategic planning – affected revenue collection, expenditure management, performance management and corrective action.

In essence, IYM failed to collect enough money, because the strategic plans that informed resource mobilisation plans were not realistic. Therefore, the Technical Services department did not have enough money to effectively carry out electricity services in IYM. IYM also failed to manage the revenue it generated because it did not set out clearly costed projects. Municipal funds mainly covered salaries, or were often misappropriated through UIFW expenditure. Poor strategic planning in IYM also affected human resources and performance management. The Technical Services Department was severely understaffed, and IYM did not have a Performance Management System to organise its existing staff. However, Technical Services Department senior management also could not effectively appraise the performance of its staff due to poor maintenance and poor expenditure management which rendered Standard Operation Procedures void due to an outdated electricity network and stock shortage.

Above all else, poor strategic planning in IYM also affected the municipality's ability to perform oversight and follow up with corrective actions because most problems were the result of inefficiencies from senior management, which had failed to plan ahead.

Specifically, poor strategic planning significantly affected MPAC's ability to effectively conduct oversight. IYM failed to produce coherent strategic plans, and its budgets and performance reports were confusing. Therefore, while MPAC was aware of financial and non-financial performance targets, it still did not know what it was meant to be overseeing. Additionally, based on the organograms presented by IYM, the organisational structure suggested that the IYM MPAC was operating under the Office of the Municipal Manager, as opposed to the Office of the Speaker – which is the Chairperson of Council. This thesis maintained that displacement of MPAC according to IYM's organisational structure, which was also proof of poor strategic planning, enabled the challenges that MPAC faced, and posed the risk of conflict of interest in future. Therefore by the arguments presented above, poor strategic management contributed to the incapacitation of service delivery implementation and oversight in IYM.

Furthermore, through a consideration and description of oversight procedures followed by the IYM MPAC, this thesis showed that MPAC failed to exercise oversight on behalf of council over the municipal executive and administration. Additionally, the IYM MPAC also failed to assist in raising awareness on financial and performance issues with the council and the public.

In 2020, IYM had conducted no oversight over any electricity service projects. And it also did not investigate any UIFW expenditure from 2019 as a result of the suspension of the IAU Manager. Lack of oversight in IYM mainly affected expenditure management, performance management and preventive and corrective action. Thus, UIFW expenditure, poor non-financial performance and the general misuse and abuse of funds persisted in IYM – highlighting that both strategic planning and oversight influence the implementation of service delivery and subsequent outcomes in municipalities. Key challenges highlighted by MPAC included poor consequence management, political interference, and a lack of administrative support.

The evidence presented in this thesis also proved that that while MPAC was not fully functional, it was partially capacitated. However, its capabilities were limited by the poor quality of reports produced by the administration. MPAC had developed a relationship with the IAU and Audit Committee to improve the capacitation of MPAC. However, MPAC was over-reliant on the IAU, and the unintended consequence was the lack of MPAC's oversight over the IAU – which subsequently undermined strategic management in IYM.

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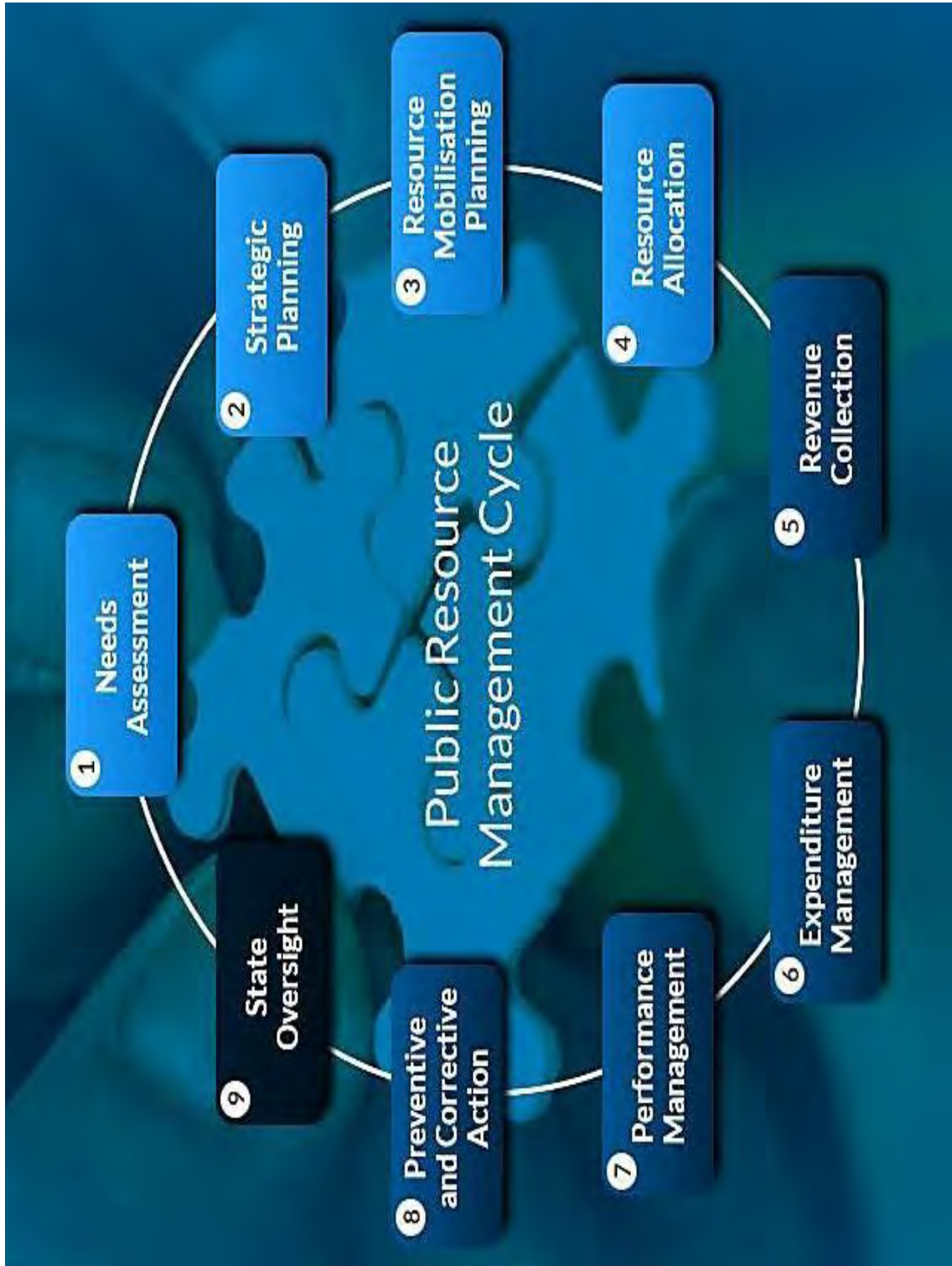
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Appendices

Appendix 1 – The MPRM Model Cycle

Description: A visual representation of the Municipal Public Resource Management cycle



Source: Allan (2019)

Appendix 2 – Consent Forms



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Participant Consent form (Interviews)

Name of researcher: Noxolo Indwe Ntintili

Brief description of the research topic: This research aims to explain the effect of Strategic Planning and Oversight on Service Delivery in South African Local Municipalities. Using Inxuba Yethemba Municipality as a case study, the researcher hopes to provide in-depth insights from key respondents to aid readers to determine the value of strategic planning and oversight bodies in local government strategic management processes. Focus is placed on the strategic planning processes of the Technical Services – Electricity Services division and Oversight is considered from the perspective of the Municipal Public Accounts Committee (MPAC).

Declaration

1. I confirm that the purpose of the research and the nature of my participation have been explained to me verbally or in writing.
2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason - however I commit myself to full participation unless some unusual circumstances occur, or I have concerns about my participation which I did not originally anticipate.
3. I understand that data collected during the study, will be used by the researcher and that my personal details gathered during this research, especially my name or identity, will be kept private.
4. I agree to be interviewed and to allow audio or video recordings and transcriptions to be made of the interview.
5. I have been informed by the researcher that the tape recordings will be erased once the report is written. OR
6. I give permission for the tape recordings to be retained after the study and for them to be utilised for academic purposes only.

Name of Participant

Date

Signature

Name of Researcher

Date

Signature

Appendix 3 – Interview Schedules

3.1. Interview Schedule for IYM Oversight: MPAC Councillors

Introduction

A. (Establish Rapport) My name is _____ I am from the Department of Sociology at Rhodes University.

B. (Purpose) I would like to ask you some questions about your background, and about your practical approach to oversight and your experiences in exercising municipal oversight/strategic planning.

C. (Motivation) I hope to use this information to provide a better understanding of strategic planning and oversight for my master's thesis. And to feed this information into the GDU's *Essentials of MPAC Oversight* short certificate course. And to share this information within a learning network, and use it for workshop presentations, research reports and academic papers.

D. (Consent) Interviews proceeded after confirming receipt of signed consent forms via email.

Background questions:

- a) Name:
 - b) Sex:
 - c) Age:
 - d) Ethnic group:
 - e) Are you a resident of this municipality? Which town and ward?
 - f) How long have you been a Councillor for?
 - g) How long have you been a member of MPAC?
 - h) Previous occupation:
 - i) Highest academic qualification:
- Would you prefer to remain anonymous? YES/NO

Needs Assessment

- How would you describe the relationship between MPAC and members of the community?
(a) excellent (b) good (c) satisfactory (d) unsatisfactory (e) very unsatisfactory (Please explain)
- How often does the IYM MPAC conduct meetings with the community?
(a) Annually (b) quarterly (c) monthly (b) sometimes (c) never (Please explain)
- How often do residents in your ward complain about electricity service provision?
(Please explain)
- How does IYM determine the electricity priority needs of municipal residents?

Strategic Planning

- Which Documents are used to capture the electricity needs and plans for the municipality which you use to conduct your oversight work? (Does IYM have an Energy Master Plan?)
- *When doing oversight do you look at the SDBIP and IDP to see residents' electricity needs as captured by the Technical Services dept?*
- Do you look at the coherence of the outputs, programmes, outcomes and KPIs in the SDBIP and in electricity sector plans? And at the coherence of the relationships between KPIs, outputs and outcomes in these plans?

(Internal Strategic Planning)

- Does MPAC have a work plan?
- How is labour distributed within MPAC?
- How closely is this plan followed, MPAC tasks are?
(a) always completed (b) most are completed (c) few are completed (d) none completed
(Please explain)

Resource Allocation

- What budget documents do you usually read for purposes of doing your electricity service oversight work?
- How would you describe the process of reading and analysing budget documents (formats, calculations, implications)?
 - a) Extremely easy b) easy/manageable c) challenging d) impossible (Please explain)Reading:
Analysis:
- Considering Q.12 How does MPAC engage with budgets and contribute to the assessing the implementation of budget plans?

Performance Management

- How would you describe performance management in IYM (generally & for electricity)?
 - (a) excellent (b) good (c) okay (d) poor (e) very poor (Please explain briefly)
- Were key activities, projects and programmes for electricity service delivery and electricity infrastructure maintenance implemented?
- Are there sufficient/insufficient staff on the municipal payroll for electricity service delivery and for routine electricity infrastructure maintenance?

Preventative and Corrective Action

- Are you able to track corrective action taken in response to cases of financial misconduct (and do you assess the appropriateness of disciplinary action by the municipal Disciplinary Board)? (Please explain)
- Are you able to track declarations of interest in cases involving potential conflicts of interest by municipal officials, Councillors, supply chain management officials and suppliers? (Please explain)

- Are you able to track the municipal register of unauthorised, irregular, fruitless and wasteful expenditure and to track consequence management (disciplinary charges, criminal charges, and recovery in the case of fruitless and wasteful expenditure) and the resolution of all cases? (Please explain)

Oversight

- Besides MPAC what other key oversight structures exist in IYM?
- How would you describe the relationships between these structures?
(a) excellent (b) good (c) okay (d) bad (e) very bad (Please explain)

(Challenges to Effective Oversight)

- What do you think the main challenges are that you face in exercising effective oversight over municipal managers and the municipal executive in relation to electricity service provision?

3.2. Interview Schedule for IYM Oversight: Internal Unit/ Audit Committee

Introduction

A. (Establish Rapport) My name is _____ I am from the Department of Sociology at Rhodes University.

B. (Purpose) I would like to ask you some questions about your background, and about your practical approach to oversight and your experiences in exercising municipal oversight/ strategic planning.

C. (Motivation) I hope to use this information to provide a better understanding of strategic planning and oversight for my master's thesis. And to feed this information into the GDU's *Essentials of MPAC Oversight* short certificate course. And to share this information within a learning network, and use it for workshop presentations, research reports and academic papers.

D. (Consent) Interviews proceeded after confirming receipt of signed consent forms via email.

Background questions:

j) Name:

k) Sex:

l) Age:

m) Race/Ethnic group:

n) Are you a resident of Inxuba Yethemba Municipality?

o) Do you only serve on the IYM Audit Committee (yes or no)?

p) How long have you been an Audit Committee member for?

q) How long have you been an IYM Audit Committee member for?

r) Previous/Concurrent occupation:

s) Highest academic qualification:

- Would you prefer to remain anonymous? YES/NO

1. Please provide a brief description of your role in the IYM Audit Committee

2. How would you describe service delivery in IYM? (Please give reasons)
 - a. General service delivery:
 - b. Electricity services:

3. Considering the answer given in Q.2 what do you believe are the main causes for the current state of service delivery in IYM?
 - a. General service delivery:
 - b. Electricity services:

4. Using the descriptions below, how would you describe the quality of IYM's general strategic planning processes (re: IDP/SDBIP/Budgeting)?
(a) excellent (b) good (c) okay (d) poor (e) very poor (Please give reasons)

5. Using the descriptions below, how would you describe the quality of IYM's Technical Services (electricity services) strategic planning processes?
(a) excellent (b) good (c) okay (d) poor (e) very poor (Please give reasons)

6. Are recommendations made by the Audit Committee implemented? (Please elaborate)
 - a. Generally:

 - b. Electricity Services:

7. How would you describe the relationship between the Audit Committee and the following oversight bodies?
(a) excellent (b) good (c) okay (d) poor (e) very poor (Please give reasons)
 - a. Internal Audit Unit –

 - b. MPAC –

c. Auditor General –

8. Do you believe that MPAC effectively fulfils its oversight role? (Please explain why)
 - a. General oversight:

 - b. Electricity services oversight:

9. What challenges do you think inhibit the effective functioning of the IYM MPAC?

10. Given your informed perspective, what do you believe IYM officials and councillors can do to improve the following?
 - a. Strategic Planning

 - b. Oversight

 - c. General service delivery

3.3. Interview Schedule for Service-Sector Governance: Electricity Services Implementation

Introduction

A. (Establish Rapport) My name is _____ I am from the Department of Sociology at Rhodes University.

B. (Purpose) I would like to ask you some questions about your background, and about your practical approach to oversight and your experiences in exercising municipal oversight/strategic planning.

C. (Motivation) I hope to use this information to provide a better understanding of strategic planning and oversight for my master's thesis. And to feed this information into the GDU's *Essentials of MPAC Oversight* short certificate course. And to share this information within a learning network, and use it for workshop presentations, research reports and academic papers.

D. (Consent) Interviews proceeded after confirming receipt of signed consent forms via email.

Background Questions:

- a) How long have you been a Councillor/Official for?
 - b) Current position
 - c) Previous occupation
 - d) How long have you been in your current position?
 - e) Are you a resident of this municipality? Which town?
 - f) Highest grade achieved in school/education
 - g) Occupation-related qualifications
 - h) Age
 - i) Sex
 - j) Ethnic group
- Would you prefer to remain anonymous? YES/NO

1. **Needs Assessment**

- How are electricity needs assessments and electricity infrastructure needs assessment determined?
- What does the electricity service network/system consist of? What assets are most critical to electricity service delivery? Where are they? Are they still working? What is their service life?

Who may be interviewed:

- Portfolio Councillor responsible for Engineering and Infrastructure, Manager for Electricity Services, Director of Infrastructure, IDP Manager, Electricity services engineer/technicians, outside consulting engineer, and Electricity Board manager.

2. **Strategic Planning**

- Who is responsible for managing the IDP in IYM?
- Why does the IDP only highlight only 3 main activities for Technical Services – electricity (e.g., connecting households, installing meters, fixing streetlights)?
- Is there an up-to-date Electricity Service Master Plan and electricity infrastructure maintenance plan?
- Why does Eskom provide electricity services to some wards in IYM and not others?

Who may be interviewed:

- Portfolio Councillors for Engineering and Infrastructure, Manager of Electricity Services, IDP Manager, Electricity services engineer/ technicians, DWS WSDP Coordinator, outside consulting electricity engineer, CoGTA Eastern Cape, and Electricity Board manager.

3. **Resource Mobilisation Planning**

- What grants (including the Municipal Infrastructure Grant) has the municipality applied for? Did it effectively motivate for these funds?

- Can the municipality afford its electricity infrastructure given its cost of operation, maintenance, renewal, and recapitalisation? Can these costs be recovered from electricity revenue? Or from own revenue? If not, what revenue sources will be approached?

Who may be interviewed:

- Portfolio Councillor for Engineering and Infrastructure, Manager of Electricity Services, Budget and Treasury officials

4. Performance Management

- Were key activities, projects and programmes for electricity service delivery and electricity infrastructure maintenance implemented?
- Are there sufficient/insufficient staff on the municipal payroll for electricity service delivery? For routine infrastructure maintenance?
- What performance management challenges have you encountered in relation to electricity service provision?

Who may be interviewed:

- Portfolio Councillor for Engineering and Infrastructure, Manager of Electricity Services, Electricity engineer/technicians, 2 plumbing teams, Internal Audit chair, Auditor-General

5. Preventive and Corrective Action

- Were there any instances of the abuse or ineffective use of electricity resources, including poor performance (involving councillors or municipal staff)? Was effective corrective action taken?

Who may be interviewed:

- Portfolio Councillor for Engineering and Infrastructure, Manager of Electricity, Director of Human Resources

6. Oversight

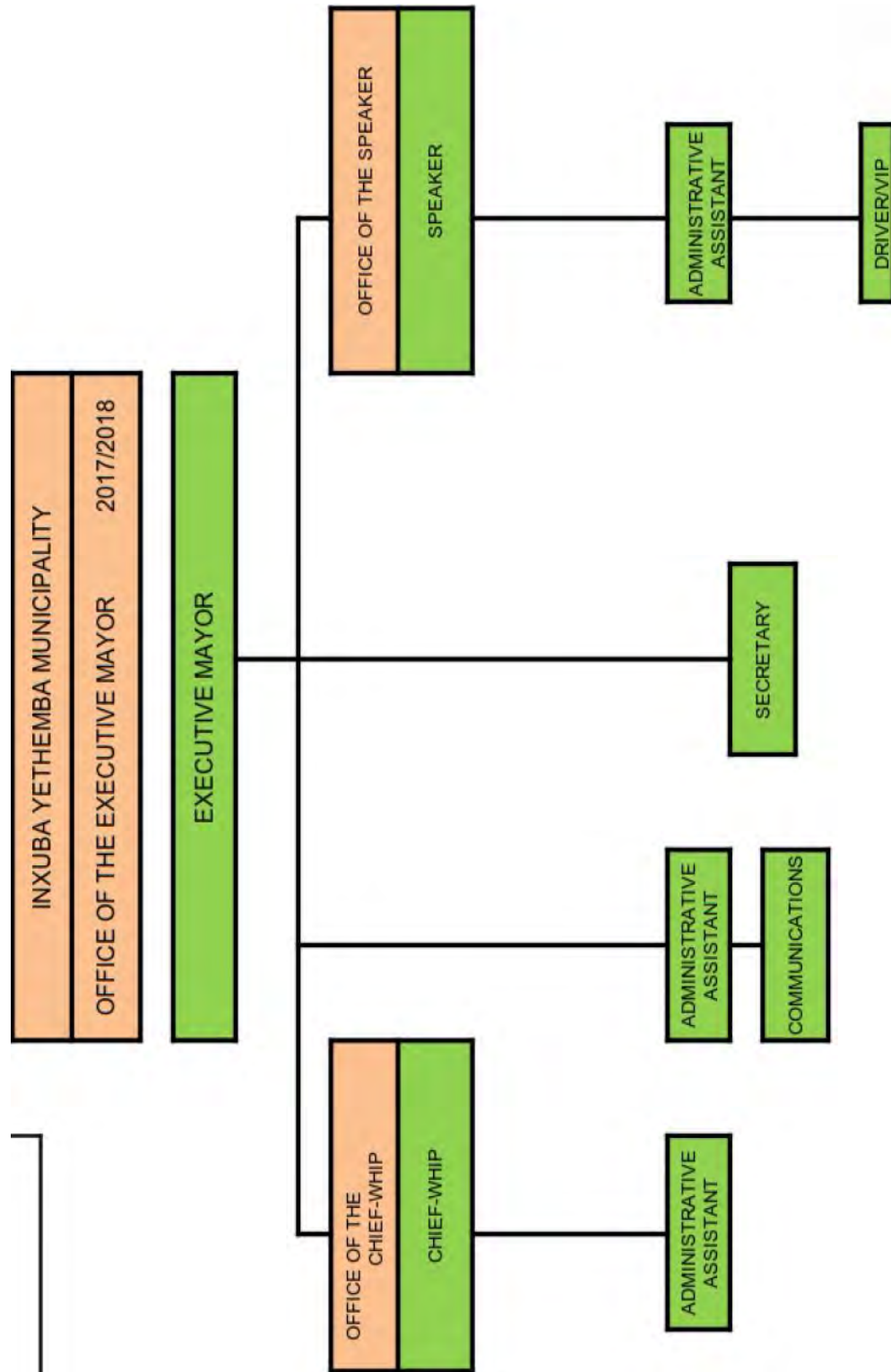
- Was there effective oversight of the implementation of electricity services and electricity infrastructure maintenance? Were any issues raised by the Audit Committee or A-G? Were these taken up by the MPAC or other Council committees?
- Were evidence-based recommendations made to improve electricity service delivery and electricity infrastructure maintenance? Were these integrated into subsequent IDPs and SDBIPs?
- The auditor general highlights that there are inaccurate claims of performance, what could be the cause for that?

Who may be interviewed:

- Portfolio Councillor for Engineering and Infrastructure, Internal Audit chair, Auditor-General, and MPAC members

7. In your own words, what do you think are the main challenges that IYM faces especially in relation to electricity services?

4.3. IYM Structure – Office of the Executive Mayor



Source: 2019/20 IDP (IYM, 2020: 376)