AN APPRAISAL OF THE LINK BETWEEN TRANSFORMATION AND GOOD GOVERNANCE AT SEDIBENG DISTRICT MUNICIPALITY

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BA HONS (NWU)

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VAAL TRIANGLE CAMPUS

of the

North-West University

Vanderbijlpark

Supervisor: PROF. S. VYAS- DOORGAPERSAD

APRIL 2014
DECLARATION

I DECLARE THAT THIS IS MY OWN WORK AND THAT ALL THE SOURCES THAT I HAVE QUOTED HAVE BEEN ACKNOWLEDGED BY MEANS OF A COMPLETED REFERENCE.

THEMBA GOBA
Student No 12904422
DEDICATION

This dissertation is dedicated to my lovely wife, Branny and my children Nombulelo, Themba Jnr, Mbali and Thando for their support and understanding during the duration of my study.

Many thanks to them.
ACKNOWLEDGEMENT

A number of people contributed significantly in assisting me to complete this study. I’m truly humbled by their contribution and indebted to them for their support.

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I would also like to pass my gratitude to the personnel of the SDM for their assistance, providing me with all the necessary information and documents.
ABSTRACT

The dawn of democracy and adoption of the new constitution heralded in a new political dispensation for South Africa. These development set local government in a new path as various pieces of legislations and policies were passed to transform local government from fragmented and racially – based municipalities into democratic and non – racial entities. Transformation did not end on amalgamation of racial municipal entities and change to racial composition of the administration staff but has to transcend beyond to ensure accountability, transparency, responsive and participation of communities in the affairs of local government to promote good governance.

The Sedibeng District Municipality (SDM) established various structures, systems and processes intend on promoting transformation. However, its process of transformation is limited only to the structure and composition of the administration. Little was done to transform the reigning culture which has its roots in the apartheid past, despite the existence of policies including the White Paper on the Transforming Public Service Delivery (Batho Pele).

Accordingly, the existence of new structures, systems and processes failed to curb corruption in the ranks of Sedibeng District Municipality. Currently, a number of staff members are facing various charges of fraud and corruption. The Auditor – General have found that millions of rands have spent without proper procedure being followed. The state of affairs
give indications that existing structures, systems and processes are not solid enough to curb corruption.

Furthermore, the situation is accentuated by the municipality’s failure to involve communities in the affairs of the local government. Communities are only used to rubber – stamp processes and programmes that are imposed by the municipality. This renders communities and community organisations useless and ineffective in holding the councillors accountable.

Against the background of the problem statement, the hypotheses of the study were formulated as follows:

* There is a non – compliance of municipal regulations required for transformation and good governance at Sedibeng District Municipality.

* The leadership of the municipality does not possess adequate knowledge and the political will to monitor and ensure consistent adherence to regulations as required by law to promote transformation and good governance.

The study utilized both qualitative and quantitative research methods. The study involved a number of techniques to gather information which includes literature study and empirical research. The findings of the study prove that there is a high level non – compliance of municipal regulations required to promote good governance at Sedibeng District Municipality. The responses of senior management also prove that there is a clear lack of leadership in the Sedibeng District Municipality.
The study offers significant recommendations to improve the situation. The intend of the study was to explore and open avenue for further research in the field of change management (transformation of behaviour and culture), impact of cadre deployment in municipal performance and idea of public participation and involvement in the affairs of local government.
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<td>African National Congress</td>
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<td>APRM</td>
<td>Africa Peer Review Mechanism</td>
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<td>A-G</td>
<td>Auditor - General</td>
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<td>AU</td>
<td>African Union</td>
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<td>CFO</td>
<td>Chief Finance Officer</td>
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<td>CSSDCA</td>
<td>Conference on Security, Stability, Development &amp; Cooperation</td>
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<td>DA</td>
<td>Democratic Alliance</td>
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<td>UNEECA</td>
<td>United Nations Economic Commission for Africa</td>
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<td>FF</td>
<td>Freedom Front</td>
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<td>IDP</td>
<td>Integrated Development Plan</td>
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<td>IMATU</td>
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<td>LKMC</td>
<td>Lekoa/Vaal Metropolitan Council</td>
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<td>LED</td>
<td>Local Economic Development</td>
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<td>MFMA</td>
<td>Municipal Finance Management Act</td>
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<td>NAFCOC</td>
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<td>NEPAD</td>
<td>New Partnership for Africa's Development</td>
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<td>OAU</td>
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<td>OEDC</td>
<td>Organisation for Economic Cooperation &amp; Development</td>
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<td>PAC</td>
<td>Pan African Congress</td>
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<td>PMS</td>
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<td>REC</td>
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<td>SACC</td>
<td>South African Council of Churches</td>
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<td>SAFA</td>
<td>South Africa Football Association</td>
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<td>SAMWU</td>
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CHAPTER ONE

ORIENTATION AND BACKGROUND

KEYWORDS: Transformation, good governance, Integrated Development Plan (IDP), community participation, accountability, transparency, performance management, Sedibeng District Municipality (SDM).

1.1 ORIENTATION AND BACKGROUND

The post-apartheid era in South Africa was occupied with socio-economic problems due to past policies of apartheid and the traditional government mode of operations that could not react conclusively regarding the needs and demands of a modern-day civilization against the background of “globalisation” (Yuanfang et al., 2009: 2). Consequently, the democratic government sought to transform the apartheid society into inclusive society free of prejudice of any kind. Therefore, transformation became the buzz word in the socio-economic and political discourse of South Africa. However, a perception exists from certain sectors of the society that governance driven by the transformation processes is all about corruption, poor performance, promotion of unprofessional behaviour, unaccountability and poor service – delivery (Zwide, 2010:1).

The White Paper on Transformation of Public Service (1995: 1) states that the democratic South Africa has to improve the social and economic challenges complemented with societal inequalities imposed by the laws during the apartheid regime. Similarly, communities and municipalities were divided across the racial lines with white municipalities enjoying
abundant resources for development while black municipalities were poorly resourced. The 1996 democratic Constitution of the Republic of South Africa establishes a guideline for developmental local government that will be effective, sufficient and sustainable. Therefore a need arose for the fundamental transformation of local government from racial divided into a free, equal, non – racial, non – sexist and democratic local government system in accordance with Chapter 2, Section 9 of democratic constitution (Constitution of the Republic of South Africa, 1996:7). Subsequently, the White Paper on Local Government (1998) was released as blueprint for transformation of local government and thereby good governance.

The concept – good governance originated from the noun governance, which stems from the verb govern (Zwide, 2010:3). Kabumba (2005:5) states that most people have a general understanding of governance whether good or bad and it may be viewed as been synonymous with government or management. The term is explained and explored by various scholars in a diverse manner. A Concise Oxford Dictionary explains the term “governance as the act or manner of governing” (Vayunandan, 2003:16). The United Nations Development Programme (United Nations Economic and Social Council, 2006:3) defines governance as “the exercise of economic, political and administrative authority to manage a country’s affairs at all levels. It comprises the mechanisms, processes, and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences”.

In recent years, the term good governance has become very popular and its definition varies from one organisation [or people] to the other
(Agere, 2000:3). Maserume (2005:198) finds good governance to be a heavy loaded concept that with varying meaning depending on the context that is used. Yuanfang et al. (2009:1352) states that “good governance is a social management process which could maximize the public interest. Its substantive characteristic is that good governance is a co-management of public life operated by both government and citizens, and establishes a new relationship between government and civil society”.

On the other hand, the United Nations Development Programme (UNDP) (1997: 4) considers that the notion of good governance brings democracy that embodies the characteristics of public participation, enhanced rule of law, openness and transparency, improved responsiveness, enhanced consensus orientation, equality and equity, answerability and accountability, and effectiveness and efficiency in the governmental system. Accordingly, Khan (in Bilney, 1994:17) argues that “good governance provide a sound management of socio-economic resources in a transparent, accountable and equitable”.

It is important to indicate that these characteristics are in line with those of developmental local government as stipulated in Section 152(1)(e) of the Constitution of the Republic of South Africa (1996:84), which requires community members to involve in developmental programmes within their municipalities. This means that the local government must incorporate the elements of developmental local governance such as maximising social development, economic growth, integration and coordination, democratising development, empowerment and distribution and leading and learning (White Paper on local Government, 1998:18). Furthermore, various other pieces of legislations were passed to ensure
that local government comply with the proposals raised in the White Paper. As a result, it can be argued that “there is always a link between good governance and compliance with law. Good governance is not something that exists separately from the law and it is entirely inappropriate to unhinge governance from the law” (Dinga, 2012:1).

The Concise Oxford Dictionary (Allen, 1997:1296) defines transformation as “a change in nature, form or appearance. Politically the term has different meanings depending on the circumstances it is used. In Eastern Europe it meant the process of change socialist mode of production to the capitalist especially after the collapse of communism”. However, in South Africa, transformation has a particular meaning related to the transformation of society – from an apartheid racially divided society with deep social and economic inequalities into a free, equal, non-racial, non-sexist and democratic South Africa (Constitution of the Republic of South Africa, 1996:3).

Consequently, Thornhill (2005:4) argues that it was significant that to transform from a fragmented apartheid based state into the current unitary type of state, required that particular attention be devoted to inter alia policy making processes, organisational structures human resource matters as well as managerial issues. Van der Waldt (2007:12) indicated that the historic burden of transforming South African society is, to a significant extent, placed on local government. Local government has the difficult responsibility of leading the transformation of the socio-economic situation from grassroots.

The White Paper on Local Government (1998:3) spelt out clearly the guideline for the local government to be transformed. The transformed
local government is obliged to enhance participatory governance involving community members in the affairs of local governance. The involvement of the public is significant to enhance and improve the social and economic standards of the community members.

1.2 THE PROBLEM STATEMENT

The Sedibeng District Municipality was enacted after the 2000 local government elections. It came after the discontinuation of the Lekoa/Vaal Metropolitan Council (LVMC) which was established in terms of the Local Government Transition Act 1993 after the amalgamation of Sebokeng Town Council which catered for black townships in Vaal Triangle and various white Town Councils (Folose, 1994:2). Lekoa/Vaal Metropolitan Council experienced problems arising from transitional process.

The White Paper on Local Government (1998:12) states that many municipalities went through costly and complex administrative reorganisation that was still structurally organised in much the same way as before. The administration continued to be characterised by hierarchical line departments working in silos and authoritarian management practices. It was further crippled by a lengthy period of uncertainty about decisions and finalisation of powers and functions. On the other hand it faced increasing demands and expectations on service delivery, often without an increase in the resources to be able to deal with these demands” (The White Paper on Local Government, 1998: 14).

In the Sedibeng District Municipality Annual Report (2011: 33 -35) the following structures are in place to monitor and ensure good governance: the Council, Mayoral Committee, Six (6) Section 79 Committees that are reporting directly to the Council, eight Section 80 Committees each
chaired by a Member of Mayoral Committee, Audit Committee, Remuneration Committee and Bursary Committee. Despite the existence of these structures, the municipality remain embroiled in acts of mismanagement and non–compliance with regulations as reflected in the Auditor – General report (2007:4 -7)

In political offices (office of the Executive Mayor, Speaker and Chief Whip) the majority of the staff employed is unqualified. This is in contrast with Section 56(a) of the Municipal Systems Act (2000: 29) that requires a manager to be acquainted with relevant competencies aligned to the portfolio.

No exceptions were made for political offices. Management is also coerced into transferring and placing these political appointees in other departments after the completion of their contracts or end of the term of a politician. This happens without their positions been advertised and they retain the same position as in the political office which they did not qualify for. This kind of mismanagement results into low morale, despair and unnecessary conflicts in the workplace. Furthermore, employment at the municipality is used as a rallying point for position in the African National Congress (ANC) towards the conferences. As a result, after the 2007 African National Congress Sedibeng Regional Conference, 41 people were employed at the municipality in positions that were not in existence (not in the organogram) and not budgeted. These things resulted in low morale (Personal documentation, 2011).

Accordingly, the municipality is officially not complying with both the Municipal Finance Management Act (2003) and the Municipal Systems Act (2000). The Auditor-General’s reports of between 2006 -2009 have
noted “some violation of the two acts by the municipality through non-compliance with some provisions. This includes amongst others not consulting adequately with communities and stakeholders on Integrated Development Plan (IDP) and Budget, failure to monitor and measure performance, and many other governance issues that are essential for rating the municipality”.

As a result, the municipality has been receiving qualified reports suggesting that certain aspects of good governance are not in place and/or not complied with. This study explored the link between transformation and good governance at the Sedibeng District Municipality, looking at developmental local government characteristics as stipulated in the White Paper on Local Government, 1998.

1.3 CENTRAL THEORETICAL STATEMENT

Against the background of the problem statement, the hypotheses of the study were formulated as follows:

1.3.1 There is a non-compliance of municipal regulations required for transformation and good governance at Sedibeng District Municipality.

1.3.2 The leadership of the municipality does not possess adequate knowledge and the political will to monitor and ensure consistent adherence to regulations as required by law to promote transformation and good governance.

The hypotheses were imperative to establish the research questions for in-depth understanding regarding the areas of exploration.
1.4 RESEARCH QUESTIONS
The following research questions were outlined from the above background:

- What is meant by concepts, transformation and good governance?
- Are the existing structures adequate to ensure compliance with existing policies and legislations meant for transformation and good governance at South African municipal sphere?
- Does Sedibeng District Municipality incorporate transformation and good governance elements as part of the objectives in their Integrated Development Plan and performance management processes?
- What recommendations are required to enhance appropriate structures and processes to ensure Sedibeng District Municipality implements transformation and good governance?
- The research questions need to be aligned with the research objectives.

1.5 RESEARCH OBJECTIVES
Looking at the research questions, the objectives of the study were formulated as follows:

- To provide the theoretical exposition of concepts, transformation and good governance.
- To determine the extent of compliance or non – compliance of the Sedibeng District Municipality with policies and legislation to promote
transformation and good governance.

- To review and appraise the link between transformation and good governance at Sedibeng District Municipality.

- To make recommendations that may assist the Sedibeng District Municipality to put in place structures and processes to promote transformation and good governance.

- The study established the appropriate research methods in order to achieve the research objectives.

1.6 RESEARCH METHODS
The study utilized both qualitative and quantitative research methods. The study involved a number of techniques to gather information which includes literature study and empirical research.

1.6.1 Literature study
The literature was reviewed and compiled to gather information acquired from the following sources: legislation, policy documents, government publications, periodicals, newspaper articles, internet sources, journals and Sedibeng District Municipality records.

1.6.2 Empirical Research
It is essential to indicate that transformation and good governance are governed by policies and legislations although they remain a practical field. It may not be sufficient to rely on literature alone in the study. The empirical methods were utilized whereby structured questionnaire(s) were distributed personally to the target respondents (employees) to obtain insight related to the area of study. Moreover, semi – structured
interviews (were conducted and recorded personally with the target population) with:

- **Political leadership**
  The following were approached:
  - The Executive Mayor
  - The Speaker of the Council
  - MMC: Finance
  - MMC: Corporate Service

  The above-mentioned political office-bearers were approached in order to gain insight regarding the monitoring, implementation, and compliance of policies. The furthermore information was gathered regarding the roles of oversight structures like council sitting and portfolio committees.

- **Top Management**
  The following were approached:
  - Municipal Manager
  - Chief Operations Officer
  - Chief Financial Officer
  - Executive Director: Corporate services
  - Director: Office of the Executive Mayor
  - Director: Office of the Speaker
  - Chairperson of the Audit Committee
The above-mentioned public office-bearers were approached to identify the challenges of compliance and the plan/strategy to change the situation.

- **Key Stakeholders**
  The following were approached:

  - South African Municipal Workers Union (one representatives);
  - Independent Municipal Allied Trade Union (one representative);
  - Pan African Congress (one representative);
  - Democratic Alliance (one representative);
  - Freedom Front (one representative);
  - South Africa National Civic Organisation (one representatives);
  - National African Federation Chamber of Commerce (one representatives);
  - Sakekamer (one representatives);
  - South African Football Association (one representative);
  - South Africa Council of Churches (one representative);
  - And Sedibeng District Municipality Employees (five)

The above-mentioned were approached to find out the views of the both internal and external stakeholders, and employees regarding good governance and transformation in the Sedibeng District Municipality.

The responses were recorded in the form of tables, pie charts, and graphs. The recorded responses were analyzed and interpreted to obtain comprehensive information related to transformation and good governance at the Sedibeng District Municipality.
1.7 RESEARCH ETHICS
The researcher declares that the information contained in this proposal is obtained at individual capacity and is not being copied from someone else’s work. The sources are acknowledged and stated in the bibliography. The researcher furthermore confirms that during the research process, the confidentiality of the respondents was maintained and the research ethic measures were followed.

1.8 OUTLINE OF CHAPTERS
The study includes the following chapters:

Chapter One: Orientation and problem statement

The chapter explores the problem areas in the field of transformation and good governance in general and specific contexts to establish the background of the study.

Chapter Two: Theoretical exposition of concepts, transformation and good governance

The chapter discusses comprehensively the concepts transformation and good governance in a general context for detailed understanding.

Chapter Three: Analysis of a link between transformation and good governance in the functional activities of the Sedibeng District Municipality

The chapter reviews the link between concepts good governance and transformation in a specific context utilizing Sedibeng District Municipality as a case-study.
Chapter Four: Empirical research on that appraisal of transformation and good governance at Sedibeng District Municipality

The chapter utilizes appropriate research methods in order to obtain responses from the target population of Sedibeng District Municipality. The responses are analyzed to understand the link between transformation and good governance in the Sedibeng District Municipality.

Chapter Five: Summary, findings and recommendations

The chapter offers the relevant findings and significant recommendations for improvement.

The next chapter discusses the meaning of concepts good governance and transformation in detail.
2.1 INTRODUCTION

“The 1990s have seen the gradual emergence of the promotion of democracy and the strengthening of good governance as both an objective of and a condition for development co-operation” (Santiso, 2001:1). Many authoritarian countries throughout the world had to relinquish one-party authoritarian regime in favour of democratic governance due to developmental failure, the depth of economic crisis and the strength resistance by pro-democracy movement (Chabal, 1998:291).

Both the concept of transformation and good governance have been used at the spread of global democratic trend that Samuel Huntington popularly termed “the third-wave democracy” (Schimmelfenning, 2009:6). This chapter look at the theoretical exposition of the concept of transformation and good governance. Firstly, it will look at the concept of transformation as it is understood in Europe, Africa and South Africa currently. In doing so it explores the various usage of the concept for political purpose to demonstrate changes that took place from one form of governance to the other. Secondly, it looks at the meaning of the concept of good governance both in Europe and Africa, as well as in South Africa. In the process it probes the ideological origin of the concept and its link with democracy and development to ensure that its meaning is not understood out of its context.
2.2 THE MEANING OF CONCEPT TRANSFORMATION IN THE GLOBAL AND CONTINENTAL CONTEXT

The year 1989 was the historic breakthrough in the long struggle between competing ideology of capitalism and communism. Trends in different regions converged to change the political landscape of the world as a result of the demise of the Soviet Union in the late 1980’s and the decline of the one–party state in favour of democracy throughout the world in early 1990 (Carothers, 2002: 5). The ideological conflict between capitalism and communism that characterised world politics after 1945 crumbled in 1989 and collapsed completely with the demise of the Soviet Union.

Eastern Europe was controlled by the Soviet Union which was in turn dominated by Russia that imposed a communist doctrine to all its satellite states modelled on its own, featuring four elements – Communist party dictatorship, central planned economy, highly centralised and hierarchical state apparatus, and foreign policy based on fraternal relations with other communist states (Magstadt, 2007: 253). According to Rousso (2000: 108), Eastern Europe transition was from totalitarian and central planned economy to a free market economy and multiparty democracy.

Consequently, Magstadt (2007: 257) argues that many countries became independent and created new institutions. They abolished old Stalin Order and moved swiftly to introduce free press, extended civil liberties and free parliamentary elections. Rousso (2000: 109) concurs by arguing that the current political environment of Eastern Europe is pluralized. Political parties are allowed to criticise, organise and contest regularly held election without restrictions. Citizens’ rights are guaranteed through
the constitution which provides the freedom of expression, speech, and religious association.

Similarly, in Africa transformation was about the movement away from a single – party political system to a multi – party democratic system (Chabal, 1998: 290). On its inception the African Union (AU) made its intention clear by rejecting unconditionally the unconstitutional change of power in Africa through violence or any other illegal mechanism. This finds expression in the African Charter for Democracy, Elections and Governance preamble stating that the charter is inspired by the values incorporating good governance in the African Union Constitutive Act (2007: 1).

Furthermore, the Charter (2007: 1) is aimed for “seeking to entrench in the Continent a political culture of change of power based on the holding of regular, free, fair and transparent elections conducted by competent, independent and impartial national electoral bodies”. Chabal (2002: 449) states currently the multi – party elections are held on a fairly regular basis in the majority of countries and as a result, power changed hands in many governments. Furthermore, changes in political situation brought about much more tolerance and debates about the direction the continent will follow in future.

2.3 THE MEANING OF TRANSFORMATION IN SOUTH AFRICAN CONTEXT

The democratic government inherited a poor system of governance, defined through racial discrimination and disrespect for human rights. According to Pillay (2004: 3) “South Africans were faced with a daunting challenge in transforming the country to address the deeply entrenched
poverty affecting millions of people, a racially polarised society (in terms of wealth distribution and opportunities), and a brutalised society with intolerably high levels of violence, corruption, social disintegration, and moral decay”. The configuration of the state was consequently transformed into one sovereign state. This significantly transformed the states from the fragmented apartheid based state consisting of so-called independent states and six self-governing areas into the current unitary system (Thornhill, 2005: 578).

The 1996 Constitution provided for the creation of a democratic government that incorporates the rule of law, trias politica [separation of power], “the bill of rights and independent judiciary” (du Toit and Kotze, 2011: 42). The Discussion Document on the Transformation of the Judicial System and the Role of the Judiciary in the Developmental South African State (Department of Justice and Constitutional Development, 2012: 6) states that “the Constitution is the supreme law of the land and provides the basis for the transformation of the state and society. It sets out, as its vision, the establishment of a non-racial, non-sexist, equal and prosperous democratic society, founded on human rights”. The government passed laws intent on transforming society and providing sound administration to the people since the dawn of the new constitution.

According to Miller (African National Congress [ANC], 2012:1) “the impact of apartheid created a public service that lacked legitimacy, professionalism, representation, a democratic and development culture and the capacity to deliver quality services to all South Africans”. Transformation had to consider the need for ethical change towards, government, administration and managerial issues to ensure all services
are provided to promote the welfare of all communities. A new value system had to be developed based on the bill of rights (Thornhill, 2005: 578). Consequently, the transformation of the South African public service incorporated the scattered pre-1994 system. The democratic government amalgamated various administrations serving 11 government and Bantustans (Naidoo, 2005:113).

The independent judiciary is the element that is considered fundamental to the successful functioning of democracy. The Constitution of the Republic of South Africa (1996), states the institutionalization of three divisions [branches: legislative, executive and judiciary] of government that are independent from each other. Power is divided between these branches “who should function separately and independent of each other” (Motala, 1995: 506). Therefore, “judicial independence is intertwined with the doctrines of separation of powers and of checks and balances, both of which are generally considered to be defining characteristics of a democracy” (Gordon & Bruce, 2006:7).

Economically, the government had to revolve and evolve from an inefficient process to an efficient fiscal structure in order to compete in the global economy. Accordingly, South Africa moved from negative to the longest period of consistently positive growth since 1940 and transition from being a country consistently in debts to one which was now in surplus.

2.4 THE GLOBAL MEANING OF GOOD GOVERNANCE

Leftwich (1993: 606) draw two parallel meanings in the concept of good governance which he believes they often overlap. Firstly he argues
emphasizing the more limited definition provided by the World Bank that restricts the meaning of good governance to operational and administrative tasks. Secondly, he states that another meaning is concern with administration improvement and insistence on political pluralism which is closely linked with the West. Furthermore, he strongly argues that the two meanings are distinct and should not be confused with each other (Leftwich, 1993: 606).

“The World Bank developed four areas of governance that are consistent with the Bank’s mandate: public sector management, accountability, the legal framework for development, and information and transparency (World Bank, 1992:2)” (Engels, 2000:18) that it should be used for governance reforms. Court and Maxwell (2005:721) believe that the World Bank is a powerful proponent of the view that aid works only in countries with good governance and good policies. Consequently, Jayat (1997:407) argues that the World Bank does not perceive good governance as important on its own but only as instrument meant to achieve better economic performance.

Hout (2010:10) argues that in the World Bank definition the term power is utilised, but the exercise of power is understood limited only to technical and apolitical, and this was informed partly by the mandate given to the bank by the shareholders who does not allow the institution to interfere in the political affairs of the its member states. However, Leftwich (1994: 64-5) is critical of the World Bank limited approach which present governance as an independent administrative capacity separate from government institutions and politics, and instead insist that the sort of politics and state in a country can provide effective capacity than good governance in promoting development. From the western government
definition perspective, Leftwich (1993: 610) argues that it includes some of the following features, incorporating a well-established public service complemented with effective judicial, financial, administrative structures and availability of independent media. He associates this features with the political conditions of liberal democracy.

However, Cheema and Maguire (2001: 8) thinks “governance is a neutral concept comprising the complex mechanisms, processes, relationships and institutions through which citizens and groups articulate their interests, exercise their rights” and in practice, these values establish the objective and free elections complemented with representative and responsible executive, legislative and judicial branches of government. Sharma (2007: 31) argues that the legal frameworks provided by good governance in democracy are impartially enforced justly by the independent judiciary that operates in an open and transparent manner in following the rules and regulations. Accountability is a vital ingredient of good governance and it cannot be fostered without the two components of democracy which are rule of law and transparency.

Against this backdrop, it can be deduced that it can be argued that good governance strives for the realisation of amongst others active citizen participation in the affairs of government, introduction of objective elections, freedom of speech and expression, and “independent press” (Powley and Anderlini, 2006: 37). In practical implementation these principles can be interpreted as establishment of objective and free elections, a representative and responsible government and the independent judicial. Santiso (2001: 2) differentiate between good governance and democracy arguing that the former refers to the effectiveness of government, whilst the latter tend to refer to the
legitimacy of government. As a result, he alludes that the values of governance is ascribed to its democratic substance. Cheema and Maguira (2001: 8) concurred with Santiso by stating that good governance guarantees citizens active role in state institutions and processes that are transparent and accountable to the society.

2.5 GOOD GOVERNANCE, DEMOCRACY, SUSTAINABLE DEVELOPMENT: A NEXUS

Cheema and Maguire (2001:9) argue that “since 1959, when Seymour Martin Lipset first presented an empirical correlation between a high level of economic development and stable democracy”, there has been vigorous competing ideas on the link between democratic governance and development. The conclusion of cold war resulted into the enhancement of democracy and good governance that has been intensified as encouraging conditions for sustainable development.

As a result, the Organisation for Economic Co-operation and Development [OECD] (1995:6) believes that the agenda for good governance, democracy and sustainable development are interlinked and it include elements which are basic values in their own rights such as human rights, principle of participation, accountability, transparency that have a bearing development. Diamond (2005:1) define democracy, “as a system of government in which the people choose their leaders and representatives, and can replace them, in regular, free, and fair elections”. Therefore, Santiso (2001:6) argues that an inter-linking relationship between democracy and good governance that complement each other. Consequently, “neither democracy nor good governance is sustainable without the other” (Santiso, 2001:2). According to Nobel
laureate Amartya Sen (Sharma, 2007:37) democracy free people by granting of political and human rights, and improve the welfare of the poor better compared to other political systems.

Diamond (2005:5) states that a true democratic system will be responsive to needs and aspiration of the citizen and provide them with an opportunity to monitor and evaluate government performance. Accordingly, (Santiso, 2001: 5) believes that “[a] good governance system puts further requirements on the process of decision-making and public policy formulation. It extends beyond the capacity of public sector to the rules that create a legitimate, effective and efficient framework for the conduct of public policy. It implies managing public affairs in a transparent, accountable, participatory and equitable manner” in accordance with trias politica both horizontal and vertical, and establishment of effective oversight agencies.

The Organisation for Economic Co-operation and Development (1995: 5) argues that “it has become increasingly apparent that there is a vital connection between open, democratic and accountable systems of governance and respect for human rights, and the ability to achieve sustained economic and social development”. Marita and Zaelke (2005: 2) believes that there are many factors that plays an important role in development, but good governance is currently recognised as playing an essential role in the advancement of sustainable development.

Sharma (2007: 30) argues that history has proven that development thrives more rapidly under the conditions of democratic rule and sound administration are best sustained in democracies which augers well for promotion of good governance and economic development. Therefore, it
is not surprising that the most countries under stable democracies have their economies performing at high level.

2.6 THE IDEOLOGICAL DISCOURSE OF GOOD GOVERNANCE

Williamson (Hout, 2010: 10) argued that the introduction of conditions for aid should be located against the backdrop of neo – liberal analysis of development that has dominated international discourse since the 1980. The prescription from the Washington based World Bank and International Monetary Fund (IMF) and US Government, hence, it was called the Washington Consensus because it revolved around market – oriented reforms and emphasised the virtues of liberalisation, privatisation and deregulations. (Solimano, 2005: 46) believe that Washington Consensus policies in its original formulation often ignored, at least explicit, the importance of institutions, politics and social conflict in policy formulation and execution.

In the 1980’s the International Monetary Fund (IMF), the World Bank and western aid donors introduced a package of economic and institutional measures called the structural adjustment programmes as the condition for aid in developing countries (Leftwich, 1994: 366). Obi (2001: 147) argues that the structural adjustment programme was the fundamental focal point of Washington Consensus with a neo-liberal outlook. According to Williams (Santiso, 2001: 14) the aim of the structural adjustment programme revolved around the Washington Consensus policy prescriptions that were imposed down the throat of the third world countries, especially Africa, to liberalise their economy by opening the trade, tightening their expenditure, introducing a prudent microeconomic policies, deregulation and privatisation state assets and functions, and
finally reduction or down – sizing of the traditionally obese public services.

However, the unsuccessful attempts to achieve the expected outcomes of a policy reform, stability and ignite development became of was evident especially in Africa. The World Bank (1989: 2) submitted that in Sub Sahara Africa, growth was unevenly spread over time and across countries. There were three broadly distinct period; 1961 – 72 - when the income per capita grew, 1973 – 80 – a period of stagnation, 1981 – 87 the years of total decline. The failure of structural adjustment programme compelled the IMF, World Bank and western government donors to “radically redesign their lending policies, revisit their traditional assumptions and adopt a more selective approach rewarding” (Collier, 1999 in Santiso, 2001: 14) towards a developmental outlook.

In the 1990’s the Chief Economist of the World Bank Stiglitz called for the a Post Washington Consensus arguing that trade liberalisation, macro - economic stability and privatisation as the hallmark of the Washington Consensus are not a sufficient policy ingredient for development and propelled for a change to governance – related performance based allocation of development loans (Hout, 2010: 11). As a result, Santiso (2001: 8) argues that “the failure of past strategies to promote specific policies and induce policy changes in developing countries”.

Accordingly, Hout (2010: 1-2) believes “adoption of governance into the vocabulary of development has, in the words of some observers, been interpreted as a change from the market-based ‘Washington Consensus’ to an institution-oriented ‘Post-Washington Consens’” and furthermore
argues that governance rescued neo-liberal approaches to development, out of a crisis as a result of the structural adjustment programme. Leftwich (1993: 608) argues that neo–liberalism is not only and economic theory but a theory of politics and the state with normative and functional dimensions. Normatively, it celebrates individual freedoms and against all forms of official discrimination and functionally, it is concern the existence of democracy because it believe that free market economy thrive better under democracy.

2.7 THE MEANING OF GOOD GOVERNANCE IN THE CONTEXT OF THE AFRICAN CONTINENT

“Bad governance is being increasingly regarded as one of the root causes of all evil within our societies” (United Nations Economic and Social Commission for Asia and the Pacific [ESCAP], 2013: 1). As a result, “international actors consider ‘good governance’ to be a key for building sustainable peace and long – term development” (Powley and Anderlini, 2006: 37). Many countries that have suffered under the yoke of communist rule in Eastern Europe and one – party rule in Africa had to transform their governance towards multi – party democracy (Carothers, 2002: 5). Organisation for Economic Co-operation and Development (1995: 6) argues that the agenda for good governance and democracy are clearly linked in that they include basic values such as protection of human rights, principles of participation, and others such as accountability, transparency and high standard of public management.

According to Riddell (1999:1) the key feature of Africa’s relations with the outside world for more than three decades has been the aid. Corruption, greed, poverty, mismanagement and conflict remains the most pressing
challenges for Africa complimented with rising levels of poverty and unemployment. Shinkaiye (2006:3) believes that the state of affairs is as a result of the mandate the Organisation of African Union (OAU) had on governance which was to focus on “the elimination of the last vestiges of colonialism in order to promote the principle of self – determination and to foster the establishment of truly sovereign states, free from all forms of external interference both continentally and globally”.

Africa faced a litany of socio – economic and external debt crisis in the 1980 that was accentuated by the failure of the structural adjustment programmes (Obi, 2001: 147). Consequently, the change in the balance of forces internationally has a significant influence on the future of many African states. Chabal (1998: 291) argues that the deepening political crisis of the one – party state, collapse of the economy and failure of development strengthened political protest in favour of which led new approach on governance in Africa. Furthermore, the “change in the balance of forces internationally due to conclusion of cold war resulted in the emergence of neo-liberal approach and the introduction of democracy in Africa” (Akokpari, 2004: 245).

The influential World Bank study on Sub – saharan Africa produced at the end of 1980’s, entitled From Crisis to Sustainable Growth: A long term perspective study, declared Africa as having a crisis of governance serve as turning point. It provided the international donor agency with an important threshold on policy approach to Africa (Santiso, 2001: 5). The United Nations Economic Commission for Africa [ECA] (Hamdock, 2010: 15) submits that there has been a global consensus that governance is principal element in bring sustainable development globally. Similarly, the former UN Secretary – General, Kofi Annan noted that without good
governance, predictable and stable administration - no amount of founding or charity that will help Africa into the sustainable development path.

Consequently, the issues of democracy, human rights and good governance gain unprecedented prominence in Africa. The Office of African Union (OAU) promulgations during the 1990s promoted popular participation and good governance as solution to deepening crisis. These included (The New Partnership for Africa’s Development [NEPAD], 2002: 2):

* “the Lagos Plan of Action, and the Final Act of Lagos (1980);

*the African (Banjul) Charter on Human and Peoples Rights (1981);

*the African Charter for Popular Participation in Development (1990);

*the Declaration on the Political and Socio-Economic Situation in Africa and the Fundamental Changes Taking Place in the World (1990);

*the African Charter on the Rights and Welfare of the Child (1990);

*the Abuja Treaty establishing the African Economic Community (1991);

*the 1993 Cairo Declaration Establishing the Mechanism for Conflict Prevention, Management and Resolution; the Protocol on the Establishment of an African Court on Human and Peoples Rights (1998);

*the 1999 Grand Bay (Mauritius) Declaration and Plan of Action for the Promotion and Protection of Human Rights;
*the Framework for an OAU Response to Unconstitutional Changes of Government (adopted at the 2000 OAU Summit in Lome, Togo, and based on the earlier decision of the 1999 Algiers OAU Summit);

*the Conference on Security, Stability, Development and Cooperation (CSSDCA) Solemn Declaration (2000); and

*the Constitutive Act of the African Union (2000)."

The formation of the African Union (AU) accentuated the new thinking and changing orientation as stated in the Constitution Act of the African Union. During the address to the European Union/Africa Summit on Good Governance and Human Rights in Africa in 2007, Mr Thabo Mbeki [the former President of the Republic of South Africa] said Africa is determined to do everything possible to ensure that the people of African are rescued from clutches of poverty, underdevelopment and dehumanisation urgently. He stressed on the outcomes of the good governance required to achieve development. As a result, African leaders took a pledge to take joint responsibility for achieving sustainable development as an imperative aim of the NEPAD.

At the centre of the African Union is the promotion of democratic institutions, observation of safety and security, and socio – economic development of Africa to ensure good governance. Shinkaiye (2006: 8) believes that the African Union’s governance agenda is two – dimensional and the dimensions has a synergies. In one dimension there are institutions and processes that are intended to foster the governance agenda of the Union itself, and on the other, there are institutions of the African Union’s governance agenda in member states of the
organisation. The African Union utilizes a two-folds methodology, “at their core the promotion of governance, through more efficient, more responsive and more accountable government, so as to hold African governments accountable for their actions, and for their declarations” (Shinkaiye, 2006: 12-13).


*“promote democratic principles and institutions, popular participation and good governance [article 3 (g)];

*promote and protect human and peoples' rights in accordance with the African Charter on Human and Peoples' Rights and other relevant human rights instruments [article 3 (h)]; and

*respect for democratic principles, human rights, the rule of law and good governance [article 4 (m)]”.

Shankaiye (2006: 13) is of the view that the African Union foster adherence to these principles so that member states promote the notion of democracy and good governance and these elements become an ingrained feature of life in the continent.

The African Union sought to address the new galaxy of challenges facing Africa through a broad framework of the New Partnership for Africa’s Development [NEPAD] (Okokpari, 2004: 246). NEPAD is founded on principles of good governance in African countries, especially the adoption of sound macroeconomic policy frameworks and improved economic and corporate governance (De Waal, 2002: 465). According to
De Waal (2002: 471) NEPAD emphasise three dimensions of governance:

“(i) economic and corporate governance;

(ii) political governance;

(iii) peace and security”.

NEPAD made a provision for setting up the African Peer Review Mechanism (APRM) for reviewing development and address problems and delays in member state implementing NEPAD priorities and programmes on democracy and governance (Ottosen, 2011: 3). The mechanism “requires African states to subject themselves to self-assessment by their own citizens, followed by external review through a panel of distinguished African leaders, called the African Peer Review Panel of Eminent Persons. The four core thematic areas of the African Peer Review Mechanism (APRM) are (NEPAD Kenya, 2012: 1):

“(i) Democracy and Political Governance;

(ii) Economic Governance and Management;

(iii) Corporate Governance; and

(iv) Socio Economic Development”.

The mechanism results into the establishment of institutions and structures based on African Union values.
2.8 THE SOUTH AFRICAN CONTEXT

The demise of apartheid regime in 1994 formally laid a foundation for the establishment of a democratic state in South Africa. “Before 1994, the majority of South Africans, notably blacks, had never had the vote and, therefore, had not had the opportunity of participating in South Africa’s governance and administration” (Hillard & Kemp, 2009: 1). The adoption of the new constitution in 1996 set in motion South Africa transition from an authoritarian to democratic system of government. The Constitution of the Republic of South Africa, 1996 laid the “foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law” (South African Police Service, 2012: 2). The 1996 Constitution of the Republic of South Africa is the cornerstone of democracy and good governance in South Africa.

The founding provisions of the Constitution of the Republic of South Africa establish a “multi-party system of democratic government, to ensure accountability, responsiveness and openness” (Rebirth, 2000: 1). Accordingly, Section 41(c) obliged government to “provide effective, transparent, accountable and coherent government for the Republic as a whole” (Tschentscher, 2010: 6). The Good Governance Conference on Understanding the Role of Oversight Institutions in Promoting Good Governance in South Africa held in October 2010 agreed on the common understanding of the concept good governance as including the following characteristics: “compliance with the constitution and the law; accountability; accessibility; transparency; predictability; capacity; the rule of law; participation; and responsiveness to people's needs” (Public Protector South Africa, 2012: 1).
Before its transition to a democratic, constitutional state, South Africa was known as a country in which the rights and freedoms of the majority of people were denied. To prevent this from ever happening again, our Constitution contains a Bill of Rights (Parliament of the Republic of South Africa, 2012: 2). The Bill of Rights “is a cornerstone of democracy in South Africa. It enshrines the rights of all people in our country and affirms the democratic values of human dignity, equality and freedom” (Tschentscher, 2010: 1).

According to Hillard and Kemp (2009: 2), “South Africa had emerged from a unilateral, top-down approach to policy making which resulted in the imposition of policies on the majority of the population” without them having a say in their making. The constitution cannot in itself guarantee that things cannot go woefully wrong and therefore made provisions for citizen participation as a crucial element to sustain both democracy and good governance.

2.9 CONCLUSION

The late 1980’s were a significant threshold for democratic transition throughout the world. The demise of the communism altered the balance of forces that signified the need for in many countries to transform their governance systems, processes and institutions. This resulted in transformation taking place from one political system to the other and the introduction of good governance as a condition for sustainable development to address political crisis of weak and dysfunction states, poor economic management and improve accountability, transparency and citizen participation. Consequently, there is a mutual relation between transformation and good governance. There is transformation to
move from one system of governance to other and the new system includes good governance which is crucial if stable administration and sustainable development is to be achieved with citizens playing a huge role by holding the government to account. Both transformation and good governance envisage changes to good and effective system breaking from the past systems many of which were one – party and totalitarians in nature.

The next chapter assesses the link between transformation and good governance in the functional activities of the Sedibeng District Municipality.
CHAPTER THREE

ANALYSIS OF A LINK BETWEEN TRANSFORMATION AND GOOD GOVERNANCE IN THE FUNCTIONAL ACTIVITIES OF THE SEDIBENG DISTRICT MUNICIPALITY

3.1 INTRODUCTION
The Constitution of the Republic of South Africa, 1996, through the process of cooperative governance, obliges local government to work with national and provincial levels of government for social-economic advancement of the communities. The Constitution foster transformation and promote good governance in local government by enjoining it to put in place institutions, processes and procedures intend on transforming local government in developmental local government and promoting good governance. This chapter will look at the link between transformation and good governance at Sedibeng District Municipality by reviewing relevant legislation and assess their implementation at Sedibeng District Municipality.

3.2 TRANSFORMATION AND GOOD GOVERNANCE IN SOUTH AFRICA’S LOCAL GOVERNMENT
After the 1994 democratic election government inherited approximately 1 100 racially – segregated local government in fully operation in white communities and dysfunctional in Africa communities (Thornhill, 2008: 493). The democratic government was required by the new constitution to transform the system of local government to meet the demands of the new society based on non –racialism, democracy and accountability. The
process of democratising local government required a radical transformation of the whole system of local government.

The municipal/local sphere of governance is closest to the people and aims to develop an open communication between community members and government. It is the delivery arm of government with the obligation to ensure that the basic services are delivered effectively to community members. Good governance, which Van der Waldt (2007: 4) regard as implying the “inclusion and representation of all groups in the urban society- and accountability, integrity and transparency of local government actions- in defining and pursuing shared goals” is very crucial if local government is to realise its objectives.

Consequently, between 1994 and 2003 the government enacted various pieces of legislations intended on addressing the anomalies of the past and to foster transformation and promote good governance in local government. These legislations includes the Constitution of the Republic of South Africa, 1996; the White Paper on Local Government, 1998; Municipal Demarcation Act, 1998; Municipal Structures Act, 1998; Employment Equity Act, 1998; Municipal System Act, 2000 and the Municipal Finance Management Act, 2003 served as the base on which the new local government was born and anchored (Dipholo et al, 2011:1432). A brief description of these legislations is provided in the following sub-sections:

3.3 LEGISLATIVE FRAMEWORK GOVERNING TRANSFORMATION IN LOCAL GOVERNMENT

3.3.1 The Constitution of the Republic of South Africa, 1996
The Constitution of the Republic of South Africa 1996 in Chapter 1 declares the Constitution as “the supreme law of the Republic” (RSA, 1996:3). Chapter 9 establishes institutions such as the Public Protector and Auditor – General. Section 182 empowers the Public Protector and Section 188 authorises the Auditor – General to audit (1196:107 – 111). Accordingly, Chapter 10 requires “public administration in all spheres of government to promote and maintain high standard of professional ethics and to be transparent and accountable by providing services impartially, fairly, equitable and without bias” (RSA, 1996: 115).

3.3.2 The White Paper on Local Government, 1998

The White Paper on Local Government (WPLG) identified six areas that are essential in the transformation of local governance as namely developmental local government, cooperative governance, institutional system, administration system, political system and finance.

3.3.3 The Municipal Demarcation Act 27 of 1998

Chapter one of the Municipal Demarcation Act 27 of 1998 establishes the Municipal Demarcation Board that is independent and impartial and executing its function without fear, favour or prejudice. Secondly, it outlines its powers, composition and qualifications. Chapter two of the Act sets out the process that should be followed in determining the boundaries of municipalities. Chapter 3 of the Act deals with administration issues and other related matters of the Board (Municipal Demarcation Act, 1998: 22 -28).
3.3.4 Employment Equity Act 55 of 1998
The purpose of the Employment Equity Act 55 of 1998 is to enhance employment opportunities through affirmative action procedures avoiding any sort of discrimination. Crucially, Section 20 of the Act compel every employer to prepare and implement a 5 year plan which states to implement the Employment Equity Act that reviewed annually for submission to the Department of Labour (Employment Equity Act, 1998:10-11).

3.3.5 Municipal Structure Act 117 of 1998
The Municipal Structure Act 117 of 1998 provides for creation of the different categories and types of the municipalities. Municipal Structure Act, Chapter 1 [Categories and Types of Municipality], Section 2 distinguish municipalities between category A- Metropolitan, B-Local and C-District municipalities. Municipal Structure Act, Chapter 2 [Establishment of Municipalities], Section 12 establishes a municipality in each municipal area in terms of the Demarcation Act. Municipal Structure Act, Chapter 3 [Municipal Council], Section 18 establishes a municipal council in each municipality. Municipal Structure Act, Chapter 5 [Functions and Power of the Municipalities], Section 83 (3) demands district municipalities to provide sustainable development within their areas of jurisdiction.

3.3.6 Municipal Systems Act 32 of 2000
The Municipal Systems Act 32 of 2000 provides local government with the framework for promoting participatory democracy, development planning, performance management, successful utilization of resources and organisational change. Municipal Systems Act, Chapter 4 [Community Participation], Section 16(1) obliged the municipality to
enhance participatory governance. The Act also obliges the municipality to be transparent through communication and information on governance, management, and development. They must notify public on their meetings through public notices and newspaper and allow public to attend.

Municipal Systems Act, Chapter 5 [Integrated Development Planning], Section 23(1) demands development planning by the municipality to fulfil the aims of developmental local governance. Municipal Systems Act, Chapter 6 [Performance Management], Section 38 requires the municipal to establish the municipal performance management system in connexion with the aims established in the integrated development plan.

Municipal Systems Act, Chapter 7 [Local Public Administration and Human Resources], Section 50 and 67 stipulate the need of capacity-building aligned with the objectives of Skills Development Act 81 of 1998 and offer equal employment opportunity to diverse groups meeting with the objectives of the Employment Equity Act 55 of 1998. Municipal Systems Act, Chapter 8 [Municipal Services], Section 74 and 75 stipulate that municipality must provide community members with basic services. Municipal Systems Act, Chapter 9 [Credit Control and Debt Collection], Section 95 and 96 obliged the municipality establish and implement a customer relationship management system for improved relationship between the customers and the municipality.

In addition to the above chapters the Municipal Systems Act also stipulate the code of conduct for municipal employees [elected and appointed].
Municipal Systems Act, Section 5 requires a councillor to reveal to the municipal council any direct personal and private interest. Section 6 prohibits councillors to misuse their position revealing any official information for personal/financial gain. Furthermore, Section 7 requires councillors to declare in writing within 60 days regarding any financial interests in any company and gifts of any kind whatsoever. Section 9 also prohibits councillors from receiving any personal benefits in favour of voting [or non-voting].

Section 6, 7, and 8 prohibit staff member without the consent of the municipality to disclose confidential information to an unauthorised person. Any breach must be dealt with through the disciplinary processes. Furthermore, Section 11 prohibits councillors from interfering in the management or administration and attempt to obstruct implementation of any decision unless mandated by council. The code of conduct makes provision for sanctions in case of breaches.

### 3.3.7 Municipal Finance Management Act 56 of 2003

The Municipal Finance Management Act 56 of 2003 aims to establish standards to ensure proper management of revenues, expenditures, assets, liabilities in a transparency and accountability manner. Municipal Finance Management Act, Chapter 2 [Supervision of Local Government Finance Management], stipulates the authority of the national treasury and provincial treasuries over the local government finances in connexion with the Intergovernmental Fiscal Relations Act 97 of 1997, the Annual Division of Revenue Act and the Public Finance Management Act to promoting good budget and fiscal management.
Municipal Finance Management Act, Chapter 3 [Municipal Revenue], Section 10 provides for the accounting officer who is accountable to the municipal council to administer all municipal bank accounts. Municipal Finance Management Act, Chapter 5 [Corporative Government], Section 34 and 35 demand capacity-building of local government for effective implementation of financial management. Municipal Finance Management Act, Chapter 7 [Responsibilities of the Mayors], Section 52 tabulates the role of the mayors as monitoring and evaluation of finances. Municipal Finance Management Act, Chapter 8 [Responsibilities of Municipal Top Officials], Section 60 appoints the municipal manager as the accounting officer.

Municipal Finance Management Act, Chapter 11 [Good and Services], Section 111 obliged each municipality to establish a supply chain management policy to regulate and biddings. Section 112 disallows the municipality to consider unsolicited bids outside its normal bidding processes. Section 112 makes provision for municipality notify in writing the Auditor – General, national and provincial treasury to provide reasons for deviating when a tender other than the recommended one is approved but this doesn’t apply if the action was to rectify an irregularity.

Municipal Finance Management Act, Chapter 14 [General Treasury Matters], Section 163 disallows municipalities from incurring a liability or risk payable in foreign currency and conduct exercise its Constitution assigned powers and functions outside the borders of the Republic. Accordingly, Section 165 provides for each municipality to have an audit unit. Any misconduct must be investigated and if necessary disciplinary proceedings must be instituted against the responsible official(s).
3.3.8 Intergovernmental Relations Act 13 of 2005
Intergovernmental Relations Act, Chapter 1[Object of the Act], stipulates the establishment of cohesion government with effective monitoring implementation policies. Intergovernmental Relations Act, Chapter 4 [Settlement of Intergovernmental Disputes], puts in place processes for resolution of disputes.

There are other pieces of legislation to promote good governance and combat corruption as discussed below:

3.3.9 South African Police Service Act 68 of 1995
The Act aims to establish a police service to ensuring safety and security to the people of South Africa. The Directorate for Priority Crime Investigation (Hawks) is also institutionalized to minimize crime and corruption.

3.3.10 National Prosecution Authority Act 32 of 1998
Chapter 5 of the Prevention of Organised Crime Act 121 of 1989 is aimed to confiscate any asset that is product of the proceeds of criminal activities when the offender is found guilty.

3.3.11 Witness Protection Act 112 of 1998
The Act aimed at providing protection for witnesses whose safety is threatened by any person or persons while waiting for or given evidence in a trial or court proceedings and/or commission of enquiry.

3.3.12 Promotion of Administration of Justice Act 3 of 2000
The Act aims to bring accountability by promoting the administration in connection with Section 33 of the Constitution of the Republic of
South Africa.

3.3.13 Promotion of Access to Information Act 2 of 2000
The Act aims to enhance the access to any state information to improve transparency and accountability in society generally.

3.3.14 Protected Disclosures Act 26 of 2000
The Act provides for procedures to allow protection employees from both public and private sector and to protect whistle – blowers in terms of this Act.

3.3.15 Financial Intelligence Centre Act 38 of 2001
The Act aims to establish a Financial Intelligence Centre to control activities related to money laundering. Secondly, it establishes a Money Laundering Advice Centre advising the Minister of Finance to combat money laundering.

3.3.16 The Prevention of and Combating of Corrupt Activities Act 12 of 2003
The Act aims at minimizing corrupt activities by declaring corruption as an offence in the Republic. Secondly, it placed on duty people holding portfolio to investigate the corrupt activities.

The above mentioned Acts are crucial and form the basis for the creation of enabling environment for transformation of local government and attainment of good governance in pursuit of developmental local government.
3.4 TRANSFORMATION AND GOOD GOVERNANCE IN SEDIBENG DISTRICT MUNICIPALITY

The local government legislative requirements oblige the Sedibeng District Municipality to implement transformation and promote good governance for achieving the goal of developmental local government as envisaged in the Constitution. However, the municipality has no specific policies or programmes to promote transformation and good governance but rely entirely on the implementation of legislations and regulatory frameworks on developmental local government to transform its institutions and administration to promote good governance.

3.4.1 Application of Transformation

The birth of the new local government was preceded by various legislation that spelt out clearly new structures should be established both political and administratively in the new dispensation to ensure a total break with the past structures. Consequently, the Sedibeng District Municipality put in place institutional framework both politically and administratively to transform the municipality as required. These structures are as follows:

3.4.1.1 The Governance Structures

The Constitution and legislations on local government ensured separation of power between the council and executive mayor or mayoral committee to foster accountability and good governance in municipalities. The council has the power to both legislate and ensure oversight and accountability of the executive.
3.4.1.1a The Mayoral Committee and Council

In terms of the Municipal Structures Act requires the Sedibeng District Municipality to established various institutional structures which consist of the mayoral committee (executive) of nine (9) councillors appointed by Executive mayor and the council (legislature) which has 43 elected councillors representing the following political parties inter alia: African national Congress (ANC) (32), Democratic Alliance (DA) (9) and Pan African Congress (PAC) (2). In addition the municipality has 17 councillors from local municipality represented Midvaal (2), Lesedi (2) and Emfuleni (22) because it is a district municipality (Annual Report, 2009/10:41). Furthermore, the mayoral committee in order to ensure that it functions effective and efficient established the following committees;

3.4.1.1b The Section 80 Committees

The mayoral committee too has established Section 80 committees in line with portfolio’s allocated to mayoral committee members. The numbers of councillors in each committee vary from ten (10) to twelve (12) and are chaired by member of mayoral committee.

3.4.1.1c Remuneration Committee

The municipal council also has established the proportional represented multi – party remuneration committee to negotiate the remuneration package of Section 57 employees including those who are employed on contract basis.

3.4.1.1d Bursary Committee

The Executive Mayor has established a bursary Board comprising of eight (8) member of public to adjudicate the allocation of bursaries to needy student in the region.
3.4.1.2 The Administration

The municipal administration led by the municipal manager and with executive directors who each head a cluster that comprise of various functional department the departments like the three political offices (Office of the Executive Mayor, Speaker and Chief Whip) are departments headed by a Director and has personnel. The municipal administration structure and personnel is indicated in the table 3.1

Table 3.1: Deployment of human capital in Sedibeng District Municipality

<table>
<thead>
<tr>
<th>CLUSTER</th>
<th>APPROVED STRUCTURE</th>
<th>ACTUAL STAFF COMPLIMENT</th>
<th>VACANCIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Executive Mayor</td>
<td>10</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Office of the Speaker</td>
<td>09</td>
<td>09</td>
<td>0</td>
</tr>
<tr>
<td>Office of the Chief Whip</td>
<td>07</td>
<td>06</td>
<td>01</td>
</tr>
<tr>
<td>Office of the Municipal Manager</td>
<td>10</td>
<td>08</td>
<td>02</td>
</tr>
<tr>
<td>Corporate Services (IT, HRM, Legal and Records)</td>
<td>60</td>
<td>260</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Staff</td>
<td>318</td>
<td>79</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------</td>
<td>-----</td>
<td>----</td>
</tr>
<tr>
<td>Community Service (Health, Sports)</td>
<td>397</td>
<td>318</td>
<td>79</td>
</tr>
<tr>
<td>Strategic Planning and Economic Development (tourism &amp; housing)</td>
<td>70</td>
<td>46</td>
<td>24</td>
</tr>
<tr>
<td>Finance</td>
<td>31</td>
<td>35</td>
<td>-4</td>
</tr>
<tr>
<td>Transport, Infrastructure and Environment</td>
<td>299</td>
<td>177</td>
<td>122</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1093</strong></td>
<td><strong>869</strong></td>
<td><strong>228</strong></td>
</tr>
</tbody>
</table>


According to the above table Sedibeng District Municipality has a staff compliment of 869 and the 227 vacant posts. The department of finance has four (4) extra staff members, stated in table 3.2.
According to the table 3.2 the staff of Sedibeng District Municipality was between 1 361 – 1420 during transition period because functions such as licencing, libraries, electricity, traffic, fire and emergency were performed at district level. The 2000 election and promulgation of various legislations brought changes in powers and functions of district type of municipalities. As a result, all the above mentioned functions were transferred to local municipalities which had implications on the staff compliment of the district municipalities. However, licencing was brought back to the district municipality in 2004 and the municipality subsequently approved an Ex – Combatant policy aimed at creating jobs for former Umkhonto Wesizwe fighters. This led to the rise in staff personnel from 2008 – 2010.

However, the concern raised by the municipal manager (Sedibeng District Municipality Annual Report, 2009/10:2) about the growth of personnel over the period of several years which has a financial bearing on the municipality since the equitable share and grants from the treasury are not keeping pace with increased cost of salaries had been addressed with staff reduced from 908 to 855 through a moratorium on vacancies and allowing natural nutrition to reduce numbers (Sedibeng District Municipality Annual Report, 2010/11:3).

Annually the municipality is required in terms of Section 20 of the Employment Equity Act develop and implement employment equity plan that is reviewed annually. The table 3.3 reflect on demographic of the staff during the period 2010/11 in compliance with the Act.

Table 3.3: Demographic Composition of Sedibeng District Staff

<table>
<thead>
<tr>
<th>Occupational Levels</th>
<th>Male vs Race</th>
<th>Female vs Race</th>
<th>Total Gender</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management (0-3)</td>
<td>A</td>
<td>C</td>
<td>I</td>
<td>W</td>
</tr>
<tr>
<td></td>
<td>3 (Res)</td>
<td>1 (Res)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior management (4 – 5)</td>
<td>1 (Res)</td>
<td>1 (Res)</td>
<td>1 (Pen)</td>
<td>1 (Pen)</td>
</tr>
<tr>
<td>Professionally qualified and experienced specialists and mid-management (6-7)</td>
<td>1 (Dis)</td>
<td>1 (Res)</td>
<td>1 (Pen)</td>
<td>2 (Res)</td>
</tr>
<tr>
<td>Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (8-11)</td>
<td>1 (Res)</td>
<td>1 (Dis)</td>
<td>1 (Dec)</td>
<td>4 (Res)</td>
</tr>
</tbody>
</table>

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3.4.2 Application of Good Governance

The application of good governance at Sedibeng District Municipality is stipulated in following sub-sections:

**3.4.2.1 The Section 79 Committees**

The Council in order to exercise its oversight role and ensuring accountability of the executive mayor and the executive effectively the council established six (6) proportionally represented multi-party Section 79 Committees which are significant in promoting good governance in the municipality namely, Municipal Public Account Committee (MPAC), the Petition Management Committee, the Ethics Committee, the Rules committee, Gender Committee and Election Committee with political parties represented on a proportional basis (Annual Report, 2009/10:42). These committees account directly to the council.

**3.4.2.2 The Audit Committee**

In order to ensure a clean and transparent administration the council established an audit committee in terms of Section 166 of the Municipal Finance Management Act that comprise of five (5) external appointed people to provide an oversight to all audit functions and foster
transparency and accountability. The Auditor – General and internal Auditor/s attend meetings including senior staff of the municipality but only on invitation as when they are required.

According to the Annual Report (2010/11:35) during its period the municipality reviewed and extended the Audit Charter of the Audit Committee to include risk management and performance management. They also employed an Assistant Manager: Risk Management in the office of the municipal manager and contracted a service provider to do risk assessment and update risk register.

3.4.2.3 Public Participation

In addition to the above mentioned structures the municipality to promote good governance has assigned the Office of the Speaker to manage public participation processes in the municipality. A designated office for public participation has been established in the last few years. However, the municipality has no policy but a public participation framework which has many gaps and limitations.

However, the municipality is extensively undertaking regularly public and stakeholder engagement through visits, media outreach, consultations and meeting covering various topics ranging from service delivery to social matters (Annual Report, 2010/11:66). However, these meetings are not effective in conveying information to the communities mainly because of the high level of apathy. In addition, member of the public are invited through public notice and newspaper adverts to attend the sittings of the council which has consistently proved ineffective because few people attend and the municipality has to use distribution of t-shirts and provision of food as source of attraction.
3.4.3 Transformation and good governance in functional activities at Sedibeng District Municipality

The functional activities of the municipality are daily activities done by officials in executing their functions. The focus of the municipality in transformation of the administration was merely the structure and composition of the public service this is mainly due to the lack of clear policy on transformation. Thornhill (2005:581) warned that transformation involves more complicated processes that just restructuring of posts and renaming of departments. It should also assist public service to fulfil its appointed role as required by the Constitution.

Wessels (2008:23) argues that transformation also should facilitate change of attitudes and behaviour of public servant towards a democratic ethos. Naturally, individuals in organisation are subjected to societal pressures, tradition and outlooks in life in general. Therefore, the Sedibeng District Municipality needed to develop and introduce a new approach into the organisational culture to ensure change in the values underlying administrative and managerial practice. Public servant should learn that public service exist for the benefit of society not for the sake of their family members, friend and party political loyalty.

The Sedibeng District Municipality inherited public service is also ill – prepared for the demands of the liberated society which may account for the current surge in service delivery protest especially in Sharpeville, Sebokeng and Rathanda. Thornhill (2005:578) express a dire need for ethical change towards governmental, administration and managerial matters to ensure services are provided to promote the welfare of all communities. Their actions have to be aimed at implementation of policies delivery of services without delay. This requires innovation and
visionary action from public service and the need to constantly develop capacity.

The Sedibeng District Municipality has serious limitations in compliance with laws as a way of promoting good governance is. Dinga (2012: 1) states that “there is always a link between good governance and compliance with law. Good governance is not something that exists separately from the law and it is entirely inappropriate to unhinge governance from the law”. The Auditor – Generals report have consistently over the years (from 2006 – 2011) recorded instance of the municipality’s non – compliance with the Municipal Finance Management Act and Municipal Systems Act, stated in table 3.4.

Table 3.4: Non-Compliance with the Laws (2006 – 2001)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>MFMA</th>
<th>MSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006/07</td>
<td>No fraud prevention plan</td>
<td>- SDM didn’t review its performance at least once per year against KPI’s &amp; targets</td>
</tr>
<tr>
<td></td>
<td>Mayor didn’t present IDP schedule ten months before start of budget year</td>
<td>- Local community was not involved in setting performance KPI’s &amp; targets as required by Section 42 of the MSA</td>
</tr>
<tr>
<td></td>
<td>Ineffective monitoring controls in matters such as review of reconciliations, operations and processes</td>
<td>- SDM failed to have adequately regular meeting with local communities to monitor implementation of IDP, discuss development, implementation &amp; review of PMS, monitor SDM performance in relation to KPI’s targets set out</td>
</tr>
<tr>
<td></td>
<td>Control activities in respect of preparation of reconciliations, supervision and review which contribute to errors in financial statement</td>
<td>- No dedicated performance audit committee</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>- The PMS didn’t prescribe an annual performance review process for review of KPI’s</td>
</tr>
<tr>
<td></td>
<td>Local community was not involved in setting performance KPI’s &amp; targets as required by Section 42 of the MSA</td>
<td>- Nom monitoring &amp; measurement of the service provider implementing PMS</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- No risk implementation plan</td>
</tr>
<tr>
<td>2007/08</td>
<td>No fraud prevention plan</td>
<td>- IDP KPA have no input, output &amp; outcome indicators</td>
</tr>
<tr>
<td></td>
<td>No risk implementation plan</td>
<td>-</td>
</tr>
</tbody>
</table>

52
<table>
<thead>
<tr>
<th>Year</th>
<th>Irregular Expenditure</th>
<th>Performance Assessment Report</th>
<th>Financial Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/09</td>
<td>Irregular expenditure incurred</td>
<td>Performance assessment report not submitted to treasury</td>
<td>Fruitless amounting to R118 240 was incurred</td>
</tr>
<tr>
<td></td>
<td>Performance assessment report not submitted to treasury</td>
<td></td>
<td>Wasteful expenditure of R1 367 868 was incurred for failing to claim form insurance incurred</td>
</tr>
<tr>
<td></td>
<td>Performance assessment report of the SDM not submitted to both national &amp; Provincial Treasury</td>
<td>- IDP KPI’s not measurable &amp; precise</td>
<td>- Performance audit committee did not review PMS</td>
</tr>
<tr>
<td></td>
<td>Performance assessment report of the SDM not submitted to both national &amp; Provincial Treasury</td>
<td>- Internal audit processes didn’t include assessment of functionality of SDM</td>
<td>- Performance assessment report of the SDM not submitted to both national &amp; Provincial Treasury</td>
</tr>
<tr>
<td>2009/10</td>
<td>Fruitless expenditure and unauthorised expenditure on employee cost &amp; grant paid amounting to R5 846 329 &amp; R18 651 737 respectively incurred</td>
<td>Audit committee didn’t review the PMS</td>
<td>Didn’t report in the Annual Report on performance against predetermined objectives/indicators/targets in line with IDP &amp; SDBIP</td>
</tr>
<tr>
<td></td>
<td>Fruitless expenditure and unauthorised expenditure on employee cost &amp; grant paid amounting to R5 846 329 &amp; R18 651 737 respectively incurred</td>
<td></td>
<td>- No comparison of performance against targets &amp; current year against previous year</td>
</tr>
<tr>
<td>2010/11</td>
<td>Unauthorised expenditure of R88 631 829 incurred on exceeded budget amount in employee costs &amp; grant expenditure</td>
<td>Performance information is deficient on performance against predetermined objectives</td>
<td>Performance information is deficient on performance against predetermined objectives</td>
</tr>
<tr>
<td></td>
<td>Fruitless and wasteful expenditure of R R140 000</td>
<td>Annual performance report not prepared as required by Section 46 of the MSA read with Section 121(3) (c) of the MFMA</td>
<td>- Annual performance report not prepared as required by Section 46 of the MSA read with Section 121(3) (c) of the MFMA</td>
</tr>
<tr>
<td></td>
<td>Net loss of 118 084 260 in financial statement</td>
<td>Reported performance information id deficient on objectives (not well defined) &amp; targets (not consistent with approved IDP)</td>
<td>- Reported performance information id deficient on objectives (not well defined) &amp; targets (not consistent with approved IDP)</td>
</tr>
<tr>
<td></td>
<td>Performance information not reliable</td>
<td>Planned &amp; reported targets not well defined</td>
<td>- Planned &amp; reported targets not well defined</td>
</tr>
<tr>
<td></td>
<td>The validity, accuracy and completeness of reported performance against objectives could not be confirmed as no supporting source information was provided</td>
<td>Planned &amp; reported target are not specific and measurable</td>
<td>- Planned &amp; reported target are not specific and measurable</td>
</tr>
<tr>
<td></td>
<td>Performance information not reliable</td>
<td>Performance information not reliable</td>
<td>- Performance information not reliable</td>
</tr>
<tr>
<td></td>
<td>The validity, accuracy and completeness of reported performance against objectives could not be confirmed as no supporting source information was provided</td>
<td>- The validity, accuracy and completeness of reported performance against objectives could not be confirmed as no supporting source information was provided</td>
<td>- The validity, accuracy and completeness of reported performance against objectives could not be confirmed as no supporting source information was provided</td>
</tr>
<tr>
<td></td>
<td>Performance information not reliable</td>
<td>The financial statements submitted by the municipality for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.</td>
<td>- The financial statements submitted by the municipality for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.</td>
</tr>
<tr>
<td></td>
<td>The financial statements submitted by the municipality for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.</td>
<td>Goods and services of a transaction</td>
<td>- Goods and services of a transaction</td>
</tr>
</tbody>
</table>
- Goods and services of a transaction value of between R10 000 and R200 000 were procured without obtaining written price quotations from at least three different prospective providers as per the requirements of SCM regulation 17 (a) & (c).
- Awards were made by the municipality to providers who are persons in service of the municipality in contravention of SCM regulation 44. Furthermore, the providers failed to declare:
  - Awards were made by the municipality to providers who are persons in service of other state institutions in contravention of SCM regulation 44. Furthermore, the providers failed to declare that they are in the service of the municipality as required by SCM regulation 13(c).
- No leadership was exercised of oversight responsibility regarding financial and performance reporting and compliance and related internal controls was not done.
- No regular review and monitoring were done of compliance with applicable laws and regulations.
- No proper implementation of controls over daily and monthly processing of transactions and reconciling of transactions.
- The implementation of appropriate risk management activities to ensure that regular risk assessments, including consideration of Information Technology (IT) risks and fraud prevention, were not conducted and that a risk strategy to address the risks was not developed.

The Sedibeng District Municipality operated for years without the fraud prevention plan and risk management committee until during 2010/11 period when they extend the mandate of the audit committee to cover these areas. Furthermore, the Auditor – General have consistently raised concern about lack of adequate public participation in the activities of the municipality. This may be as result of lack of proper public participation policy. Other than the routine Integrated Development Plan processes and Imbizo’s community based organisations and communities have no platform to engage the municipality in a proper way. Integrated Development Plan and imbizo’s have a purpose and does not afford communities adequate opportunity to engage the municipality on issues such often accounts, appointment of service providers, etc.

The Sedibeng District Municipality has also shown lack of leadership and respect for laws and regulations governing local government. The table above tabulates Sedibeng District Municipality constant contraventions and non – compliance with provisions of both the Municipal Systems Act and Municipal Finance Management Act. The municipality is failing to observe regulations intended to promote good governance. Disregards of regulations and procedures in place compromise service delivery as millions are either spent fruitlessly or wasted.

The Sedibeng District Municipality has in the last three years 2009 – 2011 incurred a fruitless and wasteful expenditure amounting to R7 472 437 and an unauthorised expenditure amounting to R107 283 566 which in total amount to R114 756 003. Of this amount R113 129 895 was incurred as result of budget exceeded on both employee costs and grants. This is as result of amongst the implementation of the Ex – Combatant policy which is used for party
factional political deployment after and in between ANC regional Conference.

Many of these deployments take place against existing budget allocations and municipal structure. This ultimately resulted the municipality incurring a net loss of R118 084 260 in the 2010/11 financial statement. The Auditor – General (Sedibeng District Municipality Annual Report, 2011:139) raised a serious concern about the state of affairs at the municipality warning that the municipality’s ability to operate is in significant doubt as it current liabilities exceeded its assets by R62 276 267.

There is a direct link between rapid growth on the number of employees and budget exceeded due to employee costs and grant expenditure in the year 2009 – 11. The state of the governance in the municipality is bad. The municipality will have to take bald steps to rescue the situation. Whilst it is appreciated that currently they have placed a moratorium on filling of vacancies but not enough. The rot in the municipality should first be addressed in the ruling party, the African National Congress (ANC). For as long the ANC regional conference is contest on promise of jobs and tender the municipality will continue collapse. The current ANC leadership will have deal with tendency to municipal jobs and tenders as means to win election. Patronage and corruption is the main contributor the current state of the Sedibeng District Municipality.

Secondly, it very amazing and worrying that in the same period the municipality has been getting a qualified financial report from the Auditor – General. This has given the impression that all is well and good in the municipal governance. The criterion used by Auditor – General to give an opinion is really questionable at no stage in any of the report did the
Auditor – General recommend investigation or prosecution of individuals involved. Therefore, the trend will continue because it is acceptable to do as you which with public funds. However, it is clear that the municipality should begin the implementation of both the Municipal Finance Management Act and Municipal System Act to the later if it is to succeed.

The Municipal Finance Management Act, 2003 makes provision for prosecution of official responsible for wasteful, fruitless and unauthorised expenditure. However, this can only happen if the political leadership has a political will to root out corruption and if they are not also involved in it. At this stage, it doesn’t look like a political will exist to deal with problem. Let’s hope the establishment of the Integrity Committee throughout ANC structures as resolved the recent ANC national conference will assist to root out corruption altogether it committed by politician, official or political deployees.

3.4.4 Challenges faced by Sedibeng District Municipality
The Sedibeng District Municipality faced serious and complex challenge like all municipalities in South Africa. According to Thornhill (2005:580) in any organisational setting, the positive force emanates from the political leadership. The municipality currently lack a strong and visionary leadership both political and administratively. In local government, politician cannot act without the advice and support of officials, and similarly, official requires the support of politicians for them to successfully implement policies. Any conflicts and misunderstandings between the two may hinder effective and efficiency running of the municipality.
Sedibeng District Municipality experienced various acts of misconduct committed by staff from senior management downwards. Recently in October 2012, the whole top management with the exception of the Municipal Manager was suspended for three (3) weeks for undermining the political leadership among others (personal documents). Furthermore, the staff committed acts ranging from fraud, corruption and disclosure of confidential information as reflected in the table 3.5.

**Table 3.5: The staff committed acts ranging from fraud, corruption and disclosure of confidential information**

<table>
<thead>
<tr>
<th>Position</th>
<th>Nature of Alleged Misconduct</th>
<th>Date of Suspension</th>
<th>Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised</th>
<th>Date Finalised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-ordinator Arts &amp; Culture</td>
<td>Fraud</td>
<td>29-Mar-12</td>
<td>Charged</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Admin Assistant</td>
<td>Disclosure of Information</td>
<td>Aug-11</td>
<td>Final Written Warning</td>
<td></td>
</tr>
<tr>
<td>Manager: Safety &amp; Security</td>
<td>Disclosure of Information</td>
<td>Aug-11</td>
<td>Charged</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Supervisor: Licensing Fraud &amp; Corruption</td>
<td>Fraud &amp; Corruption</td>
<td>16-Apr-12</td>
<td>Charged</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Cashier/Clerk</td>
<td>Fraud &amp; Corruption</td>
<td>16-Apr-12</td>
<td>Charged</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Investigator</td>
<td>Fraud &amp; Corruption</td>
<td>17-Apr-12</td>
<td>Charged</td>
<td>Ongoing</td>
</tr>
<tr>
<td>General Worker</td>
<td>Fraud &amp; Corruption</td>
<td>19-Jun-12</td>
<td>Charged</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Examiner</td>
<td>Fraud &amp; Corruption</td>
<td>16-Apr-12</td>
<td>Charged</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

**Disciplinary Action Taken on Cases of Financial Misconduct**

<table>
<thead>
<tr>
<th>Position</th>
<th>Nature of Alleged Misconduct and Rand value of any loss to the municipality</th>
<th>Disciplinary action taken</th>
<th>Date Finalised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-ordinator Arts &amp; Culture</td>
<td>Fraud R29 200.00)</td>
<td>Suspended and Charged</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
Whilst the municipality should be applauded for acting on these cases, the number of staff involved in fraud and corruption is very worrying. This signals that the systems in place are water – tight enough to stop the rot.

Masango (2002:52) argues that public participation plays a crucial role in a people - driven process of democracy. In local government communities have a right to participate in decisions that affect development in their areas. However, Sedibeng District Municipality is struggling to come terms with this requirement as reflected in the various reports of the Auditor – General. The current system of consultation is inadequate and unacceptable as evident in service delivery protests. According to the Sedibeng Region ANC REC Lekgotla (2013:25) there were 11 service delivery protests between 2010 and 2012. The municipality need formulate a comprehensive public participation policy that will ensure the involvement of communities both in consultative and decision – making processes.

The Sedibeng District Municipality has a poor institutionalisation of the system of local government and poor political governance. Continuously, they have failed to comply with the requirement of the laws. King III (2009:3) concedes that the cost of compliance is burdensome, measured in terms of time and direct cost. However, the municipality has the duty and responsibility to comply with the regulation. The municipality will have to seriously ensure that the staff members are accountable both to them and communities by ensuring that they execute their function as required to the latter. The municipality has to improve the capacity of official especially in area of finance, performance management and
public participation because these are areas that remain a serious concern in the municipality.

The Sedibeng District Municipality is faced with the challenge of inter – political conflicts, factionalism and patronage. After every conference of the ruling party, the African National Congress (ANC), the municipality will executives committee are regularly restructured to accommodate individuals from the triumphant faction. Similarly, the administrative staff deployed in political offices is changed too to create space for new one. However, discarded staff is redeployed in other departments whether they are qualified or not for those posts. Ultimately, their administration is gradually bloated as is the case now. The municipality must take a tough stand that contract staff from political offices that are no longer required should have their contract terminated. But currently it is not possible in a faction - ridden and patronage - driven ruling party.

3.5 CONCLUSION
The democratic government introduced various pieces of legislation to transform local government into a developmental local government and to promote good governance. New legislations encourage a total break with the past by spearheading the establishment of new structures, processes and systems in an endeavour to put in place a democratic, accountable and viable local government with public service that is reliable, responsive and geared towards meeting the needs of all communities.

The municipality went through a process of transformation from lekoa – Vaal Metropolitan to Sedibeng District municipality. New structures, processes and systems were established. The composition of the public
service was also transformed. However, little was done to change the existing culture, improve financial management, involve communities in decision making, comply with regulations and root out corruption.

The municipality has a challenge to capacitate its top leadership both politically and administratively to management of the municipality resources in an effective and efficient manner. This will required a political will on the side of the ruling party and a clear differentiation of roles between the government and political party. Secondly, the municipality will have to implement regulations and comply with its provisions to root out maladministration and corruption and promote good governance.

The next chapter provides an empirical research on the appraisal of transformation and good governance at Sedibeng District Municipality.
CHAPTER FOUR
THE EMPIRICAL SURVEY ON THE APPRAISAL OF
TRANSFORMATION AND GOOD GOVERNANCE AT SEDIBENG
DISTRICT MUNICIPALITY

4.1 INTRODUCTION
The chapter describes the research methods utilized for the study. The responses received through interview and questionnaire, are analyzed and interpreted.

4.2 PREPARATION FOR RESEARCH DESIGN
In this stage, the following were considered:

4.2.1 Permission
The office of the Municipal Manager at Sedibeng District Municipality was visited and a letter seeking permission to access information was placed. The permission was obtained to access the premises and the required documents. The consent of the Sedibeng District Municipality, and the participants was sought through the letter that stated clearly the purpose of the study and the credentials of the researcher.

4.2.2 Population and Sample of the Respondent
According to Brynard & Hanekom (1997: 43; Nhlapo, 2010: 57; Kwaledi, 2010: 50) “population does not only refer to the population of a country but to objects, subjects, phenomena or activities which the researcher wishes to research in order to establish new knowledge”. A population is defined as the theoretical specified aggregation of study elements (Babbie, 1998: 20; Nhlapo, 2010: 57; Kwaledi, 2010: 50). 
In this study, the target population was executives, senior management, employees, and stakeholders of the Sedibeng District Municipality.

According to Brynard and Hanekom (2012:55) a sample should be a representative of the larger group and have all the element of the population. In the study, the sample of 25 people was considered top obtain responses. “If selected thoughtful and correctly, the sample will reveal the same characteristics as the large group” (Byrnard & Hanekom, 2012:54).

4.2.3 Site of Data collection
The area of study was the Sedibeng District Municipality that is a category C municipality. It consists of three category B municipalities namely Emfuleni, Lesedi and Midvaal.

4.3 RESEARCH METHODOLOGY
In human science, two basic research methodologies can be differentiated, that is, qualitative and quantitative methodology (Brynard & Hanekom, 2012:36). Both qualitative and quantitative methodologies are explored and explained below:

4.3.1 Qualitative Method
Qualitative method focus on two aspects, (1) the phenomena that occur in natural setting, that is, in the real world, and (2) it involves studying those phenomena in all their complexity (Leedy & Ormrod, 2005:133). Qualitative method provides an opportunity for the researcher interact with respondents face to face and experience their daily life and challenges. It allows the researcher to interpret and define the actions of people (Brynard & Hanekom, 2012:37).
In this study, the researcher interacted with politicians, officials and representatives of internal and external stakeholders through questionnaire(s) and interview(s). The perusal of documents was used to gain first-hand information in order to:

(i) to gain insight about institutional transformation and good governance institutions and practices;

(ii) unearth benefits and shortcoming of transformation and good governance that may exist in the municipality; and

(iii) provide substance through which a conclusion can be made with regard to the effectiveness of the policies.

4.3.2 Quantitative method
Bryman (1984:77) states that quantitative research is underpinned by a distinctive theory as to what should pass as warrantable knowledge and it requires methods such as experiments and surveys to describe and explain phenomena. In this method the researcher assign numbers to observations and through counting and measuring things and objects, a data is produced. Brynard and Hanekom (2012:37) states that quantitative method used techniques such as observation, preliminary investigation, quantitative analysis and questionnaires.

4.4 DATA COLLECTION
The methods of collecting data are discussed below:

4.4.1 Sampling
Theoretical sampling is the process of data collection for generating theory whereby the analyst jointly collects, codes and analyse his data and decides what data to collect next and where to find them in order to
develop his theory as it emerges. This process of data collection is controlled by the emerging theory (Flick, 2009:118; Sefuli, 2012: 41).

There are two types of sampling: probability and non-probability sampling.

Probability sampling techniques are primarily used in quantitatively oriented studies and involve selecting a relatively large number of units from a population, or from specific subgroups (strata) of a population, in a random manner where the probability of inclusion for every member of the population is determinable (Clark and Creswell, 2008:200; Sefuli, 2012: 41).

The opposite of probability sampling is non-probability sampling. The non-probability sampling is a “sample that has not been selected using a random selection method. Essentially this implies that some units in the population are more likely to be selected than others” (Balnaves and Caputi, 2001: 95; Sefuli, 2012: 41).

The study utilized convenience sampling (a non-probability sampling) to approach the respondents. “Convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher” (Castellio, 2009: 1).

4.4.2 Research Techniques
In research various research techniques can be used. However, for the purpose of this study three research techniques utilised are literature review, interviews and questionnaires.
4.4.2.1 Literature Review
According to Hanekom (2012:31) the starting point for a research are publications by experts in the field directly relating to the research problem will help guide a researcher in determining what data should be collected or discarded.

In this instance, literature review consist of the method of data collection that is used such as books, government publications, legislations, policies, journal articles and Sedibeng District Municipality publications as discussed mostly in previous chapters.

Furthermore, all the information gathered was used in accordance with Brynard & Hanekom (in Henning et al, 2004:99) that any document which relate to the topic of the research whether printed, handwritten or in any other format, old or new, should be included in survey of the literature.

4.4.2.2 Interview and Questionnaire
An interview is a conversation between two people which enables the researcher to explain his or her questions and probe more deeply following the answers of the respondent (De Wet et al, in Brynard & Hanekom, 2012:40). Its objectives in qualitative is see the world through the eyes of the participants. In research there are different kinds of collecting data that can utilised and each has its advantages and disadvantages, and some are better in certain circumstances than others (Maree & Pietersen, 2008: 156).

The method of collating involves the collection of factual and qualitative information which in the main requires structured questionnaires. Questionnaires are very important in that the respondent have sufficient time to think about the question before he answers (Brynard & Hanekom,
According to Dalton (1991: 121) the questionnaire is “a quantitative data collective technique is generally acknowledged to be the most popular technique for surveying the opinion of individuals” (Tsuari, 2011: 82; Ntuli. 2013: 51).

Questionnaire is the crucial stage of the research process in generation of data. They form the basis for collating information and were used by stakeholders to complete as well as for conducting interviews. The questionnaire is compiled questions in chronological order extract from respondents or communities clearly their views on the study matter. According to Maree and Pietersen (2008:158) when the questionnaire is designed the researcher should keep in mind what type of data is intended to be generated by the questions and the statistical techniques that will be used to analyze it. The designing of the questionnaire requires the following to given attention (i) appearance of the questionnaire, (ii) question sequence, (iii) wording of questions and (iv) response categories. The purpose of the study the research questionnaire was designed carefully in consideration of the above criteria.

In this study, the interview and questionnaire utilized both closed-ended and open-ended questions to obtain detailed and clear responses from the respondents. The responses are analyzed through graphic representation in the form of pie charts, graphs and tables.

The interview questionnaire and questionnaire were structured as two folds – with open – ended and close – ended questions to receive both standard and detailed answers as stated in tables below.
Table 4.1: Close - ended questions to the executive

<table>
<thead>
<tr>
<th>Does SDM have an Internal Audit Committee?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>How is it constituted?</td>
<td>With Finance people only</td>
<td>All departments</td>
</tr>
<tr>
<td>How often does it submit reports to council?</td>
<td>Sometimes</td>
<td>Seldom</td>
</tr>
<tr>
<td>Does SDM have a Risk Management Committee?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>In which department it is constituted?</td>
<td>MM Office</td>
<td>Finance Dept</td>
</tr>
<tr>
<td>Does the SDM have an Ethics Committee?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>If yes, how often do councillors required to disclose?</td>
<td>Sometimes</td>
<td>Seldom</td>
</tr>
<tr>
<td>Is the Auditor – General Report included in your Annual Report</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Does SDM promote transformation and good governance?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

Table 4.2: Open - ended questions to the executive

What structures, mechanisms and processes do you have to combat maladministration?

Does SDM promote transformation & good governance? If yes explain how?

Table 4.3: Close – ended questions to senior management

<table>
<thead>
<tr>
<th>Does SDM have an Internal Audit Committee?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
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<td>Is the Auditor – General Report included in your Annual Report</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Does SDM promote transformation and good governance?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
Table 4.4: Open – ended questions to senior management

<table>
<thead>
<tr>
<th>What structures, mechanisms and processes do you have to combat maladministration?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does SDM promote transformation &amp; good governance? If yes explain how?</td>
</tr>
</tbody>
</table>

Table 4.5: Close - ended questions for employees and stakeholders

<table>
<thead>
<tr>
<th>Does the SDM/management Interact with you?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>If yes, how often do they interact with?</td>
<td>Sometimes</td>
<td>Seldom</td>
</tr>
<tr>
<td>Do you have access to information from SDM/organisation?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>How do you access information?</td>
<td>Media</td>
<td>Direct</td>
</tr>
<tr>
<td>Do you receive civic education or any other kind of training from SDM?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>If yes, how often do you receive it?</td>
<td>Sometimes</td>
<td>Seldom</td>
</tr>
<tr>
<td>Does the SDM allow you access to the Auditor – general report and to comment on it?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Does the SDM allow your input or views on the Annual Report?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>If yes, how do you provide inputs?</td>
<td>During Meetings</td>
<td>Through Submissions</td>
</tr>
<tr>
<td>Do you know of any SDM structure, mechanism or processes to complain and report maladministration?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Does SDM promote transformation and good governance?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

Table 4.6: Open – ended questions to employees and stakeholders

<table>
<thead>
<tr>
<th>Can you explain how SDM interact with you?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you know of any SDM structure, mechanism or processes to complain and report maladministration?, if yes explain</td>
</tr>
<tr>
<td>Does the SDM promote transformation and good governance? If yes, explain</td>
</tr>
</tbody>
</table>

The responses were analyzed and interpreted to understand the appraisal of transformation and good governance at Sedibeng District Municipality.
4.5 ETHICAL ISSUES
The researcher was open and honest with respondents. Permission was sought from respondents through a consent form to ensure that they are guaranteed confidentiality, knew the purpose of the study and the credentials of the researcher.

4.6 ANALYSIS AND INTERPRETATION
The section includes the following:

4.6.1 Level of Response
Figure 4.1: Level of response

The figure 4.1 illustrates that out of the total twenty three (23) questionnaires were issued, a total of twenty one (21) responses were received. This is indicative of the fact that many respondents participated in the study.

4.6.2 Level of Response from the Members of the Executive in the Municipality
Figure 4.2: Level of Response from the Members of the Executive in the Municipality
The figure 4.2 indicates that an absolute 100% response was received from the executives of the Sedibeng District Municipality.

### 4.6.3 Level of Response from the Senior Management in the Municipality

**Figure 4.3: Level of Response from the Senior Management in the Municipality**

The figure 4.3 indicates the level of participation by member of the senior management at the municipality. A total of four questionnaire(s) were issued to all identified member of the Senior Management but only three respondents responded that amounts to 75% of responses. The
Executive Director: Corporate Services refused to participate in the survey.

4.6.4 Level of Response from Employees of the municipality

Figure 4.4: Level of Response from Employees of the municipality

The figure 4.4 illustrates that all the five questionnaires were issued to employees of the municipality. All were received back with 100% response rate.

4.6.5 Level of Response from stakeholders
The figure 4.5 indicates that 90% response was received from stakeholders out of 10 survey questionnaires issued. The Sakerkamer representative initially agreed to participate in the study and the questionnaire was e-mailed to him. Thereafter, the channel of communication was distracted.

4.7 THE EMPIRICAL FINDINGS: THE EXTENT OF THE PROMOTION OF TRANSFORMATION AND GOOD GOVERNANCE IN SEDIBENG DISTRICT MUNICIPALITY

This section presents the responses to questionnaires/interview questionnaires, administered to different groupings, that is, the executive, senior management, employees and stakeholders of Sedibeng District Municipality.

4.7.1 Responses from the Executive(s) of the Sedibeng District Municipality
The figure 4.6 is the illustration of responses from the executive(s) on all close-ended questions only.

The responses received (through both closed-ended and open-ended questions) are stated as:

**Q1. Does the SDM have an Audit Committee?**
All respondents (100%) answered Yes to the concern. It is an indication that there is a functioning Audit Committee at Sedibeng District Municipality in place.

**Q2. How it is constituted?**
Respondents (75%) answered that the Audit committee is constituted by both external and internal people. The respondents (25%) answered that it is constituted by external people only.

This confusion is an indication that Sedibeng District Municipality needs to inform the strategic role-players regarding the structures exist at
municipality. In reality, their audit committee is constituted by external people only.

**Q3. How often does it submit reports to the Council?**

Respondents (75%) answered to the concern as *Always* meaning the Audit Committee submit its reports on regular basis. Respondents (25%) chose the option *Seldom* to the concern.

The mixed responses are indication that Sedibeng District Municipality needs to inform and aware the strategic leaders regarding the processes of the municipality. At Sedibeng District Municipality, the Audit Committee submits reports at least four times in a year including the annual report.

**Q4. Does SDM have MPAC?**

All respondents (100%) answered *Yes* to the concern meaning that Sedibeng District Municipality has Municipal Public Accounts Committee (MPAC) in place.

**Q5. Are its meetings open to public?**

Respondents (75%) answered *Yes* to the question meaning that public is allowed in the meeting of MPAC. Respondents (25%) answered as *No* meaning that public is barred from attending the MPAC meetings.

The responses are indication that at Sedibeng District Municipality there is no clear policy regarding the public participation in municipal committees.

**Q6. Do councillors have a Code of Conduct?**
All respondents (100%) answered Yes meaning at Sedibeng District Municipality, councillors have a Code of Conduct to adhere to.

The responses indicate that there is awareness at municipal level regarding the implementation of good governance elements.

Q7. If yes, how often do councillors are required to disclose [any] information?
All respondents (100%) answered Always meaning that councillors are required to declare their interests from time to time.

At Sedibeng District Municipality suggesting whenever a councillor is given a gift she/he is expected to declare it immediately. This process is vital for maintaining transparency and good governance at municipality.

Q8. Is the Auditor – General report discussed or availed residents and stakeholders during interactions?
All respondents (100%) answered Yes, meaning that the Auditor – General report is availed and discussed with residents and stakeholders.

It is an indication that public participation procedures and in place that is vital for good local governance.

Q9. How does SDM interact with the residents and stakeholders?
The Sedibeng District Municipality interacts with residents and stakeholders through various means such as adverts in newspapers, meeting(s), State of the District Address, commemorations events, radio, internet, Petition Committee, and workshops.

Q10. How often do you interact with them?
All respondents (100%) answered *Always* to the question. It is an indication that Sedibeng District Municipality interacts with residents and stakeholders on regular basis.

_Q11. How do you empower residents and stakeholders to make meaningful inputs in your inactions?_

According to respondents (100% response) residents and stakeholders are empowered through workshops and public participation programmes at Sedibeng District Municipality.

_Q12. Does SDM promote transformation and good governance?_

All respondents (100%) answered *Yes* to the question. It is an indication that Sedibeng District Municipality promotes transformation and good governance.

_Q13. If yes, explain?_

The respondents (100% responses) stated that the Sedibeng District Municipality have adequate policies, systems and processes in place in order to promote transformation and good governance.

4.7.2 Responses from the Senior Management of the Sedibeng District Municipality
The figure 4.7 is the illustration of responses from the senior management on all close-ended questions only.

The responses received (through both closed-ended and open-ended questions) are stated as:

**Q1. Do the SDM have an Internal Audit Committee?**
All respondents (100%) answered Yes to the question.

It is an indication that Sedibeng District Municipality have an internal Audit Committee in place.

**Q2. How is it constituted?**
75% of respondents opted for the option indicating that the committee is constituted by people from all departments. Respondents (25%) emphatically indicated that it is constituted by external people.
It is an indication that the senior management personnel are not aware regarding the structure of the audit committee. The committee in reality consists of external people with internal people invited only as and when necessary.

**Q3. How often does it submit reports to the Council?**
25% of respondents answered as sometimes to the question. Respondents (75%) opted for the option stating Always.

It is an indication that there is a confusion regarding submission of reports to the council.

**Q4. Does SDM have Risk Management Committee?**
All respondents (100%) answered as Yes, meaning that the Sedibeng District Municipality have established a Risk Management Committee.

Initially the mandate of the Audit Committee was to incorporate risk management issues. The risk management committee was only extended in the 2010/2011 financial year. It is an indication that in the yesterday years the municipality was functional without [a] risk management committee.

**Q5. In which Department is it constituted?**
All respondents (100%) stated the option indicating that risk management committee is constituted in the *Office of the Municipal Manager*.

It is an indication that since 2010/2011 financial year, the risk management committee is operational at the Sedibeng District Municipality.
Q6. If yes, how often is it required to report?
All respondents (100%) stated Always to the question.

It is an indication that Sedibeng District Municipality has reporting system in place.

Q7. Is the Auditor – General report included in your annual report?
All respondents (100%) answered Yes to the question.

It is an indication that the Auditor – General Report is included in the annual report of the municipality as required by law.

Q8. What structures, mechanisms and processes do you have to combat maladministration at SDM?
Respondent (100%) answered that the Sedibeng District Municipality have policies in place such as Anti – Fraud and Corruption Policy. Furthermore, there is a stringent adherence to legislation(s) regulating procurement and stringent observation of the internal control mechanisms such as payment requisitioning at the municipality. There is also an internal Audit company that has been appointed by council to perform internal audit functions. Accordingly, the Audit and Risk Committee and Municipal Public Accounts Committee have been established as oversight committees.

Q9. Does SDM promote transformation and good governance?
All respondents (100%) answered Yes to the question.

It is an indication that suggesting that Sedibeng District Municipality do promote transformation and good governance.
Q10. If yes, explain?

According to respondents (100%) the Sedibeng District Municipality has been getting an unqualified report with audit opinion from the Office of the Auditor – General. All structures that provide oversight on the functioning of the council have been established, such as the Audit Committee, Municipal Public Accounts Committee, the Petition Committee, etc.

Accordingly, the respondents stated that non-compliance to the stipulations and dictates of all relevant legislation such as the Municipal Systems Act, 32 of 2000 (as amended) and its regulations is not tolerated and the organisation performance is regularly monitored and evaluated.

Respondents furthermore stated that good governance is one of the key strategic objectives of Sedibeng District Municipality as it is covered in the institutional report and within the annual report.

4.7.3 Responses from Employee of the Sedibeng District Municipality
The figure 4.8 is the illustration of responses from the senior management on all close-ended questions only.

The responses received (through both closed-ended and open-ended questions) are stated as:

**Q1. Does the management interact with you?**
Respondents (80%) answered Yes to the question. Respondents (20%) stated No to the concern.

It is an indication that the management of Sedibeng District Municipality do interact with employees.

**Q2. If yes, how often do they interact with you?**
Respondents (80%) answered *Always* and respondents (20%) answered *Seldom* to the question.

It is an indication that the management of Sedibeng District Municipality constantly interacts with employees.

**Q3. Can you explain how SDM interacts with you?**
Respondents (100%) stated that the management interacts with them through e-mail(s), departmental meetings, reports, short message service (sms) and Section 80 portfolio meetings.

**Q4. Do you have access to information in the organisation?**
All respondents (1005) answered *Yes* to the question.

It is an indication that employees at Sedibeng District Municipality have access to information in the organisation.

**Q5. How do you access information?**
Respondents (80%) answered that they access information through both meeting and e-mails. Respondents (20%) stated that they access information through meetings only.

It is an indication that not all employees [may] have access to computer and internal e-mail system.

**Q6. Do you receive any kind of training?**
Respondents (80%) answered *Yes*, and respondents (20%) answered *No* to the concern.

It is an indication that majority of employees are trained by/at the municipality.
Q7. If yes, how often do you receive it?
Respondents (50%) stated that they get training *Seldom* and respondents (50%) answered *Always* to the concern.

It is an indication that training is not offered regularly to all employees.

Q8. Are you allowed to input on the annual report?
All respondents (100%) answered *Yes* to the question.

It is an indication that employees are allowed to provide inputs on the annual report.

Q9. If yes, how do you provide input?
Respondents (100%) answered that they provide inputs through submission of reports and sometimes during the meetings as well. It is an indication that Sedibeng District Municipality do provide employees with all an opportunity to contribute in the compilation of the annual report.

Q10. Does SDM allow you access to the Auditor – General report and to comment on it?
Respondents (60%) answered *Yes* and respondents (40%) answered *No* to the question.

It is an indication that the majority of employees do have access and are allowed to comment on it.

Q11. Do you know of any SDM structure, mechanism or process to complain and report maladministration?
Respondents (60%) answered No and respondents (40%) answered Yes to the concern.

It is an indication that the majority of employees do not know regarding the existence of any structure, mechanism and process to report corruption and maladministration at Sedibeng District Municipality.

Q12. If yes, explain.
Respondents (60%) answered that they report maladministration in the office of the Municipal Manager, Chief Operations Officer, and Law enforcement agency.

Q13. Does SDM promote transformation and good governance?
Respondents (60%) answered Yes and respondents (40%) answered No to the concern.

It is an indication that majority of employees are aware regarding the municipality’s effort to promote both transformation and good governance.

Q14. If yes, explain?
Respondents (60%) answered that it is done through Integrated Development Planning.

4.7.4 Responses from the stakeholders of the Sedibeng district Municipality
The figure 4.9 is the illustration of responses from the senior management on all close–ended questions only.

The responses received (through both closed-ended and open-ended questions) are stated as:

**Q1. Does the SDM interact with you?**
Respondents (100%) answered Yes to the question.

It is an indication that they acknowledge that the management of Sedibeng District Municipality do interact with them.

**Q2. If yes, how often do they interact with you?**
Respondents (63%) answered that the Sedibeng District Municipality interact with them *Sometimes*. Respondents (37%) answered *Always* to the concern.

It is an indication that the management of Sedibeng District Municipality interacts with them occasionally. The external stakeholders are not satisfied in the manner the Sedibeng District Municipality interact with them. With regard with internal stakeholders it is expected for them to find the municipality interacting regularly with them because they serve in its internal structures like Local Labour Forum, Section 79 Committee etc. allowing them to access information easily.

**Q3. Can you explain how SDM interact with you?**

The representatives of Opposition Parties (100%) stated that the Sedibeng District Municipality interact with them through the council meeting, Section 79 Portfolio Committee meetings, notices, telephone calls, e-mails and through the Office of the Chief Whip.

The representatives of the Labour Unions (100%) submitted that the Sedibeng District Municipality interact with them through the Local Labour Forum that meets once every month, memo’s, letters, and through e-mails.

External stakeholders (100%) stated that Sedibeng District Municipality interact with them through Integrated Development Forum(s), public participation meetings, letters, and e-mails.

**Q4. Do you have access to information from SDM?**

All respondents (100%) answered *Yes* to the question.
It is an indication that stakeholders do have access to information from the Sedibeng District Municipality.

**Q5. How do you access information?**
Respondents (100%) answered that they get information through both the media and the Sedibeng District Municipality itself. They indicated that in State Of the District Address (SODA), Integrated Development Planning, public participation and other forums they are provided with relevant information.

**Q6. Do you receive civic education or any kind of training from SDM?**
Respondents (63%) answered No and respondents (37%) answered Yes to the concern.

It is an indication that Sedibeng District Municipality does not have a comprehensive public participation policy. The Manager: Public Participation in the Office of the Speaker indicated that they only have a framework that focuses on consultation with stakeholders. The issue of civic education is not included in their programme and therefore not budgeted for.

**Q7. If yes, how often do you receive it?**
Respondents (37%) who answered Yes on the question however, indicated that they get civic education Sometimes.

It is an indication that often internal stakeholders are invited in internal capacity and training programmes offered to employees in general.

**Q8. Does the SDM allow your input or views on the annual report?**
Respondents (63%) answered No and respondents (37%) answered Yes to the question.

It is an indication that internal stakeholders (37%) who sit in the various structures of the municipality such as section 79 committee, municipal council, Local Labour Forum, etc. are able to access and deliberate on the annual report.

The same cannot be applied to external stakeholders since the municipality does not have a forum in place where issues such as the draft budget, draft IDP, Annual Report, Auditor – General report, etc. are discussed. Public is regularly invited to access these documents through libraries and comment. No forum exists to allow them to ask questions or provide clarification on issues.

**Q9. If yes, how do you provide the input?**

Respondents (100%) answered that they provide inputs during the meetings.

It is an indication that Sedibeng District Municipality provide opportunities for stakeholders to provide inputs for improvements.

**Q10. Does SDM allow you access to the Auditor – General report and allow you to comment on it?**

Respondents (63%) answered No and respondents (37%) answered Yes to the concern.

It is an indication that the situation is similar to Q8 [internal stakeholders (37%) who sit in the various structures of the municipality such section
79 committee, municipal council, Local Labour Forum, etc. are able to access and deliberate on the annual report. The same cannot be applied to external stakeholder since the municipality does not have a forum in place where issues such as the draft budget, draft IDP, Annual Report, Auditor – General report, etc. are discussed. Public is regularly invited to access these documents through libraries and comment. No forum exists to allow them to asked questions or provide clarification on issues.

**Q11. Do you know of any SDM structure, mechanism or process to complain and report maladministration?**

Respondents (50%) answered No and respondents 50% answered Yes to the question.

It is an indication that there is no clear communication from the Sedibeng District Municipality to stakeholders in terms of structures, processes and mechanism available to them to report any act of corruption.

**Q12. If yes, explain?**

Respondents (50%) stated that they report maladministration in Local Labour Forum, Local Economic Development (LED) meetings, Integrated Development Planning meetings, Office of the Speaker, and Municipal Manager, South African Local Government Bargaining Council, Anti – Corruption hotline at the provincial level, and using Customer Care hotline.

**Q13. Does SDM promote transformation and good governance?**
Respondents (60%) answered Yes and respondents (40%) answered No to the question.

It is an indication that respondents (60%) who answered as Yes consist mainly of internal stakeholders and political organisations such as Freedom Front and SANCO whose terrain is political and hold a better understanding of the related issues. However, ignorance of other stakeholders is caused by the lack of communication and civic education.

Q14. If yes, explain?
The respondents (60%) believe that issues of transformation and good governance are in the vision and mission statement of the Sedibeng District Municipality. The municipality strives to adhere to Batho Pele Principles and the processes set out in the Municipal Structures Act 117 of 1998 by demonstrating a caring and consulting attitude.

4.8 CONCLUSION
Through the analysis of responses, it can be deduced that the leadership does not understand as how the structures combating maladministration, and promoting transformation and good governance are constituted and functioning. Accordingly, the focus of transformation in the municipality is on structures as required by law, nowhere the issue of administration is mentioned which may suggest that the municipality is content with current set-up. The ever challenging issues of culture, attitude, gender, are on the periphery as no mention is made about them in spite of acute of shortage of females at professional level.
In order to improve the stated challenges, chapter five provides summary of findings with relevant recommendations.
CHAPTER FIVE

SUMMARY, FINDINGS AND RECOMMENDATIONS

5.1 INTRODUCTION
The primary objective of the study was to do an appraisal of transformation and good governance at Sedibeng District Municipality. The two concepts, transformation and good governance form the basis of government policies and it is imperative for municipalities to meet the requirement of these policies. The chapter provides an overview of the summary, test the hypotheses, and state deduced findings. The chapter concludes with the significant recommendations for improvement.

5.2 SUMMARY OF CHAPTERS
This section summarizes chapters as follows:

Chapter one provides a background on the challenges faced by local government in South Africa and defines core concepts that are vital for the study, such as transformation and good governance. In the problem statement it explains the dire state of governance of Sedibeng District Municipality and provides two hypotheses stating crude disregards for regulations and lack of leadership. The chapter illustrates the research questions and the guidelines to achieve its objectives.

Chapter two provides a conceptual framework of transformation and good governance. It is explained in detail as how these two concepts play an important role internationally, in Europe, Africa and locally. Furthermore, it relates the concept of good governance with democracy and sustainable development and are interrelated in the global
development world. Accordingly, it discusses the ideological discourse in locating the origin of the concept of good governance globally.

Chapter three contextually analyses the link between transformation and good governance in the functional activities of the Sedibeng District Municipality. It is done through reviewing relevant legislation(s) governing local government in South Africa for promoting transformation and good governance. It also analyse the application of transformation and good governance in the municipality dwelling specifically on its structures and policies, both at political and administrative level, identifying its limitations and problems in achieving the required objectives.

Chapter four focuses on the details of research methods used to collect data and interprets the results for in-depth understanding. It outlines the empirical research conducted with the executive, senior management, employees and stakeholders with interpretation of responses.

Chapter five provides summary of findings and offer significant recommendations for improvement.

5.3 TESTING THE HYPOTHESES
The primary objective of the study was to test the hypotheses as outlined clearly in chapter one, suggesting that:

- there is a non – compliance of municipal regulations required for transformation and good governance at Sedibeng District Municipality.
• (ii) the leadership of the municipality does not possess adequate knowledge and the political will to monitor and ensure consistent adherence to regulations as required by law to promote transformation and good governance.

The findings of the study prove that there is a high level non-compliance of municipal regulations required to promote good governance at Sedibeng District Municipality.

However, a great deal of efforts were placed to establish the required structures to bring transformation and good governance but a little work is done to introduce change management geared towards transforming the culture and practices in the municipality.

The responses of senior management also prove that there is a clear lack of leadership in the Sedibeng District Municipality.

5.4 FINDINGS

According to Fourie (2009:114) “good governance in public service addresses the challenges faced by government such as fraud and corruption in the allocation and management of resources, though the establishment and administering of sound institutional mechanism. It is closed related with compliance with the law”.

Transformation and good governance are interrelated and indispensable twins in the current period of local government dispensation. In Sedibeng District Municipality, transformation and good governance are implemented and functions within the scope of all legislations and regulations that governs local government.
The findings of the study are as follows:

- The Sedibeng District Municipality lacks leadership characterised by ethical values of responsibility, accountability, fairness and transparency both at political and administrative level.

- The existing structures and processes such as the audit committee, risk management plan etc, are ineffective and inadequate to address the challenges of corruption and non-compliance of regulations. It allows the municipality to continually incur huge amount on wasteful/unauthorised expenditure.

- The Sedibeng District Municipality does not empower the community, community organisations and stakeholders by providing them with civic education and training. As result, they cannot make any meaningful contribution in [any] meetings. Therefore, the state of affair limit their contribution, hence consent for good governance is not achieved through rigorous discussions and debates with communities. This result in service delivery protests because communities are either in the dark of the planned and happening in the municipality.

- Communities and community organisations are marginalised because there is no forum for them to raise issues at Sedibeng District Municipality.

- Sedibeng District Municipality has no dedicated forum established as a permanent structure consisting of representatives of community organisations, stakeholders and municipal management. This nature of forum(s) are vital to discuss and debate issues of mutual interest.
including merits and demerits of policies proposed by the municipality, annual reports, Auditor – General Reports, Integrated Development Planning, Local Economic Development, budget process, etc.

- There is lack of corrective or disciplinary actions against key officials at Sedibeng District Municipality who are guilty of not complying with the laws and regulations that governs local government.

- Sedibeng District Municipality has no comprehensive Human Resources Management and Development policy that deals with all aspect of human resources accommodating training and civic education issues.

- There is no clear channel or mechanism within the Sedibeng District Municipality for both employees and communities to report corruption and maladministration.

5.5 RECOMMENDATIONS

Based on the above finding findings, the study makes the following recommendations:

- Sedibeng District Municipality needs to establish an effective and responsive leadership that is characterised by the ethical values of responsibility, accountability, fairness, and transparency.

- Sedibeng District Municipality needs to review and strengthen the existing structure, policies and processes promoting transformation and good governance.
• Sedibeng District Municipality needs to establish a permanent stakeholder forum as a consultation unit, consisting of representatives from community organisations and stakeholders.

• Sedibeng District Municipality needs to open discussion and debate sessions with stakeholders exploring issues of transformation and good governance.

• Sedibeng District Municipality needs to enhance public and stakeholder participation for improvement on issues related to Integrated Development Planning, Local Economic Development, budget processes, performance management, annual reports, Auditor – General reports, appointment of service providers, etc.

• Sedibeng District Municipality needs to develop a comprehensive human resources development and management policy inclusive of aspects of transformation, good governance, ethical conduct, etc.

• Sedibeng District Municipality needs to provide civic education to communities, community organisations, and stakeholders for them to understand their rights and obligations. It will assist them to participate in the affairs of the municipality, and they will be empowered to make meaningful contribution in discussion and debates exploring the issues of local governance.

• Sedibeng District Municipality needs to ensure that political appointees in the office of the Executive Mayor, the Speaker and the Chief Whip are adequately qualified to meet with the minimum standards of the post– level of the position.
• Sedibeng District Municipality needs to open the meetings of the Municipal Public Account Committee (MPAC) to public through publicising the event.

• Ethics is the foundation for good governance and Sedibeng District Municipality council has a responsibility to build and sustain an ethical culture. Sedibeng District Municipality needs to integrate the code of conduct for both councillors and official in the organisation’s practice, procedures, policies, and conduct.

• Sedibeng District Municipality needs to establish clear mechanisms and structures to deal with corruption including establishment of a corruption hotline in the municipality.

5.6 AREA FOR FUTURE RESEARCH
There is a need to further explore the issues of transformation and good governance emphasizing on following vital areas in South African municipalities. The areas require future research are, [analyzing, reviewing, evaluating] code of conduct of municipal officials; internal control mechanisms; ethics and organizational culture; etc.

5.7 CONCLUSION
Sedibeng District Municipality like all other municipalities in South Africa is faced by both internal and external challenges ranging from inept leadership to service delivery problems. It has put in place structures and process as required by legislations and other regulations to transform and promote good governance. However, this is inadequate without the full commitment of both political and administrative leadership to act accountable complimented with the full participation and involvement of
communities and community stakeholders in the affairs of the municipality. Transformation and good governance in local government are essential ingredients in achieving developmental local government.


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APPENDIX
Research Consent letter
Letter of permission