Prevalence and causes of irregular expenditure in KwaZulu-Natal Municipalities

By

Mr AMOS ZUNGU

(217080176)

A thesis submitted to fulfil the academic criteria of Doctor of Philosophy (PhD) in Accountancy at the University of KwaZulu-Natal

Supervised by:

Prof. Mabutho Sibanda and Prof. Bomi Nomlala

School of Accounting, Economics and Finance

College of Law and Management Studies, UKZN

2025

DECLARATION

I, **Amos Zungu,** declare that:

i. The research reported in this dissertation, except where otherwise indicated, is my original research.
ii. This dissertation has not been submitted for any degree or examination at any other university.
iii. This dissertation does not contain other persons' data, pictures, graphs, or other information, unless specifically acknowledged as being sourced from other persons. Where other written sources have been quoted, then:
    a. Their words have been re-written, but the general information attributed to them has been referenced.
    b. Where their exact words have been used, their writing has been placed inside quotation marks and referenced.
    c. This study is original evidenced from a Turnitin originality index of 9%.
iv. Where I have reproduced a publication of which I am an author, co-author or editor, I have indicated in detail which part of the publication was written by myself alone and have fully referenced such publications.
v. This dissertation does not contain text, graphics or tables copied and pasted from the internet, unless specifically acknowledged, and the source being detailed in the dissertation and the references section.

Student: Amos Zungu

Signature: [redacted] Date: 8 June 2025

Supervisor: Professor Mabutho Sibanda

Signature_______________ Date:

Co-supervisor: Professor Bomi Nomlala

Signature: _____________ Date:

DEDICATION

This research is dedicated to my late mother, **Busisiwe Qhoshile Zungu** (Born from Kwa Gazu family and known as **uMaGazu**).

ACKNOWLEDGEMENTS

I express my sincere gratitude to the following people:

- My late mother, Mrs Busisiwe Qhoshile Zungu (uMaGazu). Your son has fulfilled your dream.
- My supervisors Professor Mabutho Sibanda and Professor Bomi Nomlala. Thank you very much for trusting me and giving me an opportunity to pursue my Phd study. Thank you very much for your support, motivation and guidance throughout the period. Your guidance was exceptional and has paid dividends.
- My wife, Nokuphiwa (Mpho) Zungu, thank you very much for your unconditional support and motivation my love.
- Mrs Nompumelelo Shezi Majola: Director, Municipal Finance at KZN CoGTA. Thank you for supporting my research. I also like to thank the entire KZN CoGTA Team within the Municipal Finance Directorate, thank you very much for assisting me to obtain the research information and for always responding to my requests for information.
- I am grateful to all the councillors who took their time and supported my study. I am also grateful to all the individuals who participated in my study. Additionally, I am grateful to all the Residents and Ratepayers Associations for their support.

ABSTRACT

Irregular expenditure in municipalities has been a persistent challenge, hindering effective service delivery and governance. The Auditor-General of South Africa has consistently reported high levels of irregular expenditure in KZN municipalities, exceeding R5 billion annually. This trend undermines public trust and compromises the integrity of municipal financial management. Despite efforts to address the issue, irregular expenditure persists, warranting an in-depth examination of its prevalence and causes. This research examined the prevalence and causes of irregular expenditure in municipalities in the KZN province of South Africa. It further investigated how KZN municipalities implemented consequence management for procurement irregularities, focusing on factors contributing to the lack of accountability and the extent of corruption within the system. The study culminated in the development of a framework aimed at addressing irregular expenditure, leveraging the research findings. The study used mixed methods to collect data, employing document analysis to analyse data from the Auditor General and Section 131 reports from 2013 to 2023, and included qualitative data collected from interviews with councillors. The interview results were analysed using NVivo version 20. Quantitative data collected through questionnaires from 450 residents and ratepayers' associations, councillors, audit committees and consultants were analysed using SPSS version 25 and presented using descriptive statistics and inferential statistics. Additionally, Structural Equation Modelling (SEM) assessed the factors causing irregular expenditure and the impact of irregular expenditure on financial management by municipalities. The findings reveal a concerning trend of irregular expenditure in KZN municipalities, with 94% municipalities consistently reporting irregular expenditure. The findings indicate a widespread absence of accountability and consequence management in KZN municipalities, due to threats, assassinations, cadre deployments, and the involvement of mafia gangs. Overall, the study found that consequence management for procurement irregularities was non-existent, contrast with popular belief and literature that attribute irregular expenditure to a lack of skills. Lastly, the research developed a framework to prevent irregular expenditure in municipalities, highlighting the actions that must be taken by key role players and municipalities to prevent the occurrence of irregular expenditure and to deal with existing irregular expenditure.

Keywords: Irregular expenditure, cadre deployment, collusion, fraud and corruption, threats, consequence management, ecosystem, and framework for prevention of irregular expenditure.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATIONS

KZN	KwaZulu-Natal
SCM	Supply Chain Management
SARS	South African Revenue Services
CIDB	Construction Industry Development Board
CSD	Central Supplier Database
NT	National Treasury
COGTA	Department of Cooperative and Traditional Affairs
AG	Auditor General
AGSA	Auditor General South Africa
MFMA	Municipal Finance Management Act
EDTEA	Economic Development, Tourism and Environmental Affairs
SAPS	South African Police Services
COSO	Committee of Sponsoring Organisations

CHAPTER ONE: INTRODUCTION TO RESEARCH

1.1. Introduction

The management of municipal finances is guided by several laws, including the Municipal Finance Management Act (MFMA, Act No. 56 of 2003) issued by the National Treasury. According to the MFMA, the municipal manager, as the accounting officer, is responsible for administering municipal finances and preventing irregular expenditures. However, most municipalities fail annually to prevent irregular expenditures. This study investigated the extent and root causes of irregular expenditures, assessed the effectiveness of consequence management for individuals responsible for procurement irregularities, and identified suitable controls to prevent future irregularities. The current chapter presents the background, the problem statement, research objectives, research questions, significance, contributions, scope, and study limitations.

1.2. Background of Study

Understanding the intricacies of irregular expenditure within South African municipalities, especially in KwaZulu-Natal (KZN), requires exploration of the historical, socio-political, and economic factors shaping public procurement and financial management (Motubatse & Ngwakwe, 2020). This section examines irregular expenditure, its prevalence, causes, implications, and the systemic challenges within governance structures. The transition from apartheid to democracy in 1994 marked a pivotal moment in South Africa's history (Thusi & Selepe, 2023). While this transition aimed for equality and inclusivity, it also led to complexities. The dismantling of racial exclusions in government jobs and tenders was replaced by a system where socio-political connections became the key to accessing opportunities (Mhlauli, Salani & Mokotedi, 2015; Wolpe, 2023). This transition, while seeking economic transformation, inadvertently perpetuated inequalities.

Policies like the Broad-Based Black Economic Empowerment (BBBEE) were envisioned to catalyse economic transformation and inclusivity (Shai, Molefinyana & Quintot, 2019). However, these policies faced considerable challenges in execution. Studies show that the intended impact of such policies was diluted due to issues such as fraud, corruption, fronting, and political interference (Shai, Molefinyana & Quinot, 2019; Shava, 2016). Van Staden, Fourie & Holtzhausen (2022) agree with Shava (2016) that economic transformation was hindered by a lack of ethics and good governance, fraud, corruption, maladministration, and mismanagement. As articulated by Mashilo & Kgobe (2021) the original intention to empower marginalised groups through public procurement and facilitate economic inclusion weakened as influential and politically connected individuals exploited these policies for personal gain.

Central to this issue is the leadership culture within municipalities. The tone set by political figures and senior officials establishes a foundation for financial management practices (Ambe 2016; Shai, Molefinyana & Quinot, 2019). Studies highlight how a culture of corruption, collusion, and disregard for ethical practices creates an environment conducive to exploiting and embezzling of municipal resources (Pillay, 2016; Khaile, Davids & Khaile, 2021). Additionally, Zweni & Yan (2022) found that the prevailing climate of procurement irregularities significantly undermines efforts to ensure transparency, accountability, and responsible financial governance.

The South African Constitution, particularly Section 217, outlines principles for public procurement, `emphasising fairness, transparency, competitiveness, and cost-effectiveness (Ambe, 2016). Similarly, the Municipal Finance Management Act (MFMA) and National Treasury guidelines prescribe stringent regulations governing monetary management, and procurement processes within municipalities (Ambe, 2016; Mbandlwa, Dorasamy & Fagbadebo, 2020; Rogerson, 2018). However, Mashilo & Kgobe (2021) found that the effectiveness of these frameworks' hinges on implementation and adherence by municipal leadership.

Reports from the Auditor General highlight the pervasive irregular expenditure incurred by South African municipalities. Irregularities range from contract manipulation to preferential treatment for politically connected service providers (Zungu, 2018; Auditor General, 2024). The scale of irregular expenditure, exemplified by billions reported annually, points to systemic issues within procurement processes and financial management practices (MFMA Consolidated General Report, 2022-23). The total irregular expenditure reported by municipalities nationally for the year ended 30 June 2023 was 6% of total budgets (30 June 2022: 6% of the total national municipal budgets), while KwaZulu-Natal municipalities reported 5% for the year ended 30 June 2023 (30 June 2022: 6%) (Auditor General, 2024; Section 131 report, 2024). The year 2024 reports by the Auditor General (AG) stated that in the year ended 30 June 2023, irregular expenditures ranked highest, followed by unauthorised expenditures, with fruitless and wastefulness ranked lowest. South Africa has a total of 257 municipalities, consisting of eight metropolitan municipalities, 44 districts, and 205 local municipalities. KwaZulu-Natal, with 54 municipalities, has the highest number (Cogta annual report, 2022). Therefore, the study focused on the causes and prevalence of irregular expenditure in municipalities in KwaZulu-Natal Province.

The root causes of irregular expenditure are multifaceted. Evidence suggests they stem from weak internal controls, lack of transparency, collusion between officials and service providers, and attempts to conceal procurement records (Matebese-Notshulwana, 2021). Studies have consistently highlighted the difficulty in preventing irregular expenditure due to systemic challenges within the governance structures of municipalities (Khaile, Davids & Khaile, 2021; Mlambo, Zubane & Thusi, 2022). According to the Auditor General (2024), the implications of irregular expenditure impact public trust, governance credibility, and the socio-economic development of communities. Efforts to hold accountable those involved in irregularities accountable are undermined by a lack of consequence management and ineffective disciplinary actions (Enwereji, 2022; Auditor General, 2024). The failure to enforce accountability perpetuates a culture of impunity, eroding public confidence in governance systems (Rena & Mothupi, 2018; Auditor General, 2024).

The urgent need to address irregular expenditure and systemic malpractices within municipalities calls for a multi-faceted approach (Dorasamy, 2023). According to the Geoge Municipality (2023), enhancing transparency, reinforcing accountability mechanisms, strengthening internal controls, and fostering a culture of ethical leadership is imperative. Policy reforms, supported by robust enforcement mechanisms and stringent consequence management, are essential to curb irregularities and promote responsible financial management (Thusi & Selepe, 2023). Thusi & Mashabela (2023) noted that the irregular expenditure within South African municipalities, particularly in KZN, is a symptom of systemic challenges stemming from historical legacies, flawed policies, weak governance structures, and a culture of impunity. Addressing irregular expenditure necessitates a holistic approach, encompassing legislative reforms, stringent enforcement, ethical leadership, and a concerted effort to foster transparency and accountability within municipal governance (Selepe, 2023). The quest for effective solutions remains a pressing imperative for sustainable socio-economic development and the restoration of public trust in governance systems.

1.3. Problem Statement

Despite legislative mandates and regulations set forth by the Municipal Finance Management Act (MFMA) and other governing bodies, most municipalities in KwaZulu-Natal (KZN) persistently fail to prevent irregular expenditure (Erasmus, 2022). According to Erasmus (2022), KZN municipalities amassed R3.4 billion in irregular expenditure in the 2021 financial year, with one municipality contributing R770.3 million, just over 16% of its total budget. Statistics reveal a concerning trend, with 87% of KZN municipalities incurring irregular expenditure during the 2022/2023 fiscal year, down from 96% in 2021/2022, indicating a persistently high number of municipalities with irregular expenditure (MFMA Section 131 report, 2024). Research by Ambe & Badenhorst-Weiss (2012), Fourie & Poggenpoel (2017); Mashilo & Kgobe (2021) asserts that irregular expenditure is a clear indicator of ineffective and inefficient management of public funds. Furthermore, Fourie & Malan (2020) point out that the root cause lies not in the supply chain management system but in its flawed implementation across South Africa. Marakalala's (2023) findings emphasise that irregular expenditure breeds procurement-related fraud and corruption, a sentiment echoed by Motubatse & Ngwakwe (2020), who established a strong correlation between irregular expenditure and instances of procurement fraud and corruption.

The persistence of irregular expenditure is evident in practices such as awarding tenders to entities owned by councillors and officials, collusion among service providers, and invoicing for non-existent work, resulting in payments for goods and services never rendered (Marakalala, 2023). Despite various legislative measures, regulations, and operational protocols governing municipal fiscal management, existing frameworks consistently fail to prevent irregular expenditure within municipalities. Calls for innovative methods to address irregular expenditure, as suggested by Lekubu & Sibanda (2021), underscore the urgency to overhaul existing approaches. This urgency is intensified by the public's growing demand for accountability, highlighted by continuous media reports on non-compliance with procurement regulations and allegations of irregularities within municipalities (Selepe & Magagula, 2023). Davids, Viljoen, Ngqwala & Sausi (2020) found that the annual highlighting of procurement irregularities by the Auditor General in her MFMA general reports adds weight to these concerns.

The incidence of irregular expenditure within KZN municipalities presents a critical research gap that demands attention. While existing literature highlights the prevalence and consequences of irregular expenditure, there is a scarcity of comprehensive studies that systematically examine the underlying causes, contextual intricacies, and systemic challenges specific to these municipalities. For instance, MFMA section 131 reports (2018 to 2022) showed that since the 2016/2017 and 2021/2022 financial years, between 51 and 52 out of 54 municipalities in KZN annually incurred irregular expenditures. The MFMA section 131 report for 2024 indicated a slight decrease, with 47 out of 54 municipalities incurring irregular expenditure in KZN, but this decrease has not been consistent over the years. The number of municipalities incurring irregular expenditure occurs despite various interventions and support from the KZN Provincial Treasury, KZN Cooperative Governance and Traditional Affairs, KZN Office of the Premier, oversight by the KZN Legislature and support from the National Government and the AG (Auditor General, 2024). This calls for research on the prevalence and causes of irregular expenditure, some of which are documented in AG annual reports and in other public platforms. This research also examined the implementation of consequence management for those involved in irregular expenditure and the efficacy of internal controls for its prevention.

1.4. Objectives of the research

The study examines the prevalence and causes of irregular expenditure in KZN municipalities.

The study seeks to achieve the following objectives:

(i) To analyse the prevalence and causes of irregular expenditure in KZN municipalities.
(ii) To investigate stakeholder understanding and opinions of the causes of irregular expenditure in KZN municipalities.
(iii) To examine the implementation of consequence management for irregular expenditure and procurement irregularities in KZN municipalities.
(iv) To assess the efficacy of internal controls to prevent irregular expenditure in KZN municipalities.

1.5. Research questions

The study seeks to answer the following research questions.

(i) What is the prevalence and the causes of irregular expenditure in the KZN municipalities?
(ii) What is the perception of stakeholders in KZN municipalities on irregular expenditure?
(iii) How are KZN municipalities implementing consequence management for irregular expenditure and procurement irregularities?
(iv) How effective are internal controls for the prevention of irregular expenditure in KZN municipalities?

1.6. Significance and contributions of the study

Despite numerous studies on irregular expenditure and consequence management, there is lack of research focusing on the entire population of municipalities in a particular province, especially regarding the longitudinal nature of the prevalence, causes, and management of irregular expenditure and procurement irregularities (De Lange, 2013; Rena & Mothupi, 2018; Vilane, 2019; Motubatse & Ngwakwe, 2020; Enwereji, 2022; Selepe, 2022; Selepe & Magagula, 2023). Existing are mostly either quantitative, as seen in Nzuza & Lekhanya (2015), Khanyile (2016); Mbatha & Mutereko (2022) or qualitative, as seen in Sibanda, Zindi & Maramura (2020), Rangwato, Mukonza & Molepo (2022), Jam, Bayat & Rulashe (2023) typically focusing on individual municipalities as study units. Therefore, focusing on the entire population at the provincial level has been under-explored.

This study was conducted among all fifty-four municipalities in the KZN province using both quantitative and qualitative research methodologies, unlike Mbatha & Mutereko (2022); Maharaj & Karodia (2013); Naidoo, Zondi, & Reddy (2023) which focused on only one municipality. The research included surveys among of members of the audit committees, consultants, councillors, residents and ratepayers' associations, providing the stakeholders an opportunity to participate in the study. Additionally, councillors from different municipalities were interviewed about the causes of irregular expenditure, consequence management for those involved, and the internal controls needed to prevent irregular expenditure. The study's findings inform the development of a preventive framework to combat irregular expenditure in municipalities. Furthermore, the research aimed to raise awareness among key stakeholders, including communities and the media, regarding the implications of irregular expenditure and the consequences for individuals facilitating or involved in procurement irregularities. The findings will also assist Parliament, the National Treasury, and National Cogta in designing and developing additional interventions and support initiatives to prevent irregular expenditure in KZN municipalities.

This study enhances knowledge of municipal fiscal management by identifying the irregular expenditure ecosystem, which includes political parties, construction mafias, taxi associations, business forums, contractors, the private sector, professional regulatory bodies, foreign investors, and traditional and religious leaders. It also encompasses residents and ratepayers' associations, municipal officials, the South African Police Service, other law enforcement agencies, the Economic Development, Tourism, and Environmental Affairs (KZN Provincial Department), KZN Parliament, KZN Cogta, KZN Treasury, and the Office of the Premier. This ecosystem unites all stakeholders involved in supply chain management, service delivery, payments, and expenditures in municipalities, highlighting the resulting irregular expenditure. Collaboration among all role players will raise awareness about the implications of irregular expenditure on municipalities' ability to achieve socio-economic development and transformation within KZN and beyond.

Additionally, the research provides more information about irregular expenditure and related procurement irregularities. Additionally, it provides an objective assessment of consequence management implementation for irregular expenditure and procurement irregularities. Irregular expenditure, perceptions of tender fraud and corruption, and lack of implementation of consequence management against people involved in procurement irregularities are big problems in KZN municipalities and beyond. This research seeks to contribute a solution to these problems. Furthermore, the prevention of irregular expenditure framework and ecosystem developed will assist municipalities to engage all relevant stakeholders and prevent irregular expenditure.

1.7. Scope of the study

The study was conducted with fifty-four municipalities in KwaZulu-Natal Province (KZN). It analysed the causes and incidents of irregular expenditure and examined stakeholders' understanding and opinions of its causes in KZN municipalities. The study also assessed consequence management for irregular expenditure and related irregularities and evaluated the effectiveness of controls to prevent these issues. Data was obtained from councillors, Residents and Ratepayers Associations, Members of the Audit Committees, and Consultants. A mixed methods research approach was used to collect quantitative data through a self-administered questionnaire and qualitative data through semi-structured interviews. Structural equation modelling (SEM) was employed to assess the factors causing irregular expenditure and its impact on municipalities' fiscal management.

1.8. Limitations

The study was conducted in KwaZulu-Natal (KZN) and excluded municipal officials. The findings would have been different if it had been conducted outside of KwaZulu-Natal (KZN) and included officials. Moreover, the study's reliance on perspectives from ratepayers' association representative members, rather than actual ratepayers, is a notable constraint. This omission is crucial, as ratepayers' firsthand experiences and insights were not directly gathered, potentially resulting in unrepresented concerns, unvoiced opinions, and unexplored nuances. Ideally, ratepayers should have been included to provide authentic, grassroots perspectives. However, their representatives were encouraged to share challenges and complaints on their behalf, bridging this gap. Nevertheless, this indirect approach may not fully capture the complexities and depths of ratepayers' views.

Survey participants were hesitant to disclose sensitive information about irregular expenditure in municipalities due to fears of reprisal, the sensitive nature of the issue, and reported violence in KwaZulu-Natal (KZN). To address these concerns, participants were assured of anonymity and confidentiality. However, the researcher recognises the potential for underreporting, biased responses, and self-censorship. These factors, along with the associated risks, influenced participants' willingness to share information. Although the researcher's efforts to ensure confidentiality alleviated some concerns, the underlying fear remained. This limitation underscores the challenges of researching contentious topics, especially in regions with histories of violence and intimidation. Additionally, not all stakeholders in municipal fiscal management and irregular expenditure participated in the study, including political parties, contractors, service providers, and professional bodies and associations. The views of business forums, traditional and faith-based leaders, and construction mafias were also not captured.

1.9. Structure of the thesis

There are nine (9) chapters in this thesis and are presented as follows:

Chapter One:

The introduction, overview of the research, background, problem statement, research objectives, and questions, significance and contribution, and scope and limitations are covered in Chapter One.

Chapter Two:

Chapter two starts by defining irregular expenditure and presents the theoretical frameworks relevant to public sector financial management, and theories relevant to municipal financial management, governance, and service delivery. The chapter further focuses on empirical literature review. It focuses on literature relating to the incidents and causes of irregularities in the supply chain management processes of municipalities. Furthermore, the punishment of persons involved with irregularities will help to prevent or reduce irregularities in municipalities, hence this chapter focuses implementation of consequences for irregular expenditure and procurement irregularities. Additionally, the chapter focuses on controls including international best practices creating the environment for the prevention of irregular expenditure. Lastly, the chapter discusses the impact of each of the role players in the accountability ecosystem for local government.

Chapter Three:

This chapter discusses the methodologies used to conduct this study. Questions of the research, questions, participants' information, instruments, analysis of data, methodology and sampling, considerations for ethics and the return of the questionnaires were discussed in this chapter.

Chapter Four:

The longitudinal analysis of the prevalence and causes of irregular expenditure and the results and discussion using content analysis are covered in Chapter Four.

Chapter Five:

The examination of the stakeholder’s perspective about the causes of irregular expenditure, the data analysis and the discussion of the information gathered using questionnaires and interviews is covered in Chapter Five.

Chapter Six:

Consequence management against people who are involved with irregular expenditure and procurement irregularities, the data analysis and discussion of the information gathered using questionnaires and interviews are covered in Chapter Six.

Chapter Seven:

The examination of controls to prevent irregular expenditure, the data analysis and the discussion of the information gathered using questionnaires and interviews is covered in Chapter Seven.

Chapter Eight:

Factors influencing irregular expenditure were assessed using Structural Equation Modelling (SEM) and is covered in Chapter Eight.

Chapter Nine:

Chapter nine concludes by providing a summary of Chapters 1 to 8, recommendations, irregular expenditure ecosystem for municipalities, a framework for prevention of irregular in municipalities and a conclusion.

1.10. Chapter summary

The chapter provided the introduction with the historical context of South African public procurement, contextualising public procurement under the apartheid government as it favored certain racial groups and comparing that era to the current, where public procurement favors socially and politically connected persons. Furthermore, this chapter introduced the public procurement requirements of section 217 of the Constitution, for fairness, equity, transparency, competition, and cost-effectiveness in public procurement. In addition, this chapter introduced irregular expenditure and the problems regarding the failures of municipalities to prevent irregular expenditure. Lastly, this chapter discussed the research objectives, questions, significance, contributions, scope, and limitations of this study. The next chapter discusses the theories underpinning the study and contextual concepts that are relevant to the study as well as the empirical reviews.

CHAPTER 2: LITERATURE REVIEW

2.1.Introduction

This chapter analyses theories relevant to understanding irregular expenditure, laying the foundation for the research, and highlighting their relevance to this study. It examines the principal-agent model, followed by the cadre deployment and political appointments model, and lastly, stakeholder theory. Irregular expenditure is explored, along with a comprehensive literature review on public financial management, incorporating key findings from previous studies. A critical analysis of existing research identifies a significant knowledge gap, providing the rationale for this investigation.

2.2.Irregular expenditure

Municipal financial management is based on the requirements of the Constitution of the Republic of South Africa 1996. It is therefore vital to consider several National Treasury laws or legislations, directives, regulations, and circulars that deal with managing municipal finances. Examples of the legislation and regulations that are very important for the management of the finances of municipalities are given in Appendix 10.

The requirements of the laws, regulations, and various circulars issued periodically by the National Treasury serve as the foundation for the municipality's financial management. These provide a framework for preventing irregular expenditure in municipalities and ensuring good governance. Unauthorised, irregular, fruitless and wasteful spending indicates that municipalities are not adhering to the regulations governing financial management. Council members and Municipal Public Accounts Committees (MPACs) must exercise their oversight responsibilities and hold the executive and administration accountable for preventing of irregular expenditure. The municipal manager, as the accounting officer, oversees the administration of the municipality. It is their responsibility to ensure robust administrative capacity, comprising effective policies and competent staff with the requisite qualifications and experience, to enforce Supply Chain Management Regulations, the Municipal Finance Management Act (MFMA), and other relevant financial laws and regulations.

The aforementioned legislation and circulars, alongside those aimed at preventing irregular expenditure, support municipal managers in ensuring that supply chain management units possess the necessary capacity and skills. They also facilitate procurement implementation processes and efficiency and provide safeguards against conflicts of interest.

Over and above the legislation and regulations governing municipal financial management, municipalities should also consider best practices developed by the National Treasury to establish their policies and procedures for municipal financial management (Pauw, van der Linde, Fourie & Visser, 2014). As municipal finance management is legally mandated, the MFMA obliges the municipal manager to prevent irregular, fruitless, and wasteful expenditures, as well as financial losses. The MFMA mandates that the municipal manager commence disciplinary proceedings against any politician, official, or service provider accountable for such expenditures or losses. Significantly, the MFMA stipulates that the municipal manager, with the council's backing, is responsible for recovering irregular expenditures and financial losses from any politician, official, or service provider involved in or responsible for these issues. Nevertheless, due to insufficient leadership commitment, municipalities fail to prevent irregular expenditures.

The National Treasury defines irregular expenditure as follows:

"Irregular expenditure," in the context of a municipality, is defined as follows:

(a) expenditure incurred in violation of, or that does not comply with, the stipulations of, and which has not been approved as required by MFMA section 170.

(b) expenditure incurred in violation of, or which the council has not approved in accordance with the Municipal Systems Act.

(c) expenditure incurred in violation of, or that does not comply with, the requirements of Public Office-Bearers Act

(d) expenditure that a municipality incurs in violation of, or not following, the requirements of the municipality's supply chain management policy or any by-laws enacted to support such policy, which has not been approved under that policy or by-law, excluding any expenditure that qualifies as "unauthorised expenditure."

(e)"Fruitless and wasteful expenditure" refers to spending that has proven to be unproductive and could have been avoided with the exercise of reasonable diligence.

To classify an expenditure as irregular, it is essential to consult Section 170 of the MFMA and the Public Office-Bearers Act, as these frameworks provide definitive criteria. Auditor General reports suggest that irregular expenditure does not imply theft or wastage of public money or collusion among different role players. However, it indicates non-compliance with supply chain management processes, warranting investigation by councillors to determine whether fraud, collusion, or genuine errors occured. Irregular expenditure violates the Municipal Supply Chain Management Regulations, Public Finance Management Act, Municipal Finance Management Act, Treasury Regulations, Municipal Systems Act, and the Public Office-Bearers Act. Likewise, the Section 131 report (2024) stated that irregular expenditure refers to expenditure incurred due to violations of the procurement-related provisions of the Municipal Finance Management Act and Supply Chain Management Regulations, as well as municipal policies. For an extended period, irregular expenditure has been a significant focus in the Auditor General's reports. This is expected, as the definition of irregular expenditure is clear, referring to non-compliance with government financial management laws and regulations. In the context of a municipality, irregular expenditure pertains to any payment recorded in the statement of financial performance in line with an adopted financial reporting framework.

Examples of irregular expenditure include payments made for goods and services not received, awarding contracts to suppliers who quoted prices that are not market-related or economical, and conflicts of interest, such as tenders awarded to suppliers in whom employees or councillors of the municipalities have interests. In addition, irregular expenditure occurs when municipal officials do not monitor the work performed by contractors, resulting in poor service delivery and additional costs incurred to remedy the situation on delayed or poorly constructed projects (Auditor General, 2024).

Table 1: Irregular Expenditure by Province

Province	2022-23 Irregular Expenditute	% Provincial Expenditure Budget Irregular Expenditure Spent	% Total Irregular Expenditure	Closing balance at 2022-23 year -end
Eastern Cape	R5.1bn	8%	19%	R36.36bn
Free State	R2.1bn	5%	8%	R12.61bn
Gauteng	R5.66bn	2%	21%	R25.28bn
KwaZulu-Natal	R5.91bn	5%	21%	R14, 76bn
Limpopo	R2.10bn	6%	8%	R5.52bn
Mpumalanga	R1.87bn	4%	7%	R5.62bn
Nothern Cape	R0.69bn	5%	3%	R3.43bn
Northwest	R3.45bn	9%	13%	R32.26bn
Western Cape	R0.59bn	1%	2%	R1.14bn
Total	**R27.59bn**		**100%**	**R136.98bn**

Source: Consolidated general report on local government audit outcomes MFMA 2022-23. Page 109.

The decrease in irregular expenditure was caused by the Eastern Cape's Buffalo City Metro and King Sabata Local Municipality and KZN uMkhanyakude District Municipality which contributed R4.81 billion, R1.30 billion and R1.19 billion decrease respectively (Auditor General, 2024). The three municipalities managed to decrease their irregular expenditure because they implemented SCM checklists and did not make payments toward expired contracts (Auditor General, 2024).

Irregular expenditure is a challenge for South African municipalities. Twenty-five percent of the 257 municipalities in South Africa did not disclose all the irregular expenditures incurred, while others disclosed irregular expenditures; however, the amounts disclosed were not accurate and complete (Auditor General, 2024). Furthermore, eighty-six percent of the municipalities did not prevent irregular expenditure in the 30 June 2023 financial period, and sixty-four percent of municipalities had material audit findings resulting from irregular expenditure (Auditor General, 2024). The violation and disregard of municipal supply chain management policies and processes, such as unfair procurement practices, resulted in irregular expenditure (Auditor General, 2024). Municipalities continued unfair practices in their procurement, sidelining service providers and only giving business opportunities to connected contractors, leading to irregular expenditure for the year ending 30 June 2023. This resulted in 190 out of 257 municipalities receiving audit findings on unfair and uncompetitive procurement processes and 117 for the lack of contract management for the 2022-23 financial year (Auditor General, 2024). Municipalities are expected to promote economic transformation through their public procurement. However, the Auditor General found that ninety-two municipalities did not use preferential procurement legislation such as the preference point system, and seventy-three municipalities did not give business to local producers (Auditor General, 2024).

Out of 257 municipalities in South Africa, ninety-three awarded tenders and contracts to companies owned by municipalities and state officials, such that contracts worth thirty million rands of tenders were given to contractors and service providers owned by municipal officials and councillors while R216.88 million worth of tenders and contracts were given to contractors and service providers owned by state officials (Auditor General, 2024). Additionally, fifty-four municipalities countrywide awarded tenders and contracts to contractors and service providers owned by relatives of councillors and municipal employees. Five municipalities awarded R3.64 million in tenders and contracts to contractors and service providers owned by relatives of councillors and municipal employees (Auditor General, 2024). The Auditor General reports annually on unfair and uncompetitive procurement practices, mismanagement of contracts, avoidance of preferential procurement processes, inappropriate use of the preferential point system, and conflicts of interest in awarding contracts (Auditor General, 2018 to 2024).

Municipalities in the Eastern Cape Province incurred R5.18 billion in irregular expenditure in 2022-23. This was due to the inappropriate application of the preference point system, unjustifiable deviations from normal tenders processes, and key vacancies in senior management positions within the SCM units (Auditor General, 2024). Consequence management was not implemented because MPACs failed to exercise their oversight responsibilities over reported irregular expenditures (Auditor General, 2024).

None of the municipalities in the Free State province prevented irregular expenditure in the 2022-23 financial year. Irregular expenditure was caused by violations of supply chain management processes and contract management (Auditor General, 2024). Municipal officials, together with political leaders, were involved in these violations (Auditor General, 2024). Meanwhile, MPACs failed to address reported non-compliance with SCM regulations (Auditor General, 2024). The Auditor General (2024) further reported that most municipalities in the

Gauteng Province also did not prevent irregular expenditure. Gauteng municipalities continued to incur irregular expenditures because speakers of councils, MPACs, and other committees did not promptly investigate irregular expenditures or implement consequence management (Auditor General, 2024).

None of the municipalities prevented irregular expenditure in the Limpopo Province in the 2022-23 financial year. The R2.10 billion irregular expenditure was incurred because tenders were given to contractors and service providers without following proper SCM procedures (Auditor General, 2024). Out of twenty municipalities in the Mpumalanga Province, eighteen incurred irregular expenditures in the 2022-23 financial year. However, forty percent of the municipalities that incurred irregular expenditures did not fully report all the irregular expenditures that they incurred, raising the issue of the completeness and accuracy of the R1.87 billion irregular expenditure reported by municipalities in the province (Auditor General, 2024). Irregular expenditure is prevalent in the Northern Cape Province Northwest Province, KZN province, and the Western Cape Province. Particularly in the Western Cape, out of thirty municipalities, only nine reported material findings on irregular expenditure, while in KZN, municipalities reported R5.93 billion in irregular expenditure (Auditor General, 2024).

This section emphasises that municipalities do not employ competitive methods to award tenders to contractors and service providers. They have also failed to monitor the work performed by contractors, resulting in delayed infrastructure projects, poorly constructed works, and payments for work that was not done. Moreover, tenders have been awarded to companies owned by councillors and municipal employees. The ongoing incidents of irregular expenditure indicate that municipalities are not adhering to National Treasury legislation or council policies. Additionally, councillors are not enforcing the implementation of national legislation or their policies to prevent irregular expenditure, nor are they instituting disciplinary actions against those responsible for allowing or incurring such expenditure or recovering lost funds. While municipalities continue to incur irregular expenditures, they are reluctant to disclose these amounts in their financial statements; some do disclose them but provide only incomplete or inaccurate information about the irregular expenditures.

2.3. Theoretical review

This section explores the theoretical framework. The primary objective is to identify areas of convergence and divergence among various theories, enriching understanding of the complex phenomena under investigation. Specifically, this study draws on three theoretical perspectives: the Principal-Agent Model, the Cadre Deployment and Political Appointments Model and the Stakeholder Theory.

2.3.1. Principal-Agent Model

Accountability is the cornerstone of public financial management and service delivery, as highlighted by the relationship between stewards and responsible stakeholders. These perspectives can be grouped into New Public Management, cadre deployments, Neo-Institutional Economics frameworks, and Principal-Agent models (Mohafidi & Karim, 2023), all of which the study adopted. Introduced by Mitnick in 1975, the principal-agent theory suggests that a country should be governed by a responsible and caring principal (Kopp, 2024). This theory is based on the idea that the principal is accountable for promoting ethics, transparency, and accountability. Leadership conduct sets the tone for employees, communities, residents, and ratepayers (Kopp, 2024). Moreover, leaders must maintain integrity, refraining from fraudulent and corrupt activities, misappropriation, and exploitation of municipal resources. The principal-agent theory, as noted by Fowler (2020); Khaile, Davids & Khaile (2021) is pivotal in public financial management and accountability, clarifying responsibility structures.

From the perspective of a state without legislators, accountability is achieved through a rules-based governance system that incorporates strong internal controls to eliminate discretion among public officials, who act as agents (Blair & Starke, 2017). This approach is particularly applicable in countries facing endemic corruption, where collusion with law enforcement demands restrictive measures to combat unethical behaviour (Wardani, Primastiwi & Hanisah, 2021). The role of legislators and elected officials is vital in addressing corruption, as they represent citizens and hold principals accountable. Grossi, Papenfub & Tremblay (2015) stress that these officials must monitor the excesses of those in power and promote accountability. In countries afflicted by corruption, legislation and policies cater to the interests of the private sector and certain individuals within public administration, who accept illicit payments for influence. In this context, Elsig (2011) indicates that legislators assess the advantages of evading accountability, such as financial rewards and enhanced prospects for re-election, against the potential drawbacks, including detection, punishment, and damage to their reputation and re-election chances. This assessment shapes their decision-making process. Coletta (2013) argues that various elements influence the willingness to embrace accountability and reduce corruption in the municipal context, where communities elect councillors to represent their interests (Ardigó, 2022).

Firstly, the funding of political campaigns significantly impacts accountability. The source and magnitude of campaign financing can influence politicians' decisions, potentially leading to corrupt practices (Lipcean & McMenamin, 2024). Secondly, voters' political maturity and understanding are crucial in holding elected representatives accountable. An informed and engaged citizenry can demand transparency from their representatives. Thirdly, community empowerment through voting out corrupt politicians is essential, ensuring that those in power remain accountable to the people (Lipcean & McMenamin, 2024).

Finally, the level of democracy in a society directly affects accountability (Lipcean & McMenamin, 2024). Robust democratic institutions and processes foster transparency, preventing corruption. In municipal governance, these factors are critical. Councillors, elected to represent communities, must hold municipal officials accountable for resource management. Failure to do so can result in ineffective resource utilisation, harming the community (Mudzusi, Munzhedzi & Mahole, 2024). Moreover, councillors and officials may collude to misappropriate resources, paying for undelivered goods and services or favouring connected contractors with inflated payments (Mudzusi, Munzhedzi & Mahole, 2024). Effective accountability measures, such as electoral accountability, can combat corruption in local government.

2.3.2. Cadre deployment and political appointments model

Municipal Systems Amendment Act 7 of 2011 was enacted to prevent senior management officials from holding political roles. However, effective implementation of these reforms is crucial. The Labour Court's ruling in South African Municipal Workers Union v Minister of Cooperative Governance and Traditional Affairs and Another (J945/2023) [2023] emphasises the challenges of balancing political rights with the need to limit inappropriate interference.

Loyal party members are granted job placements through political appointments (Franks, 2014; Shava & Chamisa, 2018; Mlambo, Zubane & Thusi, 2022; Mlambo, Ndlovu, Thusi, Mathonsi, & Mkhize 2022; Jarbandhan, 2022; Mlambo, 2023). In the context of South African municipalities, this practice ensures that jobs and tenders are allocated to loyalists, friends, and relatives of politicians, as well as influential groups and individuals. Key decision-makers in municipalities typically hail from the dominant political party or faction, resulting in exclusive opportunities for their preferred individuals and service providers, as noted by Mamogale in 2014. Additionally, Mlambo, Zubane & Thusi (2022) found that dominant political factions are running municipalities behind the scenes, thereby promoting fraud and corruption, wasteful expenditures, lack of accountability, and lack of implementation of consequence management in municipalities.

In South Africa, this system has led to a shortage of skilled personnel in municipalities, hindering effective service delivery (Jarbandhan, 2022). Muna, Ferdous & Azam (2022) found that recruitment processes are flouted by politicians seeking to hire individuals who will serve their interests rather than the community's needs. Politically appointed individuals serve as the eyes and ears of the ruling party or dominant faction within municipalities (Toral, 2021; Thakur & Nel, 2024). Cadre deployment has far-reaching implications, enabling card-carrying members of the ruling party or faction to dominate state institutions and municipalities (Toral, 2021; Medici & Pulejo, 2024). Consequently, this practice perpetuates poor performance and inadequate oversight by councillors over the administration (Toral, 2021; Pasquini & Shearing, 2024). Additionally, cadre deployment fosters internal political factional fights to control state institutions, including councils (Shava & Chamisa, 2018). Shava & Chamisa (2018) found that cadre deployment tolerates and accepts corrupt practices such as cronyism, bribery, fraud, and nepotism.

A direct result of cadre deployment is the politicisation of key municipal positions. The municipal manager, chief financial officer, and senior managers are appointed based on political affiliation rather than merit. This phenomenon underscores the significant influence of cadre deployment in shaping municipal governance. Many politically appointed officials lack the necessary skills and qualifications for their roles, resulting in ineffective accountability, subpar service delivery, and inadequate financial management (Mamogale, 2014; Mlambo, Zibane & Thusi, 2022). This theory is relevant due to the prevalence of politically appointed employees in public procurement, who may prioritise political loyalty over impartial decision-making when awarding tenders and processing payments. Additionally, this theory reveals that service providers are deployed to certain projects and services in a particular municipality or ward, regardless of their capacity to deliver infrastructure and other services. In KwaZulu-Natal (KZN), Zulu, Yalezo & Mutambara (2022) revealed that cadre deployment resulted in dominant political factions taking over government portfolios, political factional infighting, fraud and corruption, poor service delivery, and political killings in the struggle to access state resources. Additionally, Zulu, Yalezo & Mutambara (2022) argued that there was a lack of implementation of consequence management due to cadres protecting cadres, and because of the incompetence and unskilled political deployees, other KZN municipalities failed to roll out infrastructure projects.

2.3.3. Stakeholder theory

Stakeholder theory has long been recognised as the framework for understanding municipal financial management and ensuring effective service delivery (Zwane & Matsiliza, 2022). This theory asserts that municipalities should engage all important stakeholders in infrastructure projects and must be accountable to the communities to ensure transparency and effective service delivery (Zwane & Matsiliza, 2022). Central to this theory is the idea that municipalities should fulfill their legislative mandates while engaging relevant stakeholders. According to Shongwe & Meyer (2023), this theory emphasises that municipalities should engage all parties involved, not just the intended recipients of the service delivery.

The lack of stakeholder engagement and awareness of relevant stakeholders has huge implications for an organisation (Govender & Abratt, 2016). Since municipalities use the services of consultants in rolling out their infrastructure, they need to identify and engage all their relevant stakeholders (Eskerod, Huemann & Ringhofer, 2015). Furthermore, the municipal environment has several stakeholders, such as the project steering committees, local business forums, and ward councillors (Moshodi, Coetzee & Fourie, 2016). Moshodi, Coetzee & Fourie (2016) argued that effective stakeholder engagement leads to improved communication between municipalities and their relevant stakeholders.

This section focuses on the Principal-Agent Model, the Cadre Deployment and Political Appointments Model, and Stakeholder Theory, which underpin the study. The discussion of these theories demonstrates their interrelation, highlighting the importance of unquestionable integrity among councillors and municipal managers. It also addresses how nepotism, the looting of municipal resources, fraud and corruption, poor service delivery, and the protection of comrades who steal from municipalities are exacerbated by the practice of cadre deployment, and how these actions negatively impact service delivery. Finally, Stakeholder Theory emphasises the significance of engaging relevant stakeholders to prevent irregular expenditure.

2.4. Empirical review

This section provides an empirical analysis of the current literature on irregular expenditure and related research objectives. The review aims to consolidate existing knowledge about irregular expenditure, highlighting patterns, trends, and deficiencies in the research. Furthermore, the literature assists the researcher in situating irregular expenditure within public financial management. The concepts of irregular expenditure, corruption, and fraud are intricately connected, obscuring distinctions. Consequently, the research investigates these issues concurrently to gain insights into their fundamental causes, effects, and prevention strategies.

2.4.1. The prevalence and causes of irregular expenditure in municipalities

The occurrence of fraudulent actions is a fundamental cause of significant issues within state institutions, and the understanding of fraud is enhanced through the fraud triangle model (Rustiarini, Nurkholis & Andayani, 2019). According to this model, individuals are likely to commit fraud when they are subjected to pressure or motivation, identify an opportunity, and engage in fraudulent activities (Rustiarini, Nurkholis & Andayani, 2019; Rahmawati & Kassim, 2020).

Figure 1 depicts the fraud triangle, which serves as a framework for analysing fraud, corruption, irregular expenditures, and the mismanagement and misappropriation of resources.

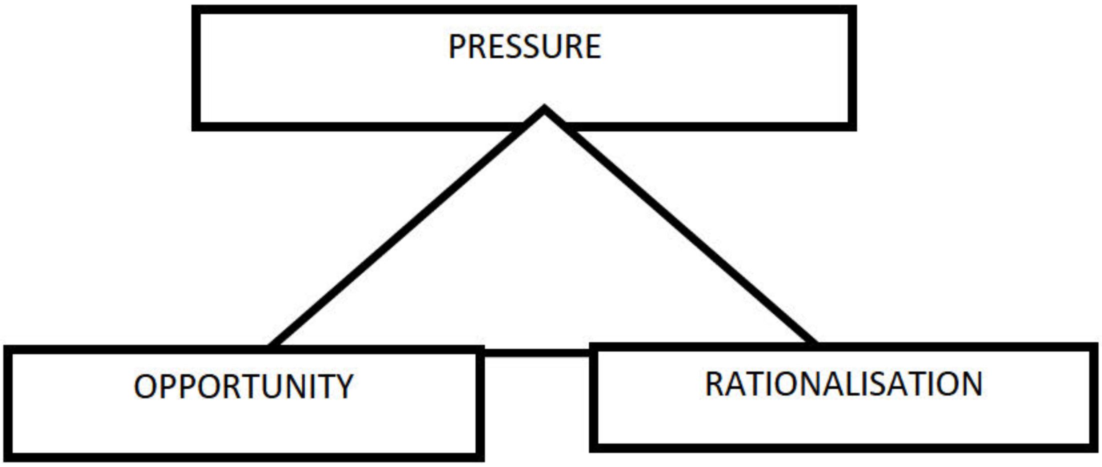


Figure 1: Fraud Triangle (Source: Mansor (2018, page 86)

Fraudsters and offenders consisting of politicians, municipal officials, and highly educated professionals from various fields and professional' bodies working as independent consultants are faced with personal pressure to commit fraud (Rajah, 2016; Mantzaris, 2017). At the same time, collusion between politicians, independent consulting professionals, officials, contractors and service providers creates opportunities in municipalities in the form of weak or poor internal controls for them to commit fraud (Ratshisusu, 2014; Rajah, 2016). Bowen, Edwards & Cartell (2012) conducted a study to determine the extent of fraud and corruption in the construction industry in South Africa, and it confirmed that opportunity, pressure, and self-justification as the pillars of the Cressey "Fraud Triangle" theory of corruption. Likewise, Rahmawati & Kassim (2020) found that the perpetrators of fraud justify their actions as ethical and morally acceptable. To understand the reasons behind the fraudulent behaviour of tender fraudsters, Khan & Bakar (2022) conducted a study in the Malaysian public sector to determine the effect of fraud diamond analysis on public procurement fraud.

Hoffman (2016); and Igrams (2017) implicated cadre deployment as a root cause of corruption in local government. Mlambo (2019) revealed that the utilisation of political influence in the allocation of tenders and the recruitment of personnel within municipalities disproportionately benefits a limited group connected to powerful political figures, often to the detriment of the public. Individuals with political clout frequently engage in cronyism, nepotism, and bribery to misappropriate state resources and prioritise the interests of the political figures who appointed them. Deployment committees have exploited the practice of cadre deployment to further their interests rather than the community, leading to a lack of accountability (Pillay, 2016; Mlambo, Zubane & Thusi, 2022).

Cadre deployment is about our turn-to-eat attitude by the powerful political faction or the faction that won the party elective conference for South African political parties (Mpapela, 2017). It is defined as the “job reservation” for people aligned with a powerful faction of a political party, regardless of their qualifications, skills, experience, track record, and ethical conduct (Magomane, 2012; Mamogale, 2014). Mpofana & Ruiters (2019) further described it as a scheme ensuring the realisation of get-rich-quick benefits for comrades. In addition, cadre deployment ensures that municipalities are remotely controlled by political party structures (Bogopa, 2013). As a result of cadre deployment, municipalities receive instructions from regional party structures and are controlled by the political party rather than by councillors and government (Mncwabe, 2020; Maqoko & Asmah-Andoh, 2019; Mbulawa, 2019). Cadre deployment is not only limited to individuals; contractors and service providers are also deployed to solely trade with certain municipalities, departments, and in certain geographical areas. Regional party structures are not capable of providing the much-needed political leadership in municipalities as their focus is on the employment of people from their factions and looting tenders in municipalities (de Visser, 2010).

While cadre deployment is practiced by political parties around the world, Mamogale (2014) found that in South Africa it has resulted in political interference, tender fraud, looting of resources, and manipulation of employment processes in municipalities. Masuku & Jili (2019) found that it is an abuse of power. This is because cadre deployment sidelines properly qualified, experienced, and ethical members of society, reserving jobs and contracts to politically aligned individuals and companies (Magomane, 2012). In addition, political deployees serve the interests of their political masters rather than the community at large (De Jager & Meintjes, 2013; Mamogale, 2014; Tshishonga 2014; Chipunza, Monnapula-Mapesela & Dzansi, 2016; Mbulawa, 2019). Phakedi, (2019); Phadi & Vale, (2020), Jankielsohn & Mollentze, (2021), Selane (2021); Swanepoel, (2022); Matyana & Mthethwa, (2022) agreed that cadre deployment results in collusion, looting and SCM fraud and corruption.

The practice of cadre deployment has been manipulated and abused by deployment committees (Mlambo, Zubane & Thusi, 2022). There is nothing wrong with deploying professionally qualified, experienced managers with a good track record of ethics to senior management (Kaizer, 2022). Mlambo, Zubane & Thusi (2022) found that some deployed cadres are properly qualified, experienced, and capable, but most of the deployed cadres take instructions from the deployment committees and only serve the interests of their political masters. Swanepoel (2022) found that cadre deployment created a shadow state and was against the country's Constitution. Thebe, (2017); Swanepoel (2022) found that nepotism, looting of municipal resources, political interference, fraud and corruption, favouritism, cronyism, money laundering, collusion and incompetent comrades leading the state were the result of cadre deployment.

Cadre deployment in South Africa has resulted in the collapse of state institutions (Nevondwe & Odeku, 2012; Ngcamu 2013; Kaizer, 2022; Matyana & Mthethwa, 2022). Factional battles have worsened the sustainability, capacity, and functioning of these institutions. Tshandu (2010) found that cadres were instructed by their branches to intentionally collapse state institutions to discredit and sabotage opposing factions. The Commission of Enquiry into State Capture uncovered numerous instances of misconduct that were previously hidden from public scrutiny (Madonsela, 2019; Gray, 2021; Canen & Wantchekon, 2022; Swanepoel, 2022; Lyra, Pinheiro & Bacao, 2022). This inquiry exposed a range of public financial management failures, alongside various acts of fraud and resource misappropriation by senior political and administrative leaders without facing consequences, and cadres protect cadres (Atkinson, 2015). Klaaren, Belvedere, Brunette & Gray (2022) found that cadre deployment discourages the professionalisation of the public procurement space.

The occurrence of irregular expenditure is perceived as fraud, corruption, collusion, and political interference in the SCM to benefit certain service providers and individuals through municipal tenders (Shava 2016; Fazekas & Cingolani 2017). Lekubu (2013); Maluleke, Dlamini & Rakololo (2019); Zungu (2018); Mabeba (2021); Fourie & Malan (2022) agreed with Shava (2016); Fazekas & Cingolani (2017) that non-compliance with financial management prescripts is fraud and corruption which are entrenched in municipalities and result in poor service delivery and a poor image of government institutions. There are several studies on public sector financial management and corruption (Lekubu, 2013; Maluleke, Dlamini & Rakololo, 2019; Mabeba, 2021; Fourie & Malan 2022). However, less has been done on irregular expenditure. Despite the lack of studies on irregular expenditure, those on public sector financial management provide a basis for a study on irregular expenditure. Hence, this section will discuss the results of previous studies on public sector financial management, corruption, irregularities, maladministration, and irregular expenditure. First, Fazekas & Cingolani (2017); Kohlera & Dimancesco (2020) conducted a study on the causes of fraud and corruption in the public sector, providing evidence that tenders are vulnerable to corruption and collusion by politicians, businesspeople, and officials. Karodia (2014) revealed that tender corruption would persist if the leadership tolerated non-compliance with financial management prescripts. Pillay (2014) found that tender corruption can be stopped if leadership and officials adhere to ethical conduct.

Additionally, Mantzaris (2017) & Munzhedzi (2016) found that there must be political will and commitment to stop tender fraud and corruption by punishing those who commit financial misconduct. Mothupi (2018) agreed with Munzhedzi (2016) that the only way to stop tender fraud and corruption is for leadership to demonstrate commitment and political will by not being involved in tender fraud and by implementing consequence management for financial misconduct. Other research findings from Munzhedzi (2016) suggested that capacity building for members of the Municipal Public Accounts Committees (MPACs) will improve oversight and accountability over municipal finance management. Zungu (2018) also agreed that capacity building for MPACs will enhance oversight over administration in municipalities. Additionally, Mishi, Mbaleki & Mushonga (2022) suggested that the South African Local Government Association and Cooperative Governance and Traditional Affairs Department must work with the Auditor General of South Africa to influence municipalities to implement the Auditor General's recommendations to address financial mismanagement in municipalities.

Contrary, Mantzaris (2017); Munzhedzi (2016); Kohlera & Dimancesco (2020) found that transparency and open tender processes reduce maladministration in public procurement. In line with Zungu (2018), Mazibuko & Fourie (2017) revealed that public goods and services that the government including municipalities buy are funded by the taxpayers' monies. Therefore, the public must be involved in the public procurement processes. Ambe & Bedenhorst-Weiss (2012) agreed with Mazibuko & Fourie (2017) that the involvement of public representatives, such as civil society organisations, would eliminate irregular and fruitless and wasteful expenditure, improve collaboration between municipalities and communities, ensure accountability by municipalities and guarantee service delivery. Corruption Watch (2022) took the suggestion of public oversight even further by suggesting that the solution to the problem of tender fraud and corruption will be to create a new supply chain management system, that will allow for the inclusion of municipalities, oversight bodies and representatives from civil society organisations to monitor the tender evaluation, adjudication, and awarding processes.

Corruption Watch (2024) differed with Ambe & Bedenhorst (2012); and Corruption Watch (2022) on the inclusion of civil society organisations in the tendering processes. There are various stakeholders, business forums and civil society organisations who have interests in public tenders within the KZN province, but not all these stakeholders, business forums, and civil society organisations are patriotic (Watermeyer & Phillips, 2020; Nyangiwe, Amoah & Mukumba, 2023; Geldenhuys 2024; Corruption Watch, 2024; Bond, 2024) Some of the business forums and organisations were selfish and only thought for the benefit of themselves and the benefit of their close friends and families, (Watermeyer & Phillips 2020; Nyangiwe, Amoah & Mukumba, 2023; Geldenhuys, 2024; Qobosheane, 2024; Bond,2024). Makiva (2021) found that procurement decisions were done behind closed doors, the drawing up of tender specifications, the bid evaluation and adjudication processes and awarding of tenders all were performed behind closed doors and resulted in procurement irregularities. Fazekas & Cingolani (2017); Mbandlwa, Dorasamy & Fagbadebo (2020); Makiva (2021) agreed that as the entire procurement process was left in the hands of the officials who served their selfish interests and those of their political masters, this resulted in tender fraud and corruption.

Matto (2017) indicated that insufficient and ineffective internal control systems render SCM processes susceptible to fraud and corruption. The phenomenon of management overriding internal control systems, along with collusion, frequently compromises the integrity of these controls, regardless of their robustness (Matlala & Dintwe, 2013). While collusion is a problem, Rendon & Rendon (2015) found that in most cases, conflict of interest is the number one factor leading to the failures of internal controls. Conflict of interest results in fraud and looting when decisions about who must get which contracts are taken at the time when significant government planning decisions are made. Supply chain management fraud and corruption take place in many forms, such as bid rigging, cartels, embezzlement, bribery of officials, and members of the supply chain management committee involved with drawing up job specifications and needs assessments (Matebese-Notshulwana, 2021). Furthermore, bid evaluation and adjudication committees are bribed, contracts are tempered with and manipulated, and fraudulent invoices are submitted for payment (Dewata, Farah, Jauhari & Sari, 2022). The financial implications of corruption are substantial, as it leads to inflated costs for public goods and services that are ultimately of inferior quality, a situation exacerbated by fraudulent practices among stakeholders (Manyathi, Burger & Mortimer, 2021). A report by the OECD (2016) indicates that service providers often raise their prices to recover bribes given to political figures and others involved in SCM, resulting in excessive charges. Additionally, collusion among service providers allows for the submission of false invoices for work that has not been completed (OECD, 2016). Moreover, these providers frequently fail to fulfil their contractual obligations, delivering low-quality work and goods without facing any penalties, largely due to the collusion and bribery that are prevalent in the industry (OECD, 2016).

Studies have consistently shown that irregular expenditure is a pervasive issue in KZN municipalities. Mkhize, Dorasamy & Anwana (2022) noted that irregular expenditure resulting from non-compliance with supply chain management regulations was prevalent in municipalities. Zindi & Sibanda (2022) made similar observations that South African municipalities routinely disregard supply chain management laws, leading to excessive, wasteful, irregular, and unapproved spending. Irregular expenditure caused by pervasive non-compliance with supply chain management regulations, procurement, and tendering procedures, corruption, and favouritism are crippling service delivery among KZN municipalities (Sibanda, Zindi & Maramura, 2020; Mkhize, Dorasamy & Anwana, 2022). These studies highlight systemic and operational challenges hindering effective supply chain management, including weak ethical systems, inadequate expertise and poor policy implementation and monitoring.

Evidence from previous studies highlights greediness, self-enrichment motives, political interference, and the entrenchment of fraud and corruption as the main drivers of irregular expenditure in South African municipalities. Abioro (2021); Marakalala (2023) argued that tender fraud and corruption cause non-compliance with procurement regulations in municipalities. Ngcamu & Mantzaris (2023) echoed that there are corrupt relationships and this corruption manifests through illicit relationships, and agreements among corrupt individuals, with management and council members interfering politically to further the corruption agenda. This undermines the integrity of local governance, perpetuating inefficiencies and mismanagement. The effects of corruption impact the stability of municipalities in South Africa. Thusi & Selepe (2023) relied solely on a comprehensive literature review, employing a qualitative research approach, and did not involve primary data collection from stakeholders. While their research yielded intriguing results, it lacked the depth and nuance that primary data provides. Ngcamu & Mantzaris (2023) primarily investigated irregular expenditure and corruption within South African state universities, focusing on policy enforcement, corruption, and stakeholder interference. This narrow focus on universities limits the study's applicability to municipalities, as the dynamics of corruption and irregular expenditure may differ significantly between these two contexts. By gathering first-hand insights from councillors, the current research offers an immersive understanding of their experiences, shedding new light on the topic.

Mishi, Mbaleki & Mushonga (2022) emphasises the importance of implementing initiative-taking strategies to avert irregular expenditure, thereby promoting efficient resource allocation and enhancing service delivery within municipalities. Ambe & Badenhorst-Weiss (2012) explored procurement challenges in the South African public sector, but its methodological limitations hindered the validity of its findings. Notably, the research failed to specify its sample size, compromising the generalisability of its results. Furthermore, the study's broad focus on public sector organisations across South Africa lacked depth and specificity. In contrast, the current research concentrated on municipalities in KZN, enabling the collection of detailed and nuanced information. By narrowing its scope, the study provides a detailed understanding of procurement challenges in a specific context, addressing the shortcomings of the earlier research.

Irregular expenditure in KZN municipalities can be attributed to the lack of resolve among municipal managers and politicians to tackle the issue head-on. Eposi, Potgieter & Pelser (2021) noted that irregular expenditure was caused by a lack of commitment to good governance by municipal managers, senior managers, and politicians. The lack of commitment to addressing irregular expenditure in municipalities can be attributed to the desire of those involved to award tenders to officials, councillors, and their family members (Eposi et al., 2022). The observations by Eposi et al. (2021) resonate with Sibanda et al. (2020) that non-compliance with Supply Chain Management policies stems from favouritism, nepotism, and corruption in tendering processes. Favouritism and nepotism in tendering processes pose significant challenges, undermining fairness, transparency, and accountability (Sibanda et al., 2020). Eposi et al. (2021) provided valuable insights into supply chain management policy implementation and compliance in the Ngaka Modiri Molema District, South Africa. However, the study’s focus diverges from the current research. Moreover, the study's methodological limitations, including an unclear sample size, restrict the generalisability of its findings. The research was also geographically constrained, focusing on a single district, whereas this study takes a comprehensive approach by examining the entire KwaZulu-Natal province. This broader scope enables a more extensive understanding of the issues at hand, distinguishing the current research from the earlier study.

Lax oversight systems in institutions provide opportunities for those driven by personal gain to abuse resources and engage in unauthorised expenditures. Nabane, Klingelhöfer & Geyer (2024) found that irregular expenditure in one South African metropolitan municipality was caused by a lack of oversight and collusion, which weakened the systems of internal controls. Similar observations were made by Ngcamu & Mantzaris (2023) that corrupt relationships and agreements among individuals, fuelled by political interference from management and council members, increase irregular expenditure in municipalities. The challenge of political interference as a cause of irregular expenditure was further raised by Munzhedzi (2016), who found that supply chain management was vulnerable to fraud and manipulation because of meddling by politicians, collusion, and lack of ethics by bid committee members. Collusion in KZN municipalities has reached an alarming level, where service providers and municipal officials are found to be submitting and paying for identical invoices multiple times, as well as making payments for goods and services that were never delivered (Zweni & Yan, 2022). Zweni & Yan (2022) argued that collusion undermines fair competition, transparency, and accountability, worsening irregular expenditure.

However, Munzhedzi (2016) is compromised by methodological flaws, as the research methodology employed is unclear and lacks transparency. This constraint diminishes the validity and reliability of the results, complicating the application of findings to other municipalities across South Africa. The ambiguous methodology hinders the ability to draw broader conclusions, restricting the study's applicability and usefulness in informing practices across multiple municipalities. While Nabane, Klingelhöfer & Geyer (2024) provide valuable insights, its qualitative nature may limit the extent to which findings can be generalised. Zweni & Yan (2022) employed a quantitative approach, collecting data through online questionnaires from 261 participants across three municipalities in the Western Cape, Eastern Cape, and Free State. The primary objective was to develop a budget management model to enhance public service in South African municipalities. However, the study's reliance on a solely quantitative methodology is a significant limitation. While quantitative research provides valuable insights, it lacks the depth and nuance that can be achieved by incorporating qualitative methods. In contrast, the clear and robust methodology of the current study is essential for producing credible and generalisable results. This research adopts a more comprehensive approach by using a mixed method strategy to collect data from KwaZulu-Natal Province municipalities, enhancing the reliability and representativeness of its findings. By expanding the scope of data collection, this study addresses the limitations of earlier research and provides a more nuanced understanding of the issues at hand.

Nepotism and cronyism have consistently undermined the integrity of municipal tender awards. Studies, such as Molatlhwa (2021) have uncovered alarming trends in tender allocation in KZN municipalities, characterised by cronyism and nepotism, with tenders awarded to employees, councillors, and their networks. This observation resonates with Buccus (2022), who reported that fraud and corruption in the supply chain management processes were entrenched, as contracts were reserved exclusively for connected persons. The awarding of tenders and contracts to employees, councillors, and their families and friends resulted in the performance of service providers not being evaluated monthly because officials (Matolong, 2015) owned these service providers. The research conducted by Buccus (2022) produced intricate findings; however, its main emphasis was on Black Economic Empowerment, development, and the pursuit of justice within South African municipalities, rather than investigating the occurrence of irregular expenditure. As a result, the study did not delve deeply into the issue of irregular expenditure, creating a knowledge gap that this current research aims to address. The limited scope of Buccus (2022) highlights this study’s significance, which sought to explore the prevalence of irregular expenditure in municipalities in greater detail.

Municipalities without robust regulatory frameworks for emergency procurement risk incurring irregular expenditures due to a lack of accountability and oversight. Mathiba (2020) identified the absence of a comprehensive regulatory framework for emergency procurement as a key factor driving irregular expenditure. To address this, Nabane et al. (2024) advocate for the creation and enforcement of a comprehensive procurement standard operating procedure (SOP) manual within the Department of Water and Sanitation in South Africa. They posited that robust regulatory frameworks are crucial to preventing irregular expenditure in public sector procurement. Contrary to a regulatory vacuum, Mkhize et al. (2022) highlighted that procurement regulations exist, but their effectiveness is compromised by staffing shortages, lack of expertise, and technological constraints. Mathiba (2020) investigated corruption in public sector procurement during the COVID-19 pandemic, yielding nuanced results. However, its narrow focus on pandemic-related corruption and procurement issues limits its scope. Nabane, Klingelhöfer & Geyer's (2024) research is restricted to the Department of Water and Sanitation, and its findings are based on a small sample of ten participants. The foregoing discussion demonstrates that studies in public-sector financial management have focused on bribery and corruption. Issues about irregular expenditure have largely been underexplored, hence, the importance of this chapter.

The misuse of cadre deployment practices by criminal elements masquerading as liberation fighters within various political parties has led to financial mismanagement, fraud, and corruption in municipalities. Once deployed, individuals receive instructions to plunder municipal resources through various means, prioritising the interests of their deployment structures. There is a troubling collaboration among professionals from diverse fields, alongside politicians, councillors, contractors, service providers, and officials, to engage in theft and tender fraud within municipalities.

The practice of cadre deployment has created opportunities for procurement fraud, as nepotism, manipulation of procurement processes, and prioritising political interests become the norm for survival in local government leadership positions. Councillors and administrative staff are politically deployed to key local government roles, often without the necessary competencies, primarily to facilitate tender fraud and corruption while ensuring that politically aligned individuals are appointed through nepotism and job reservations. Similarly, contractors are assigned to various municipalities and wards, not based on their expertise or record of good service delivery, but due to their alignment with specific political factions or connections to certain politicians, councillors, and officials, resulting in irregular expenditure.

2.4.2. Implementation of Consequence Management for Irregular Expenditure and Procurement Irregularities

All municipal policies are against tender fraud and corruption; the councillors are responsible for approving these policies and exercising oversight over administration (Fourie & Waldt, 2023). This ensures that the municipal manager enforces policies aimed at preventing procurement irregularities and initiates disciplinary measures against individuals who engage in such irregularities. Despite the critical oversight role of councillors, Sibanda et al. (2020) found that policies are not implemented in the public sector, leading to procurement irregularities without consequences. Fourie & Waldt (2023) identified a capacity gap among councillors in executing oversight duties, despite existing legal frameworks. This capacity gap severely limits their ability to implement robust consequence management for irregular expenditure, resulting in unchecked financial mismanagement and a worsening of the problem.

Failure to hold perpetrators accountable for irregular expenditure hinders the implementation of consequence management, allowing wrongdoing to persist. Bowen, Edwards & Cattell (2012) identified a culture of impunity, where unchecked procurement irregularities foster an environment conducive to tender fraud. Thusi & Selepe (2023) further pointed out that there is a lack of motivation to implement consequence management, worsening irregular expenditure. This is consistent with observations made by Naidoo & Magakwe (2023). Holding perpetrators accountable is crucial to curbing procurement irregularities. Bowen et al. (2012) employed a qualitative approach to explore corruption in the South African construction industry, shedding light on a critical aspect of corruption. However, its focus on the construction industry and lack of emphasis on municipalities limit its applicability to the municipal context. The study's qualitative nature and industry-specific focus render it unsuitable for generalisation to municipalities in South Africa, highlighting the need for research that directly addresses corruption and irregular expenditure within the municipal sphere. This study seeks to fill this knowledge gap by focusing on irregular expenditure in KwaZulu-Natal municipalities, providing insights that are more relevant and applicable to this context.

Without meaningful penalties for irregular expenditure, consequence management is ineffective, and financial misconduct continues unchecked (Enwereji & Uwizeyimana,2019). Similarly, Dlomo (2021) suggested that ongoing training for municipal officials can significantly reduce irregular expenditure, but this is currently neglected. This observation corroborates Enwereji & Uwizeyimana's (2019) results demonstrating that training Japanese municipal departmental staff reduces personnel expenses in the short term. This suggests that department-specific training yields modest effectiveness. Training improves municipal officials' skills, ensuring adherence to regulations and policies. Key areas include procurement legislation, tendering processes, contract management, financial management, and ethics. Effective programmes enhance capacity, ensure compliance, and promote transparency, ultimately strengthening public sector governance. Enwereji & Uwizeyimana (2019) utilised a qualitative approach, engaging 150 participants in focus group discussions. However, the research's reliance on a single research approach is a notable limitation. In contrast, the current study employs a mixed-methods approach, combining both qualitative and quantitative research methods. This dual approach enables a more comprehensive understanding of consequence management in KwaZulu-Natal municipalities, providing both in-depth insights and generalisable findings. By integrating multiple research methods, the current study addresses the limitations of Enwereji & Uwizeyimana (2019) research, offering a more nuanced and robust exploration of the topic. To deal with tender fraud and corruption effectively, politicians and officials who are corrupt must be named and shamed.

Political interference in municipal governance can hinder the implementation of consequence management, leading to challenges in addressing irregular expenditures. The interference of politicians in procurement processes and municipal affairs has been found by Deka (2016) as the reason for the lack of implementation of consequence management. In agreement with Deka (2016), Takalani & Lavhelani (2024) noted that political interference, in the form of politically motivated assassination of municipal officials, has detrimental effects on good governance and service delivery. This phenomenon undermines the very foundation of local government, creating an environment where fear and intimidation reign supreme. Deka (2016) is compromised by methodological flaws, as the research methodology employed is unclear and lacks transparency. This limitation undermines the reliability and validity of the findings, making it challenging to apply them to other South African municipalities.

The ambiguous methodology hinders the ability to draw broader conclusions, restricting the study's applicability and usefulness in informing practices across multiple municipalities. In contrast, a clear and robust methodology in the current study was essential for producing credible and generalisable results. A culture of accountability in procurement promotes a secure and transparent environment, reducing the likelihood of irregular expenditure and promoting fiscal responsibility. Shava (2016); Ogunlela, Olabode & Robertson (2021) indicated that a deficiency in transparency and accountability within public procurement contributed to the exploitation of supply chain management processes. These findings reinforce Dzuke & Naude (2015) findings, highlighting the lack of accountability in procurement processes as a significant issue in municipalities. This shortage of accountability manifests in various stages, including advertising, bid evaluation, and contract implementation (Dzuke & Naude, 2015). The alignment of these studies underscores the pervasive nature of procurement issues across municipalities, emphasising the necessity for procurement policy reforms, strengthening policies to ensure transparency and accountability, and stakeholder engagement to foster collaboration between the central government and municipalities. Ogunlela et al. (2021) offered valuable insights into the potential of blockchain technology to combat procurement corruption in the digital age. However, its focus on this specific technology and reliance on secondary research methods are notable limitations. By drawing primarily from existing literature, the study lacked the opportunity for direct engagement with stakeholders, thereby missing firsthand perspectives that could have provided deeper understanding and nuance. Furthermore, Dzuke & Naude (2015) was conducted in Zimbabwe and may not be generalisable to the South African context due to different procurement policies in municipalities. In contrast, as noted by Ogunlela, Ojugbele & Tengeh (2021), primary research methods such as direct data collection and stakeholder interviews adopted in the current research yielded detailed and contextualised insights, addressing the limitations of secondary research.

Monies intended for community upliftment, instead of being adequately guarded by councillors, exchanged hands between councillors, organised cartels, businesspeople, service providers, and employees at municipalities (Corruption Watch, 2020). The primary limitation of the 2020 study by Corruption Watch stems from its opaque methodology, which compromises the validity and reliability of its findings. The lack of transparency in the research approach hinders the ability to generalise the results, as it is unclear how the data was collected, analysed, and interpreted. A clear and well-defined methodology is essential for ensuring the accuracy and applicability of research findings, and its absence in this study restricts the potential for broader implications and generalisability.

Conducting rigorous investigations into irregular expenditure can help stem the tide of the persistent problem of irregular expenditure (Mamve, 2022). However, Marakalala (2023) found a lack of investigation into irregular expenditure cases as required by legislation. Similar findings were also reported by the Auditor General (2014-2024), highlighting inadequate investigation and follow-up on irregular expenditure in South African municipalities. This is against the call by Section 32(2)(b) of the MFMA, which requires an investigation by a Council Committee for all suspected cases of irregular expenditure (Zungu, 2018). This inadequacy in investigations led to significant financial losses, with R145 billion, approximately 36% of the local government expenditure budget, being mishandled. The report highlighted ineffective supply chain management as a primary contributor to these irregularities. This shortfall underscores weaknesses in municipal financial governance. The conclusions presented by Marakalala (2023) are derived from a case study focused solely on the Madibeng Local Municipality in the North-West Province. This narrow focus significantly undermines the strength and generalisability of the research findings to the wider context of South Africa's 267 municipalities. To overcome the methodological constraints identified in Marakalala (2023) work, the present research adopts a broader perspective by examining all municipalities within the KwaZulu-Natal province, thereby improving the validity and relevance of its conclusions. By widening the study's scope, the current research offers a more comprehensive and reliable understanding of the pertinent issues.

A culture of non-compliance among municipal officials hinders effective consequence management. Evidence from Matolong (2015); Naidoo (2016) highlights widespread financial misconduct despite existing anti-corruption frameworks and controls. This indicates a blatant disregard for policies and regulations (Sidaeli & Athumani, 2020). Research by Gabela (2017) indicates that irregular expenditure and failure to implement consequence management are exacerbated by officials not following procedures, influenced by political interference and conflicts of interest. Wissink (2015); Kaizer (2022) argue that mandatory membership in professional bodies for managers enhances professionalism and accountability. Matolong (2015) proposed that personnel in supply chain management should belong to a professional organisation, potentially named the Supply Chain Management Professional Association (SCMPA).

The research findings from this section shows that consequence management for manipulation of the tender processes and fraud and corruption is not happening in municipalities. This is because of assassinations of those who are opposed to tender fraud. Political interference also plays a role to discourage consequence management, for example, managers in municipalities find it difficult to discipline a person or a contractor with a significant political backing, thus limiting consequence management. Additionally, conflict of interest and collusion between politicians, businesspeople, councillors, officials and contractors play a role in discouraging consequence management.

2.4.3. Internal controls for the prevention of irregular expenditure.

Internal controls for the prevention of irregular expenditure have largely been underexplored, leaving a gap in the literature. This section examines internal controls. In the context of the municipality, internal controls are a process established and monitored by councillors through municipal policies (Nevhutanda & Mamaile, 2020). The municipal manager, together with senior managers, is supposed to implement council policies together with the related internal controls. Furthermore, a system of internal control is not only about the policies and procedures but also about the attitude, behaviour and conduct of the politicians, councillors, senior managers, officials, and service providers involved in the municipality (Nevhutanda & Mamaile, 2020). Since the proper functioning of controls is the coordinated effort of everyone involved with the municipality, the objectives of internal controls may not be achieved due to collusion between politicians, councillors, officials, and service providers which results in the override of controls (Nevhutanda & Mamaile (2020).

Implementation of internal controls in municipalities depends on having the appropriate skills. Sebola, Zitha & Mamabolo (2016) noted that a lack of skills among supply chain management officials and poor procurement planning contributed to irregular expenditure. Similarly, Mashamaite, Moloto & Municipality (2016); Moloto & Makalela (2023) attributed the increase in irregular expenditure in municipalities to inadequate training on internal controls, including policies and procedures. Nabane, Klingelhöfer & Geyer (2024) identified skill deficiencies as a primary contributor to internal control weaknesses. According to Sebola, Zitha & Mamabalo

(2016); Moloto & Makalela (2023), it is evident that municipalities lack the necessary skill set to prevent non-compliance with supply chain management processes. Sebola, Zitha & Mamabalo (2016) conducted a study in Limpopo province using a mixed-methods approach, combining qualitative and quantitative research. Questionnaires were used for quantitative data collection, while face-to-face interviews were conducted for qualitative data. Although Sebola, Zitha & Mamabalo (2016) yielded valuable insights, their focus was primarily on government departments, such as Education, Public Works, and Social Development, rather than municipalities. This focus highlights the need for research targeting municipalities, underscoring the significance of the current study. The current research addresses a critical knowledge gap and provides insights relevant to the municipal context.

Contrary to Sebola, Zitha & Mamabalo (2016), Kiage (2013) found that regardless of the qualifications of supply chain management officials and the sophistication of procurement plans, collusion and override of controls lead to irregular expenditure. Ncgobo (2016) noted that internal controls can be circumvented by collusion, especially among management who can override the system. Marakalala (2023) supports Kiage (2013), revealing systemic vulnerabilities in the procurement process, specifically a pattern of corruption characterised by collusion between municipal officials and service providers to manipulate procurement for personal gain. Kiage (2013) investigated factors influencing procurement performance in public entities, using the Ministry of Energy in Kenya as a case study. While it offered valuable insights, its applicability to South Africa is limited due to significant differences in economic conditions and regulatory frameworks. Consequently, generalising the findings to the South African context is challenging, highlighting the need for research specifically addressing the unique characteristics of South African municipalities. The current study aims to fill this gap by focusing on the South African context, providing relevant insights into procurement performance in KZN municipalities.

Internal controls developed without consideration for an organisation's unique needs are destined to fail. Mamve (2022) in the Western Cape's Social Development Department found that existing internal controls are ineffective due to poor design and implementation. This is supported by Nabane, Klingelhöfer & Geyer (2024); Mnguni & Subban (2022); Ncgobo & Malefane (2017) who highlight weaknesses in internal control measures, lack of accountability and inadequate review processes. Mnguni & Subban (2022) literature review revealed inadequacies in internal control review processes, hindering improvement. Similarly, Ncgobo & Malefane (2017) identified ineffective internal control drivers at Roodepoort City Theatre. A consensus emerges among these studies on the necessity of strengthening internal controls through improved design, implementation, and continuous monitoring mechanisms. Nevhutanda & Mamaile (2020) found that the control environment established by the council significantly impacts the overall effectiveness of internal controls within a municipality

Collusion between politicians and municipal officials undermines internal controls. Muzata (2021) found that supply chain management fraud occurs despite existing policies, internal controls, and laws governing public financial management. Collusion and interference weaken internal controls, making supply chain management a fertile ground for fraudulent tenders and financial losses (Marakalala, 2023). Muzata (2021) aligns with Pillay (2016), who indicated that collusion in supply chain management affects the effective implementation of internal controls. Pillay (2016) suggested that supply chain management fraud and corruption can be eradicated with collective political leadership and a strong political will to enforce municipal policies and robust internal financial management controls.

Numerous internal control measures can be established to prevent and detect irregular expenditure. Nevhutanda & Mamaile (2020) revealed that control activities in municipalities include physical controls (inventory counting), reconciliation and segregation of duties, retention of records, safeguarding of assets, supervision, reviews, and application controls. Nevhutanda & Mamaile (2020) further found that control activities include verifications, performance appraisals, and proper authorisation of transactions and activities. Despite internal controls in municipalities, Klein, Lubinga & Masiya (2024) revealed that they are inadequate and leave room for irregular expenditure. On the other hand, research by Mamve (2022) revealed a significant disparity in internal control effectiveness within South African state-owned enterprises. Despite internal control systems, Mamve (2022) identified inadequate training and workshops on irregular expenditure policies as the primary obstacle to the effective implementation of internal controls. Internal control activities play a crucial role in ensuring that relevant and accurate information is preserved and accessible. They promote effective record-keeping to support financial and performance reporting, facilitate the reconciliation of transactions, and ensure compliance with legal and regulatory requirements (Ncgobo & Malefane, 2017). Mamve (2022) used qualitative research to investigate the drivers of irregular expenditure and the role of internal control units' roles in state-owned enterprises. While yielding insightful results, the study's limitations stem from its broad focus since it concentrated on state-owned enterprises, whereas the current study targets municipalities. The study's broad scope, focusing on internal controls in state-owned enterprises, differs significantly from the current research, which specifically examines municipalities. This distinction underscores the need for targeted studies addressing unique challenges within specific sectors or institutions.

Communicating internal control policies and risk management strategies to stakeholders is essential for promoting transparency, accountability, and the overall effectiveness of internal controls. Ncgobo & Malefane (2017) highlighted the importance of communicating these policies and strategies to all officials within an institution. Similarly, Yilmaz & Karakaya (2020) concluded that effective communication should target both internal and external stakeholders. Masiya, Davids & Mangai (2021) argued that it is insufficient for municipalities to simply upload information on their websites. Information must be conveyed through designated internal communication channels, and managers are responsible for ensuring that communication is clear, accessible, and comprehensible (Nevhutanda & Mamaile, 2020). Effective communication ensures officials understand their roles in implementing internal controls, and fostering accountability, transparency, and responsiveness to beneficiary needs. Ncgobo & Malefane (2017) utilised a qualitative approach, specifically document analysis, to explore how effective controls impact governance and audit results at Roodepoort City Theatre. Their case study approach restricts generalisability to broader contexts, making it challenging to apply the results universally. Furthermore, reliance on secondary data may have prevented the collection of fresh, firsthand information from the field. Municipalities must engage in meaningful interactions with communities to ensure their full participation in municipal processes for proper service delivery.

Regular assessments of internal controls are crucial for ensuring their effectiveness and reliability. Ncgobo & Malefane (2017) emphasised that periodic evaluation and ongoing surveillance are vital for maintaining efficacy and achieving desired outcomes. A well-structured monitoring process allows public institutions to promptly recognise and resolve any deficiencies (Ncgobo & Malefane, 2017). Similarly, Tanui, Omare & Bitange (2016) emphasised the significance of reviewing controls and monitoring key areas to maintain robust internal controls. Effective internal control systems ensure organisational efficiency, reliability, and compliance. The convergence of findings between Ncgobo & Malefane (2017); Tanui, Omare & Bitange (2016) underscores the pivotal role of comprehensive monitoring mechanisms in ensuring organisational accountability. Additionally, Tanui, Omare & Bitange (2016) found that monitoring controls are an ongoing activity that assesses performance and measures the effectiveness of internal controls to take corrective action where necessary.

Research has consistently highlighted political interference as a major challenge undermining the effectiveness of internal controls. Zindi & Sibanda (2022) found that syndicate gangs, disguising themselves as liberation fighters and politicians, instilled fear in municipal officials, resulting in the intentional violation of supply chain management processes. Deka (2016) made similar observations noting disturbing trends in which municipal officials are reluctant to defy political directives due to fear of termination or removal, leading to substantial financial consequences. Furthermore, political interference which instils fear in municipal officials and encourages collusion has eroded the integrity of supply chain management systems in municipalities (Zindi & Sibanda, 2022). Zindi & Sibanda (2022) relied on qualitative data from a small sample of fourteen participants in the province of Eastern Cape province.

Sebola, Zitha & Mamabolo (2016) identifies four essential elements for successful supply chain management, which are compliance enforcement, empowerment of supply chain management employees, consequence management, and ethical leadership. Similarly, Munzhedzi (2016) found that integrity and ethics among political leaders can reduce non-compliance. However, collusion, interference, and fear have compromised internal control systems, leading to non-compliance and a lack of consequence management for violations of municipal supply chain management policies (Zindi & Sibanda, 2022). Sebola, Zitha & Mamabolo (2016) utilised a mixed-methods approach, integrating both qualitative and quantitative research. While this study provided valuable insights, its primary focus was on various government departments, including Education, Public Works, and Social Development, rather than municipalities. Concentrating on municipalities, the current research fills a critical knowledge gap and offers insights more relevant to the municipal context.

Municipalities are susceptible to contract failures, where awarded contractors fail to deliver on their obligations, compromising service delivery and financial management. Lukhele, Botha & Mbanga (2022) recommended that municipalities apply rigorous measures when scrutinising the capacity of service providers before awarding contracts.

The annual risks assessments performed by municipalities were not adding value because of collusion and intentional violation of supply chain management to benefit officials, politicians, and influential individuals and groups (Zungu, 2018; Sape, 2019). Lukhele, Botha & Mbanga (2022) primarily focused on irregularities in public sector construction procurement in South Africa, limiting its applicability to the broader context of irregular expenditure in municipalities. The study's narrow focus on construction procurement irregularities does not provide a comprehensive understanding of irregular expenditure in municipalities, making it challenging to generalise the findings to this specific context. A more inclusive approach, encompassing various aspects of irregular expenditure in municipalities, is necessary for an accurate understanding of this issue.

Earlier studies sought solutions for irregular expenditure. For instance, Ogunlela, Ojugbele, & Tengeh (2021) found that a lack of transparency and public accountability resulted in violations of supply chain management policies and legislation. They recommended that public sector institutions adopt blockchain technologies and digitisation to reduce the manipulation of supply chain processes and combat contract fraud and corruption. Consistent with their findings, Mohd & Nohuddin (2021) found that Malaysian government agencies using data analytics techniques could identify collusion, bid-rigging, and cartels in supply chain management. However, Norziaton, Aniza & Emmarelda (2021) reported that e-procurement fraud officers in the Malaysian public sector committed e-procurement fraud. Given these studies, the most effective solution to supply chain management and contract fraud is for communities to hold their political leaders accountable. Citizens must participate in municipal programs and address public procurement irregularities, as procurement fraud will not be resolved without public involvement (Zungu 2018). Sape (2019) found that supply chain management processes in municipalities were violated due to a lack of public participation in procurement processes. Marakalala (2023) agreed that poor accountability systems lead to procurement irregularities.

The private sector plays a significant role in delivering government infrastructure butt is impacted by fraud and corruption in municipalities. Rustiarini, Nurkholis & Andayani (2019); Dikmen & Çiçek (2023) found that the private sector contributed to the prevention of supply chain management fraud and corruption. Bowen, Edwards & Carttel (2012) noted that professional and contractor bodies, and associations, and the private sector must stand against procurement fraud and corruption and work together with the government to detect and report fraud. They suggested greater transparency in the supply chain management processes of both private and public sector institutions involved in public sector procurement, as well as maintenance of ethical standards by government employees. Furthermore, to end corruption, Bowen, Edwards & Cattell (2012) suggested that the South African private sector bodies, associations, and statutory and contractor affiliation bodies, together with public sector agencies and private sector client associations, should collaborate to adopt a more proactive stance against corruption and be more engaged with detecting and reporting it.

If municipalities are serious about preventing irregular expenditure, they must refrain from appointing poorly qualified officials and giving tenders to service providers with little or no experience and capacity to deliver services and infrastructure projects (Horn & Raga, 2012). Most importantly, technically competent, and independent professionals must not be side-lined from bid specifications, bid evaluation, and bid adjudication committees (Horn & Raga, 2012). However, studies have found that only officials who were trusted to serve a particular agenda were given responsibilities to sit in the bid committees (Horn & Raga, 2012; Sibanda, Zindi & Maramura, 2020; Mngomezulu, 2020). Furthermore, it was found that bid committees were made up of underqualified technical and professional experts who were politically deployed to facilitate tenders to companies that were politically aligned (Horn & Raga, 2012; Mngomezulu, 2020). To prevent irregularities and losses, municipalities must focus on transparency in the management of their finances. To prevent irregular expenditure and financial losses, South Africa must enforce laws and policies against those committing financial misconduct and implement financial management internal controls (Zweni & Yan, 2022). The lack of transparency and clarity in the methodology employed by Horn & Raga (2012) compromises the validity and reliability of their findings, making it challenging to generalise the results to all municipalities in South Africa. The unclear methodology raises questions about the accuracy and applicability of the study's conclusions, limiting its potential to inform broader municipal contexts. It is common for service providers in municipalities to provide poor services or no service at all but still get paid. But the question remains, how is it that a service provider who cannot deliver services and infrastructure gets awarded a contract by the municipality? How is it that a service provider who did not deliver goods and services at all or delivered poor services as per the service level agreement or contract gets paid? The issue of the independence of municipal officials towards contractors has been identified as one of the biggest challenges. It is believed that the independence of officials from the service provider will ensure that they are rigorous when selecting and dealing with the service provider.

Lukhele, Botha & Mbanga (2022) recommended that municipalities apply rigorous measures when scrutinising the capacity of service providers to deliver goods and services before they are awarded contracts. Municipalities must objectively and rigorously evaluate service providers before awarding them contracts (Bizana, Naude & Ambe 2015). However, the evaluations of service providers have not always been objective and independent because officials have interests in service providers in the form of bribes, or they are connected to service providers, or due to political mandates and fear (Zungu, 2018). Marakalala (2023) found that officials colluded with service providers to submit invoices for work not done and payments were made without proof of delivery of goods and services. Additionally, it was found that municipalities annually perform risk assessments; however, these risk assessments were not adding value because of collusion and intentional violation of supply chain management processes to benefit officials, politicians and influential individuals and groups (Zungu, 2018; Sape, 2019). Lukhele, Botha & Mbanga (2022) primarily focused on irregularities in public sector construction procurement in South Africa, which limits its applicability to the broader context of irregular expenditure in South African municipalities. The study's narrow focus on construction procurement irregularities does not provide a comprehensive understanding of irregular expenditure in municipalities, making it challenging to generalise the findings to this specific context. A more inclusive approach, encompassing various aspects of irregular expenditure in municipalities, would be necessary to provide a more accurate and applicable understanding of this issue. Horn & Raga (2012) found that when councils do not hold the municipal manager accountable for the implementation of council policies and when the accounting officer does not hold officials accountable for the implementation of policies, this amounts to dereliction of duty. Manaka (2021) found that supply chain management fraud occurs even though there are policies, internal controls, key role players, laws, regulations and circulars governing public financial management. Collusion and interference have weakened internal controls and made supply chain management a fertile ground for fraudulent tenders and related financial losses (Marakalala, 2023). Pillay (2016) found that supply chain management fraud and corruption can be rooted out if there is collective political leadership with a strong political will to enforce municipal policies and the rule of law, as well as to enforce strong internal financial management controls.

Yilmaz & Karakaya (2020) found that many organisations implemented the internal control framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) within their systems of internal controls. Locally, the internal controls based on the COSO framework help municipalities comply with legislation, regulations, and circulars issued by the National Treasury, as well as policies. Besides implementing various laws and regulations in the management of their finances, such as the MFMA, municipalities adopted the COSO framework of internal controls. COSO is an international best practice set of internal controls implemented by KZN municipalities consisting of components such as the control environment, risk assessment, control activities, information and communication, and monitoring. Furthermore, Cogta Section 131 reports from 2014 to 2024 showed that KZN municipalities implemented international best practices. The next section discusses international best practices under the different components of internal controls as adopted by KZN municipalities.

(i) Control environment

Mamve (2022) in the Western Cape's Social Development Department found that internal controls exist but are ineffective due to poor design and implementation. This echoes studies by Nabane, Klingelhöfer & Geyer (2024); Mnguni & Subban (2022); Ncgobo & Malefane (2017), highlighting weaknesses in internal control measures, lack of accountability, and inadequate review processes. Mnguni & Subban's (2022) literature review disclosed inadequacies in internal control review processes, hindering enhancement. Likewise, Ncgobo & Malefane (2017) identified ineffective internal control drivers at Roodepoort City Theatre. A consensus emerges among these studies on the necessity of fortifying internal controls through enhanced design, implementation, and continuous monitoring mechanisms. The control environment has been identified as a culture established by the council, which significantly impacts the overall effectiveness of internal controls within a municipality (Ngcobo & Malefane, 2017; Nevhutanda & Mamaile, 2020). In this regard, the council must establish key policies such as the Integrated Development Plan (IDP) and Budget, and Service Delivery and Budget Implementation Plan (SDBIP) and monitor their implementation (Zungu, 2018). Furthermore, the council must inspire the community and employees with a strong vision for the municipality (Zungu, 2018). Ncgobo & Malefane (2019) found that the control environment is dependent upon the ethical conduct, honesty and integrity of councillors and senior managers. The council must enforce the culture of hiring only ethical employees, providing employees with clear job descriptions, and enforcing performance management within the municipality (Ncgobo & Malefane, 2017; Zungu, 2018).

(ii) Risk assessment

The municipal manager is responsible for evaluating the IDP and the associated budget, ensuring that risks related to failing to achieve key objectives are effectively managed (Mamaile, 2019). Municipal managers must assess the potential for fraud and its negative impact on internal controls, which can hinder municipalities from providing essential services to their communities (Nevhutanda & Mamaile, 2020). Consequently, the municipal manager must ensure that risk assessments are conducted regularly to identify emerging risks within the municipality (Mamaile, 2019). To facilitate the successful execution of the IDP, municipal managers are required to implement fraud risk assessment procedures aimed at preventing fraud and collusion in supply chain management (Zungu, 2018). Furthermore, the MFMA and the Public Sector Risk Management Framework of 2010 mandate that municipalities improve their risk management systems (Meyer, Meyer & Kot, 2017).

(iii) Control activities

It has been determined that managers hold the responsibility for implementing key policies and for the development and maintenance of internal control systems that are preventative, detective, or corrective (Ncgobo & Malefane, 2017). Importantly, in instances where there are deviations from the policies and procedures and the related internal controls, managers have the responsibility to institute disciplinary sanctions for serious transgressions by employees (Ncgobo & Malefane, 2017). Nevhutanda & Mamaile (2020) found that control activities include physical controls (inventory counting), reconciliation and segregation of duties, retention of records, safeguarding of assets, supervision, reviews, and information technology (IT) general and application controls. Furthermore, it was found that control activities include verifications, performance appraisals, and proper authorisation and approval of transactions and activities (Nevhutanda & Mamaile, 2020). Moreover, control activities play a crucial role in ensuring that relevant and accurate information is preserved and accessible. They promote effective record-keeping to support financial and performance reporting, facilitate the reconciliation of transactions, and ensure compliance with legal and regulatory requirements (Ncgobo & Malefane, 2017). Mamve's (2022) research revealed a significant disparity in internal control effectiveness within South African state-owned enterprises, contradicting previous findings by Nevhutanda & Mamaile (2020); Yilmaz & Karakaya (2020). Despite existing internal control systems, Mamve (2022) identified inadequate training and workshops on irregular expenditure policies as the primary obstacle to effective implementation. Mamve (2022) employed a qualitative research approach to investigate drivers of irregular expenditures and the roles of internal control units in state-owned enterprises. While yielding insightful results, the study's limitations stem from its broad focus since it concentrated on state-owned enterprises, whereas the current study targets municipalities. This distinction underscores the need for targeted studies addressing unique challenges within specific sectors or institutions.

(iv) Information and communication

Ncgobo & Malefane (2017) found the importance of communicating internal control policies and risk management strategies to all officials within an institution. This includes information on potential risks, how to address them, and measures to prevent undesired events. Effective communication ensures officials understand their roles in implementing internal controls and fostering accountability, transparency, and responsiveness to beneficiary needs. Moreover, officials require access to communication that is pertinent, thorough, dependable, precise, and timely to facilitate informed decision-making. This necessity reinforces internal controls and is vital for the effective daily management of a municipality (Ncgobo & Malefane, 2017). Ncgobo & Malefane's (2017) study utilized a qualitative approach, specifically document analysis, to explore how effective controls impact governance and audit results at Roodepoort City Theatre. While the findings are noteworthy, the research has limitations. The case study approach restricts generalizability to broader contexts, making it challenging to apply the results universally. Furthermore, reliance on secondary data may have prevented the collection of fresh, firsthand information from the field. Consistent with Ncgobo & Malefane (2017); Yilmaz & Karakaya (2020) similarly concluded that effective communication should target both internal stakeholders (officials) and external stakeholders (communities). Consequently, information must be conveyed through the designated internal communication channels, and managers are responsible for ensuring that this communication is clear, accessible, and comprehensible (Ncgobo & Malefane, 2017; Nevhutanda & Mamaile 2020).

Additionally, a study by Yimaz & Karakaya (2020) found that information can be made available through online platforms. However, Masiya, Davids & Mangai (2021) discovered that it is not sufficient for the municipality to upload information on their websites; they must go beyond this. Municipalities must engage in real meaningful engagements with communities, especially the poor communities, they must engage and consult communities to obtain their full participation in the municipal processes to ensure proper service delivery.

(v) Monitoring controls

It has been determined that the continuous oversight of internal controls is crucial for maintaining their effectiveness and achieving expected outcomes (Ncgobo & Malefane, 2017). By implementing a well-structured monitoring process, public institutions can promptly recognize and resolve any internal control deficiencies (Ncgobo & Malefane, 2017). The findings of Ncgobo & Malefane (2017) are corroborated by Tanui, Omare & Bitange (2016) study, which identified key monitoring controls including internal auditing, supervisory oversight, external communication surveillance, senior management review of operational and financial reports, and inventory and asset reconciliation. The convergence of findings between Ncgobo & Malefane (2017); Tanui, Omare & Bitange (2016) underscores the pivotal role of comprehensive monitoring mechanisms in ensuring organizational accountability. Additionally, monitoring controls are an ongoing activity that assesses performance and measures the effectiveness of internal controls to take corrective action where necessary (Tanui, Omare & Bitange, 2016; Nevhutanda & Mamaile, 2020).

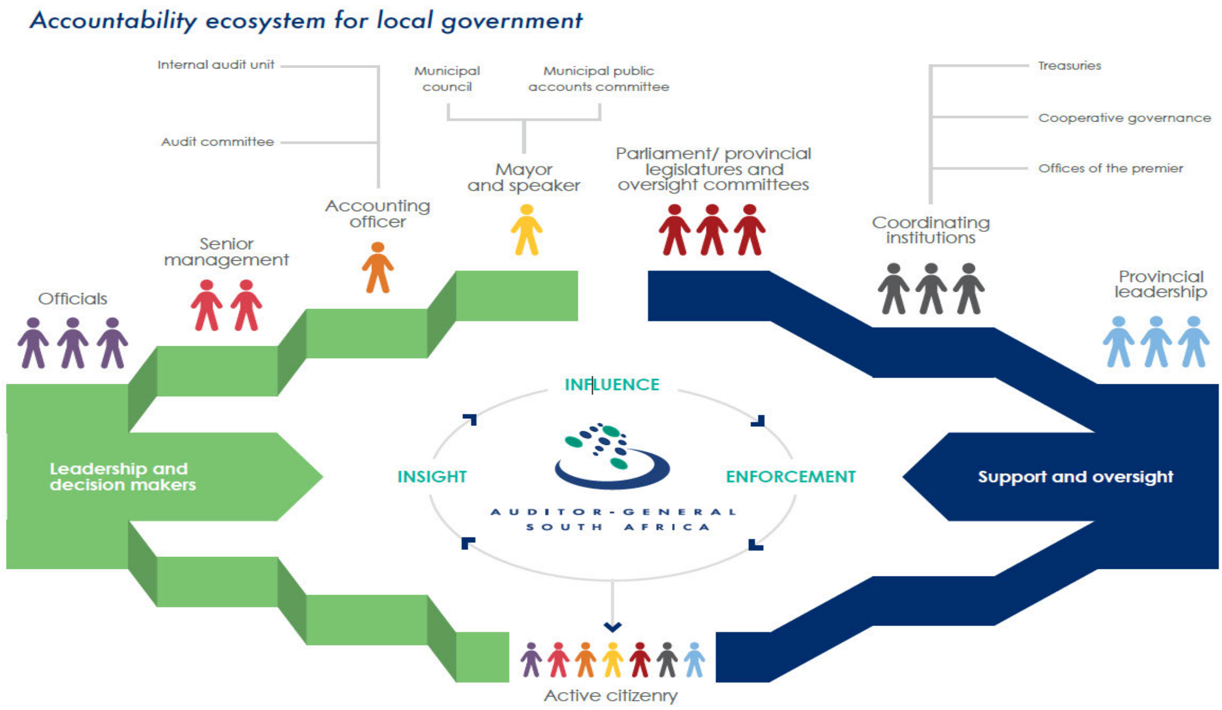
Even though KZN municipalities implemented international best practices, they are failing to prevent irregular expenditure. The control environment ensures that the municipalities adhere to their laws and regulations governing public financial management and their policies such as SCM policies. Through regular risk assessments, municipalities should be able to proactively develop preventative measures to eliminate irregular expenditures. Control activities guarantee that SCM checklists are properly completed and reviewed and that all payments made are for the work that was delivered according to agreed terms and contract conditions with contractors and service providers. Information and communication ensure that annual compliance reports are complete, accurate, and credible and that all the relevant stakeholders are provided with timely reports. Monitoring ensures that the implementation of compliance policies is overseen, and that the effectiveness of internal controls is assessed regularly, with corrective measures taken to improve compliance and internal controls. The next section discusses the impact of different role players within the internal control and accountability system of the municipality. The role players are referred to as the accountability ecosystem.

(vi) Role players in the accountability ecosystem

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) identified different role players regarding internal controls, including the board of management, audit committee, risk committee, top management, other personnel and Internal Auditors (Yilmaz & Karakaya, 2020) Conversely, the Auditor General of South Africa identified various role players within the internal control system of the municipality as part of an accountability ecosystem for local government (Auditor General, 2024).

Key role players and assurance providers in the accountability ecosystem for municipalities are expected to ensure the credibility, accuracy, and completeness of the annual reports to prevent fraud and procurement irregularities (Auditor General, 2024). However, the previous discussion demonstrates that cadre deployment has eroded the integrity of all the role players in the municipal financial management accountability ecosystem. The financial management environment in municipalities is dominated by cadre deployment, resulting in fraud and corruption, nepotism, and collusion and municipal role players who serve the interest of their political masters rather than the communities and the country's Constitution. The role players within the accountability ecosystem for local government are shown in Figure 2 below.

Figure 2: Role players in the accountability ecosystem for local government.



Source: Consolidated general report on local government audit outcomes MFMA 2022-23. Page 11.

The information in the figure above shows the different role players in the accountability ecosystem of a municipality. These role players have various mandates and responsibilities towards accountability in the municipality (Auditor General, 2024). Role players identified by the Auditor General (2024) include Officials, Senior Managers, Municipal Managers, Internal Auditors, Audit Committees, Municipal Councillors, Municipal Public Accounts Committees, Mayors, and Speaker. In addition, the Auditor General (2024) identified Parliament and Provincial legislatures and oversight committees, Treasuries, Cooperative Governance Offices of the Premiers and Provincial Leadership as role players in the accountability ecosystem of municipalities. The next section will focus on the role of Senior Management, Municipal Managers, Internal Auditors, Audit Committees, Municipal Public, Public Accounts Committees, Mayors, Councillors, and the coordinating institutions as crucial role players in the municipality's accountability ecosystem.

Nevhutanda & Mamaile (2020) found that the proper functioning of the internal control system relies on the coordinated effort of everyone involved with the municipality. Thus, councillors need to supervise senior management and the municipal manager to prevent irregular expenditures and to uphold their constitutional obligations in delivering basic services to the communities. Maharaj & Karodia (2013); Rajah (2016); De Haas (2016); Pillay (2017); Pillay & Mantzaris (2022) concur that collusion between councillors and officials in KZN municipalities undermines the effectiveness of internal controls and municipal objectives. This collusion ultimately prevents the attainment of these goals due to the override of internal controls. In simpler terms, when those charged with governance and oversight work together with officials to manipulate the SCM processes, municipalities fail to prevent irregular expenditure. The next section will discuss the impact of each role player within the accountability ecosystem for local government on the prevention of irregular expenditure.

(vii) The impact of senior managers and municipal managers

Mantzaris (2014); Shuping (2021) found that the majority of municipalities disregard compliance with SCM regulations because of collusion and fraud. Mbambo, Zubane & Thusi (2022) attributed this to cadre deployment. This practice, employed by South Africa's ruling African National Congress (ANC), blurs the separation between the State and the ruling party, leading to a "shadow State" where party interests supersede national interests. Regional party structures are significant in the employment of officials and the awarding of tenders in municipalities The political deployment of senior managers by regional party structures allows these structures to remotely control and run municipalities behind the scenes through their political deployees (de Visser, 2010). For example, when a position is advertised, many people respond to the advert; shortlisting and interviews take place (de Visser, 2010). However, regardless of whether the political deployee has the best qualifications and is most suitable for the job, and whether they are outperformed in the interview and assessment processes, they are still appointed due to regional party deployment instructions (de Visser, 2010).

The focus of political deployment committees from the regional party structures is on two things: staff appointments in municipalities and tenders, but not service delivery (de Visser, 2010). Furthermore, cadre deployment has resulted in intra-party-political battles and factional disputes over municipal positions and tenders, dysfunctional municipalities, fraud, and incompetent cadres employed in municipalities (Masiya, Davids & Mangai, 2021; Mlambo, Zubane & Thusi, 2022). Additionally, cadre deployment created untouchables, as municipal managers and senior managers feared to disciplining political deployees, resulting in the erosion of good governance principles (Bogopa, 2013; Magagula, Mukonza, Manyaka & Moeti, 2022; Mlambo, Zubane & Thusi, 2022).

Bogopa (2013); Kroukamp & Cloete (2018); Magagula, Mukonza, Manyaka & Moeti (2022); Mlambo, Zubane & Thusi (2022) concurred that cadres deployed as managers in municipalities are incompetent, lack professionalism and perpetuate fraud and corruption. This incompetence undermines the municipalities' ability to prevent irregular expenditure. In contrast, Swanepoel (2022) found that managers deployed in municipalities are competent, qualified, capable, and have the necessary skills for their jobs. However, these cadres lack integrity as they always make decisions in the interest of the people who deployed them instead of advancing the constitution and using their skills, talents, and educational backgrounds for the betterment of the community at large (Swanepoel, 2022). de Visser (2010) found that competent managers fear using their skills and competencies because they could be backstabbed by municipal leaders, as they do not support managers with integrity and innovation. Furthermore, integrity among managers in municipalities has been eroded because they are required to use their skills to manipulate the SCM and employment processes in favour of the people who deployed them (de Visser, 2010). Additionally, managers cannot take and make decisions based on what is right; instead, they must always make decisions to please and comply with the instructions from deploying structures (de Visser, 2010).

The Auditor General (2024) characterized the functions of senior managers as integral to the accountability ecosystem within municipalities. Dzomaira (2016) noted that senior managers serve as the initial line of defence, providing the primary level of assurance that internal controls are effectively established to prevent non-compliance with SCM procedures. Furthermore, the Auditor General (2022) reported that senior managers are the main drivers of the system of internal control, as their first-level reviews should guarantee that a sound system of internal control is established. Masiya, Davids & Mangai (2021); Shuping (2021); Munzhedzi (2021) agreed that the cadre deployment of senior managers and municipal managers undermines their capacity for effective governance. Consequently, municipal, and senior managers are not fulfilling their responsibilities within the accountability ecosystem; rather, they enable the misappropriation of tenders and the distortion of employment procedures to serve the interests of their political superiors.

(viii) The Impact of the audit committee

Section 165(2) of the Municipal Finance Management Act (MFMA) stipulates that each municipality is required to establish an independent audit committee (Van Niekerk & Dalton-Brits, 2016). This committee plays a crucial role in providing assurance and advisory services to the municipal council, political office bearers, and municipal managers (Van Niekerk & Dalton-Brits, 2016; Dzomira, 2020). The audit committee also offers expert advice on various matters, including internal financial control (Van Niekerk & Dalton-Brits, 2016; Dzomira, 2020). Additionally, audit committees are responsible for examining the annual financial statements and the annual performance report, providing a credible and authoritative perspective on the municipality's efficiency, effectiveness, and compliance with relevant legislation, such as the prevention of irregular expenditure (Van Niekerk & Dalton-Brits, 2016; Dzomira, 2020).

Dzomira (2020) found that each council established an audit committee. However, councils did not take seriously the advice from audit committees and did not implement their recommendations, as they viewed the audit committee as a structure formed merely for compliance purposes rather than for helping councillors exercise their oversight responsibilities toward the prevention of irregular expenditure (Erasmus & Matsimela, 2020; Dzomira, 2020). Additionally, audit committees lacked the power to enforce the implementation of their recommendations and were unable to implement consequence management for those who failed to implement their recommendations (Coetzee, Erasmus, Malan & Legodi, 2022).

Coetzee, Erasmus, Malan & Legodi (2022) found that audit committee members were not independent and objective because of cadre political deployment. They further discovered that interviews for audit committee positions were conducted by municipal managers and Chief Financial Officers (CFO), and only those members preferred and recommended by the senior management team of the municipality and the Internal Audit Units were appointed. The involvement of municipal officials in the audit committee appointment process adversely affects the independence and objectivity of the committees, as their selection relies on the individuals they are tasked with overseeing (Erasmus & Matsimela, 2020).

The political climate in municipalities has rendered audit committees ineffective. This ineffectiveness stems from appointments based on political preferences and the influence of certain key officials, as well as the quality of reports and information provided by management for review. Furthermore, the recommendations of audit committees are often disregarded by municipalities (Coetzee, Erasmus, Malan & Legodi, 2022). Compounding these issues are a lack of independence, conflicts of interest, and the reliance of committee members on audit committee fees for their livelihoods, which have further undermined their effectiveness (Erasmus & Matsimela, 2020; Dzomira, 2020). Many audit committee members have come to depend on the fees they receive as a primary source of income, prompting individuals to serve on multiple municipal audit committees. This situation diminishes their independence and overall effectiveness (Erasmus & Matsimela, 2020).

Audit committees do not provide adequate oversight of Internal Audit Units, which contributes to their ineffectiveness (Dzomira, 2020). Audit committee members were incompetent, did not understand their roles, and were not diligent when doing their work, causing ineffective audit committees in the prevention of irregular expenditure (Coetzee, Erasmus, Malan & Legodi 2022). Audit committee members were not ethical and lacked independence and objectivity (Coetzee, Erasmus, Malan & Legodi, 2022). Furthermore, audit committee members lacked understanding, and knowledge of the local government environment, key policies, the functioning of municipalities and the municipal financial management environment (Coetzee, Erasmus, Malan & Legodi, 2022). Political deployment of audit committee members is one of the concerning practices, but also some municipalities were not able to attract suitably qualified and experienced audit committee members because of the geographical location of the municipality and their budgets towards the costs of the audit committee (Coetzee, Erasmus, Malan & Legodi 2022).

Audit committees rely heavily on the diligence of senior management regarding various reports submitted for review, as well as on the assurance provided by Internal Audit Units (Coetzee, Erasmus, Malan & Legodi, 2022; Dzomira, 2020). Consequently, the effectiveness of the audit committee is influenced by both senior management and internal audit (Dzomira, 2020). Internal Audit Units were inadequately resourced, which led to ineffective audit committees (Dzomira, 2020). Additionally, management did not provide information to audit committees timeously. Where information was provided, it often lacked substance (Masiya, Davids & Mangai, 2021). Management and Internal Audit Units did not consistently provide audit committees with accurate, credible, and reliable information, and instances of fraud and financial mismanagement were concealed from audit committees, rendering them ineffective (Masiya, Davids & Mangai, 2021).

Studies indicate that audit committees have encountered significant challenges, rendering them unable to effectively oversee and provide guidance to municipal managers regarding the accurate presentation of financial statements, the reliability and usefulness of annual performance reports, and adherence to legislative requirements. To address the deficiencies currently observed in the operation of audit committees, Coetzee, Erasmus, Malan & Legodi (2022) recommend that municipal officials, including the municipal manager, CFO, and Internal Auditors, should not participate in the selection and recommendation process for Audit Committee members. Coetzee, Erasmus, Malan & Legodi (2022) indicate that the effectiveness of the audit committee is significantly impacted by the presence of a well-resourced Internal Audit Unit, as well as the committee's capacity to oversee and support the operations of these units. Furthermore, the effectiveness of audit committees is contingent upon the seriousness with which municipal managers and senior officials regard the findings of the audit committee and Internal Audit, as well as their willingness to cooperate and act upon the recommendations provided (Coetzee, Erasmus, Malan & Legodi, 2022). Additionally, audit committee effectiveness can improve if the municipal council and other council committees, such as EXCO and MPAC, implement audit committee and Internal Audit recommendations (Coetzee, Erasmus, Malan & Legodi, 2022). Furthermore, it is essential to eliminate political interference and the practice of cadre deployment in the appointment of these members (Coetzee, Erasmus, Malan & Legodi, 2022). Additionally, Legodi (2021) proposed that the audit committee's functions be centralised and overseen by the Provincial or National Treasury to assist municipalities in achieving compliance with MFMA.

(ix) The Impact of internal audit

Section 165 of the MFMA requires that each municipality must have an Internal Audit function (Mamaile, 2019). Within the framework of local government, the functions of Internal Audit assist municipalities in maintaining accountability and integrity, enhancing the implementation of municipal programs, and fostering trust and confidence among citizens and diverse stakeholders in the public interest (Tlegray & Selemani, 2022). The contribution of Internal Audit is evident through the delivery of their final output, known as the Internal Audit Report

(Mamaile, 2019). Internal Audit is required to address issues concerning internal audits, internal controls, accounting procedures and practices, risk and risk management, performance management, loss prevention, compliance with the MFMA, and any other relevant legislation (Mamaile, 2019). In addition, Internal Audit helps the municipality by identifying and assessing significant exposures to risk and discovering fraud, reviewing and inspecting financial and non-financial information and reviewing the municipality's compliance with the laws and regulations, including compliance with its policies and procedures (Ackermann & Marx, 2016; Mamaile, 2018; Lopes, Ameida, Leite & Morais, 2023).

The local government sphere is a complex environment, as local government managers always face accountability demands from councils and communities (Ncgobo & Malefane, 2017). Rikhardsson, Singh & Best (2019); Christ, Eulerich, Krane & Wood (2021) found that Internal Audit performs various audits, including systems audits, compliance audits, performance audits, financial audits, information technology and systems audits and provide advisory audits services to management. Given the diverse types of audits performed by Internal Auditors, they need to be effective when conducting their projects. The next section discusses the important matters that must be in place for the internal audit to be effective.

(x) Effectiveness of an Internal Audit Unit

Internal Auditors must have deep knowledge and understanding of the business of the municipality to help them implement their key policies such as the IDP, Budgets, and the SDBIP (Mamaile, 2019). Mbewu & Barac (2017) found that for Internal Audit to obtain knowledge of the business of the municipality, they must attend and participate in strategic committees and sessions, information technology, risk management activities, management, council, and audit committee meetings. Additionally, all new internal audit staff must be provided with induction and be familiarised with municipal procedures and policies (Mbewu & Barac, 2017).

Richardson, Singh & Best (2019) emphasise that for an Internal Audit Unit to be effective, it must possess competence, objectivity, and independence, attend ongoing training and development, ensure high-quality work, receive management support, and have the Chief Audit Executive (CAE) sign an annual performance agreement. Additionally, the audit committee must be composed of competent individuals, and the Internal Audit Unit must lead by example on matters of ethics (Dimova, 2019; Salim & Usang, 2015). The Internal Audit Unit must also comply with the International Practice Standards and best practices (Mbewu & Barac, 2017).

Adherence to Internal Auditor Standards, along with Internal Auditor independence, competence, and high-quality work, enhances municipal financial management. The independence of the Internal Audit Unit guarantees that all internal control procedures are followed correctly and are properly organised and functioning (Rikhardsson, Singh & Best 2019; Christ, Eulerich, Krane & Wood, 2021). The independence of an Internal Audit Unit must be permanent rather than once-off, so that they can provide recommendations that serve as a preventive function to help municipalities to avoid non-compliance (Rikhardsson, Singh & Best 2019; Christ, Eulerich, Krane & Wood, 2021; Tlegray & Selemani, 2022). However, Internal Auditors in the public sector face challenges that impact their independence, objectivity, and integrity. The next section discusses the challenges faced by Internal Auditors in the public sector and municipalities in South Africa.

(xi) Challenges of internal auditing

Internal auditing was limited to the private sector only. Lately, it has extended to the public sector as well (Tabar, 2016). Internal auditing is a dynamic and continually developing activity; however, it is not well received in the public sector, (Rikhardsson, Singh & Best 2019; Christ, Eulerich, Krane & Wood, 2021).

Chief Audit Executives (CAEs) are not positioned at the appropriate level on the organograms of municipalities; some are at a low level, resulting in a lack of respect among senior managers and a diminished impact on good governance (Mbewu & Barac, 2017; Mbabazi & Mukwaya, 2021; Geqeza & Dubihlela, 2024). The risk management approach to Internal Audits is not understood by public sector Internal Auditors (Mbewu & Barac, 2017). Instability in key positions within municipalities is a significant issue, as they often have acting municipal managers and senior managers, who lack an understanding of the role and relevance of Internal Audit within the municipalities (Mbewu & Barac, 2017).

Internal Auditors lack an understanding of municipal financial management legislation (Mamaile, 2018; Dimova, 2019). Additionally, they do not maintain quality control over their work, fail to complete planned Internal Audit projects, do not attend professional development training, and lack independence (Daniel, Hussein, Karim & Nicholas, 2021; Geqeza &

Dubihlela, 2024). Mamaile (2018) found that Internal Audit Units cannot confirm whether the municipality's financial statements are prepared and presented by Generally Recognised Accounting Practice (GRAP). Furthermore, Internal Auditors cannot determine whether the annual performance report is prepared and presented in line with National Treasury guidelines, or to detect and advise on non-compliance with SCM processes (Mamaile, 2018). Importantly, Internal Audit Units cannot provide the required level of assurance expected from them, which results in their failure to contribute to good governance and prevent irregular expenditure (Mbewu & Barac, 2017).

Management sometimes does not provide information requested for internal auditing and fails to respond to findings from Internal Audit (Mbewu & Barac, 2017). Furthermore, Internal Auditors face capacity problems and funding challenges, as well as a lack of respect from senior management and political leadership at municipalities (Mamaile, 2018; Geqeza & Dubihlela, 2024). Internal Audit Units lack the ability to provide the required level of assurance; some are ignored and not consulted for provide Advisory Services on matters of financial management and compliance with SCM prescripts (Mamaile, 2018).

Internal Auditors work under fear in municipalities. They fear being on bad terms with senior managers and losing their jobs (The Institute of Internal Auditors South Africa, 2019) (IIA SA). Senior managers take Internal Audit findings personally and believe that when Internal Audit raises findings, they attack them and tarnish their management of departments (Rikhardsson, Singh & Best 2019; Christ, Eulerich, Krane & Wood, 2021). They then retaliate by threatening Internal Auditors; as a result, Internal Audits are often unwilling to raise the findings that they have identified due to this (Rikhardsson, Singh, Best, 2019; Christ, Eulerich, Krane & Wood, 2021). This fear compromises the independence, objectivity, and integrity of Internal Auditors resulting in a failure to add value (Rikhardsson, Singh & Best 2019; Christ, Eulerich, Krane & Wood, 2021; IIA, 2019). Fear for their own lives and those of their families negatively impacts the integrity of Internal Auditors, leading to them sweeping findings under the carpet which affects their adherence to the ethical code of conduct for Internal Auditors (IIA SA, 2019).

Poorly resourced Internal Audit Units, lack of Internal Audit quality assurance, lack of programmes to enhance Internal Audit, and lack of external quality assurance hampered the effectiveness of Internal Audit Units (Mbewu & Barac, 2017). Political deployments have enabled the appointment of individuals with inadequate skills to head the Internal Audit Units as CAEs, resulting in these executives struggling to keep up with the changes in the local government environment and developments within the Internal Auditing field (Mamaile, 2018; Dzomira, 2020). The prevalence and entrenchment of corruption negatively impacts the Internal Auditing profession in municipalities (SALGA, 2018). Internal Auditors reporting corruption in municipalities face numerous challenges. In some instances, employment for Internal Auditors who report corruption is terminated, some are blacklisted from obtaining other similar jobs, and others are some labelled as unfit for duty (IIA SA, 2019). Some Internal Auditors reporting fraud are criticised and shunned by fellow employees (IIA SA, 2019). Whistleblowing Internal Auditors receive death threats against themselves and against their family members, and some have their security clearance revoked (IIA SA, 2014). Internal Auditors are exposed to risks of being killed, mistreated, relegated to lower-level posts, closely monitored, taken to disciplinary hearings without valid reason, and denied promotion opportunities if they report fraud (IIA SA, 2019). The deep entrenchment of cadre deployment political policies, alongside a climate of fear, intimidation, threats, and killings in municipalities, negatively impacts the independence, objectivity, and integrity of Internal Auditors.

(xii) The Impact of the Municipal Public Accounts Committee (MPAC)

Section 79 A of the Structures Act and MFMA requires the formation of Municipal Public Accounts Committees (MPACs) to hold the executive and management accountable, thus ensuring transparency (Van Niekerk & Dalton-Brits, 2016; Mbabazi & Mukwaya, 2021). Councillors must nominate members of MPAC from among themselves, who will serve as an oversight committee by examining behalf, in-year and annual reports (Botlhoko, 2017). Specifically, MPAC reviews External Auditors' reports and Internal Audit Unit findings to verify the implementation of recommendations from the Auditor General and Audit Committees.

Councillors serving in the MPAC lack skills and understanding of their roles in this council-appointed oversight committee (Mofolo & Adonis, 2021; Adonis, 2021). Furthermore, manipulation of SCM processes and procurement fraud occur in the presence of MPACs (Mofolo & Adonis, 2021). Additionally, Zungu (2018) found that members of MPACs in KZN municipalities were unable to read and understand the municipality's IDP, Budget, SDPIB, in-year reports, financial statements, annual performance reports, audit reports, and annual report. Members of MPAC are appointed through voting slates and political agendas by municipal councillors, which do not consider educational qualifications, competencies, and experience (Mofolo & Adonis, 2021). As a mitigating factor, Suka (2021) suggested that the chairperson of MPAC must be a councillor from the opposition parties to reduce the risk of bias and ensure answerability by the executive and administration. Furthermore, Suka (2021) suggested the involvement of the public in the business of the MPAC to ensure public oversight on governance matters.

Even though there are challenges with the competence of members of MPACs, MPAC remains a very important committee of the council. It is likened to the Standing Committee on Public Accounts (SCOPA) which exercises oversight for provincial as well as national departments, Mofolo & Adonis (2021), but in the context of the municipality, the role of MPAC is to scrutinize the following financial and compliance reports:

- A report in terms of section 29 of the MFMA for unforeseen and unavoidable expenditure.
- A report in terms of section 32 of the MFMA on unauthorized, irregular fruitless and wasteful expenditure.
- The quarterly report of the mayor as required by section 52 (d) of the MFMA on the implementation of the budget and the situation of the municipality or the Service Delivery and Budget Implementation Plan (SDBIP).
- Monthly budget statements.
- Mid-year budget and performance assessment in terms of section 72 of the MFMA.
- Mid-year budget and performance assessment of municipal entities in terms of section 88 of the MFMA.
- Disclosures concerning councilors, directors, and officials in terms of section 124 of the MFMA.
- Submission and auditing of annual financial statements in terms of section 126 of the MFMA.
- Submission of the annual report in terms of section 127 of the MFMA.
- Oversight report on the annual report in terms of section 129 of the MFMA.

- Issues raised by the Auditor-General in audit reports in terms of section 131 of the MFMA.
- An audit committee report in terms of section 166 of the MFMA.
- Disciplinary action instituted in terms of the MFMA.

The above reports that must be reviewed by members of MPACs are complex, and members of MPACs do not possess the required skills to read and understand financial and compliance reports (Van Niekerk and Dalton-Brits, 2016; Zungu, 2018). Because of the lack of oversight abilities by members of MPACs, they are unable to promote good governance and accountability within the ecosystem of municipalities (Munzhedzi, 2016; Zungu, 2018). Furthermore, the failure of councils to implement consequence management for transgressions of the MFMA annually negatively impacted the effectiveness of MPACs (Zungu, 2018).

(xiii) The Impact of The Mayor and Councillors

Councillors are the municipality's governing body, and legislation requires each city to constitute a council (Ramolobe, 2023). They are responsible for policy formulation, approval of key policies such as the IDP, budget, SDBIP and overseeing the implementation of such policies. Furthermore, councillors pass by-laws, approve, and impose rates. Additionally, they must oversee the municipal financial resources on behalf of the community (Ramolobe, 2023). Councillors are representatives of communities and must not put their self-interests above those of the community; instead, they must always protect the municipality’s resources and prioritise the needs of the residents and ratepayers (Erasmus & Matsimela, 2020; Van Niekerk & Dalton-Brits, 2016). Furthermore, councillors set the standards for performance in the municipality, such as good governance in financial management and compliance with SCM policies and regulations (Mamaile, 2019). However, councillors do not contribute positively to prevention of irregular expenditure because they are involved in procurement irregularities (de Visser, 2010; Van der Waldt, 2015; Zungu, 2018; Swanepoel, 2022; Auditor General, 2023; Mbedzi, 2023).

(xiv) The impact of co-ordinating departments

The role of Provincial Treasuries is to provide financial management support to municipalities (Van Niekerk & Dalton-Brits, 2016). Furthermore, it was reported that the KZN Provincial

Treasury (KZNPT) supported municipalities with budgeting, cash flow management, financial accounting, and reporting, and provided finance experts, technical support, and audit readiness support to municipalities (KZN Treasury, 2023). On the other hand, KZN Cogta provided local government specialists to various municipalities in the KZN province to assist in areas such as financial reporting and governance, IDP processes, capacity building, performance management, and municipal finance (KZN Cogta, 2023). Masiya, Davids & Mangai (2021) found that municipalities submit their financial, performance, and compliance reports on a monthly and quarterly basis to co-ordinating departments. The Auditor General of South Africa (2023) reported that coordinating departments were made up of the KZNPT, KZNCOGTA and the Premier. Importantly, it was reported that coordinating departments improved the internal control environments in KZN municipalities through their support (Auditor General, 2023).

KwaZulu-Natal municipalities did not prevent irregular expenditure despite support from coordinating departments. Procurement irregularities, maladministration, fraud, and the looting of municipal tenders continued. Additionally, those who commit tender fraud and looting are not punished (Zungu, 2018). Ambe (2016) found that the National Treasury provided ongoing guidance and training to municipalities on SCM. However, collusion and fraud among various role players, including councillors, and officials, led to intentional violations of SCM regulations, resulting in irregular and wasteful expenditures (Ambe, 2016). The leadership of KZN municipalities must provide collective political leadership to ensure positive responses to the recommendations from the KZN Auditor General, KZN Cogta, and KZN Provincial Treasury. Additionally, KZN municipalities must implement best practices from training and information-sharing sessions provided by forums such as the Chartered Institute of Government Finance Audit and Risk Officers (CIGFARO).

The internal controls of any municipality are based on legislation such as the MFMA, regulations, and relevant National Treasury circulars. In addition, municipalities have developed and implemented international best practices such as the COSO framework on internal controls, which focuses on policies, tone at the top, risk management, reconciliations, communication, and monitoring. Furthermore, the study found that controls in municipalities comprised key role players who form the accountability ecosystem, such as senior management, municipal managers, mayors, audit committees, internal auditors, municipal councillors, and municipal public accounts committees. The political environment in municipalities rendered the MFMA, National Treasury financial management circulars, instruction notes, and international best practices such as COSO ineffective in preventing non-compliance with laws and regulations, resulting in municipalities incurring irregular expenditure on an annual basis.

The accountability ecosystem role players were expected to provide assurance in municipalities, such as assurance preventing irregular expenditure, fraud, and irregularities. However, due to cadre deployment, the integrity of these role players was compromised. The financial management environment in municipalities, dominated by cadre deployment, resulted in fraud and corruption, nepotism, and collusion among accountability role players. Furthermore, cadre deployment led to accountability role players serving the interests of those who were appointed rather than the interests of the communities and the constitution of South Africa.

(xv) Fraud in the private sector

The annual financial statements are made up of the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, and notes to the annual financial statements. Financial statements must be independently audited by external auditors to confirm whether they are free from misstatements, whether caused by fraud or error (Mongwe & Malan, 2020). The responsibility to prevent fraud lies with management, but auditors are required to exercise professional due care when auditing the company's financial statements to detect and report fraudulent financial reporting. Once the auditing process has been completed, auditors can issue an adverse, qualified, or clean audit opinion. A clean audit opinion is no guarantee that there is no fraudulent reporting in the financial statements (Mongwe & Malan, 2020).

Accounting irregularities have led to billions of rands lost in South African companies such as Enron, WorldCom, and Steinholf (Mongwe & Malan, 2020). Du Toit (2024) agreed with Mongwe & Malan (2020) that fraudulent financial reporting resulted in huge financial losses. Accounting scandals undermine the credibility, completeness, accuracy, integrity, and transparency of the annual financial statements, as well as the independence and objectivity of external auditing (Ugbah, Kingsley, Ofor & Gerald, 2023). Fraudulent financial reporting can be reduced by managing the size of the company, investing in highly liquid companies, investing in companies where shares are held by the public rather than directors, and investing in companies with less debt (Ugbah, Kingsley, Ofor & Gerald, 2023). Du Toit (2024) found that indicators for accounting irregularities include the acquisition of new businesses, related party transactions, complex accounting policies, large share ownership by directors and dominant board, and huge current assets. Accounting policies with low depreciation rates, high carrying amounts of fixed assets, lower gross profit, share capital increases, and increased turnover compared with industry counterparts (du Toit, 2024).

Du Toit & Vermaak (2015) analysed the financial statements of companies involved in intentional misrepresentation, fondly known as accounting irregularities. They found several indicators of fraudulent financial reporting, including poor cash flows, lack of policies and procedures such as a fraud and ethics policy, and a code of conduct adopted by the board. Increased debt, the conduct of company management and directors, financial difficulties, company location, and high levels of accounts receivable and inventories without adequate explanations for the increases are indicators of financial statement misrepresentation (Du Toit & Vermaak, 2015). Additionally, mergers and acquisitions, delays in paying dividends, decreasing share prices, low tax payments, changes in financial statement line items compared with others in the industry, and significant changes in the financial statements are also indicators of accounting irregularities (Du Toit & Vermaak, 2015).

Procurement fraud is entrenched in the private industry, and it occurs during the planning of bids (Horne, Venter & Lochner, 2018). In the private sector, bids are rigged, information about bids is leaked, bids are split, and bids are rotated. Indicators of fraud in bids include contractors providing poor quality goods and services, using sole suppliers instead of competitive bids, and Black Economic Empowerment manipulation such as fronting, duplicated payments, multiple invoices, and often rounded off (Horne, Venter & Lochner, 2018). Additionally, the company uses one contractor permanently, complaints about the contractor are not entertained, one contractor is awarded several contracts and quoted just below other tenderers, and additional work is given to the same contractor (Horne, Venter & Lochner, 2018).

Fraud is widespread in private sector companies in South Africa, which is ranked as one of the countries with the highest incidents of economic crimes in the world (Mykhalchenko & Wiegratz, 2024). Fraud such as tax evasion, border control violations, counterfeit goods, companies not paying import duties, and credit card scams are prevalent in South Africa (Mykhalchenko & Wiegratz, 2024). While economic crimes and fraud are high, whistleblowers are not protected in South Africa (Lubisi & Bezuildenhout, 2016). Given the prevalence of economic crimes in South Africa, Small, Medium and Micro Enterprises (SMMEs) are encouraged to invest in sound systems of internal controls to ensure sustainability (Petersen, Bruwer & Le Roux, 2018; Pheiffer & Mphidi, 2024). A business environment conducive to fraud poses sustainability risks to the entity (Grebe, 2016). Adewumi & Isaac, (2023) found that internal auditors help to detect fraud in an organisation.

This section demonstrates that fraud and corruption are prevalent in the private sector. The sector perpetuates accounting fraud by adopting vulnerable accounting policies to inflate company assets and profits. Procurement fraud is also widespread, with tenders often awarded without adherence to transparent procedures. It is common for contracts to be fronted to companies owned by relatives and friends. As the private sector engages with local government service delivery through tenders issued by municipalities, procurement fraud and corruption in local government will persist if key players, such as private sector companies, remain corrupt.

2.5. Gaps in Literature

The existing literature indicates a lack of comprehensive exploration into irregular expenditure. While numerous studies (Ogunlela, Olabode & Robertson, 2021; Chitimira, Sethunyane & Magau, 2022; Nabane, Klingelhofer & Geyer, 2024) address corruption and fraud in the public sector, it is crucial to differentiate these concepts from irregular expenditure. Despite the considerable attention to fraud and corruption, irregular expenditure has not been sufficiently examined. This oversight is not unexpected, as irregular expenditure is a relatively novel concept that is gaining traction among stakeholders. This study is timely and necessary to bridge a significant gap in the literature and enhance the management of public finances in South Africa.

2.5.1. Gap in the assessment of the prevalence and factors underlying irregular expenditure in Kwazulu-Natal Municipalities

Although previous research has examined violations of SCM regulations, it has not sufficiently addressed the prevalence and causes of irregular expenditure over eleven years. Dlomo (2017) analysed how the Public Works Department at a national level incurred irregular expenditures, concluding that such expenditure was primarily due to weak controls, ineffective risk management, and the employment of finance staff and internal auditors with inappropriate qualifications. The study also noted a lack of disciplinary actions for financial misconduct and recommended further investigation into non-compliance with the Public Finance Management Act (PFMA). Additionally, Zungu (2018) studied perceptions of irregular expenditure among municipal managers in KZN, advocating for comprehensive research on these perceptions nationwide and enhancing the councillors' oversight skills to prevent irregular expenditure.

Motubatse & Ngwakwe (2020) analysed how the relationship between service providers and officials, unfair tender processes, and a poor internal control environment contribute to irregular expenditure by reviewing the Auditor General reports for all nine provinces in South Africa, for seven years, from 2012 to 2018. Using panel regression analysis, the research found a close relationship between the three variables and irregular expenditure. The paper recommended improvements in controls and competitive tender processes to prevent irregular expenditure. Tickle (2018) examined the consolidated audit reports for 2015/16 from the Auditor General. This study found that national and provincial government departments, municipalities, and public and state-owned entities in South Africa incurred irregular expenditures amounting to R65 billion. It further found that government tender corruption has led to reduced tax morality among taxpayers and decreased confidence in public sector institutions.

Documentary analysis research by Shava & Mazenda (2021) in the South African public sector discovered that tender corruption prevents the government from delivering proper service. Furthermore, the study found that there was no transparency, accountability, or efficiency in the government tender processes, resulting in the tender system being a fertile ground for fraud, corruption, and maladministration. The study recommended that the government must employ ethical managers and ensure transparency, accountability, and efficiency in its tender systems to prevent irregularities. A desktop study was conducted by Mazibuko & Fourie (2017) on procurement practices by South African public sector organisations. The study found that non-compliance with supply chain management regulations and unfair procurement practices, including tenders not publicly advertised in terms of applicable legislation, are caused by the absence of ethics. The research revealed that contracts awarded to firms with connections to government officials and their relatives, along with the absence of three competitive quotations, inadequate internal controls, mismanagement of contracts, and irregular spending, stem from ethical deficiencies. The study advocates for the establishment of ethical standards, competitive practices, value for money, accountability, and transparency within the government tendering process to prevent non-compliance with procurement regulations and irregular expenditures. Additionally, these studies did not compile irregular expenditure data by the municipality within the province over the years, which would have facilitated an analysis of the frequency and underlying causes of irregular expenditure in the KZN municipalities.

2.5.2. Gap in examination of consequence management implementation for irregular expenditure and procurement irregularities

Several studies have been conducted on public sector corruption, fraudulent activities, and non-compliance with supply chain management processes. However, these studies failed to obtain data from relevant stakeholders to determine the level of implementation of consequence management for irregular expenditure and procurement irregularities. Matlala & Uwizeyimana (2020) found that recommendations from the Auditor General were not implemented because management action plans to address prior-year audit findings were not rigorously monitored and that leadership in municipalities lacked the authority to enforce consequence management. The study recommended changes to the legislation governing the Auditor General to give more power to the Auditor General and the establishment of a centralised unit to monitor and track the implementation of the Auditor General's findings by municipalities. Ngxesha, Ncube & Mafini (2019) found that municipalities were not effectively implementing supply chain management policies because of maladministration.

The research advocated for the establishment of consequence management in response to policy violations. According to Matolong (2015), incidents of bribery, fraud, and the lack of consequence management for financial misconduct occur annually within municipalities. The study suggested that the Auditor General and Public Protector should be granted enhanced authority to refer cases of financial misconduct to a professional body specialising in supply chain management and to the South African Police Service (SAPS) for the recovery of financial losses. To promote effective governance in public sector procurement, it is essential to implement stringent measures addressing the repercussions of non-compliance and mismanagement of public resources (Matebese-Notshulwana, 2021). Additionally, Matebese-Notshulwana (2021) found that to combat financial misconduct effectively, political office bearers, suppliers, and employees who violate regulations must be held accountable and prosecuted.

Mathiba (2020) investigated corruption and fraudulent activities in South Africa's public sector amid the emergency procurement measures implemented during the COVID-19 pandemic. The study found entrenchment of tender fraud and procurement irregularities, recommending changes in supply chain management policies, systems, and procedures to ensure transparency and fairness during emergency procurements. Gasela (2022) conducted a study in the Northern Cape Provincial Government on the impact of the amended Public Audit Act on procurement irregularities. This was performed through surveys, and regression analysis was used to analyse the data. The research discovered that the implementation of Material Irregularities under the amended Public Audit Act positively impacts the prevention of irregularities. However, this study focused on the perceptions of middle and senior managers regarding the Act's implementation.

2.5.3. Gap in the internal controls for the prevention of irregular expenditure

International Standards on Auditing (ISA) 315 (Revised in 2019) describes internal controls as the process intended, applied, and upheld by those charged with governance, management, and other personnel to provide reasonable assurance about the achievement of an entity's objectives concerning the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The components of internal controls include the control environment, control activities, risk assessment, information and communication, and monitoring. Makgatho (2013) found that public sector entities are expected to develop policies that are in line with the relevant public sector financial management legislation for the management of public funds. It also found that the implementation of the internal control policies was complicated, as it was influenced by those charged with governance, tone at the top, employees, technological systems, and other stakeholders. The study recommended regular training sessions and the implementation of financial regulations to enhance the implementation of internal controls. Muda, Sulong, Ariffin & Charehzehi (2023) found that bribes, exchanges of money between service providers, politicians, and officials and wasteful and irregular expenditure are types of fraud that are widespread in the Malaysian Ministry of Defence. In most cases, fraud was exposed by internal auditors. The establishment of internal auditors, implementation of morals, better internal control, exemplary ethical leadership by senior management and the launching of a whistle-blower policy are effective strategies for fraud prevention and detection. Muda, Sulong, Ariffin & Charehzehi (2023) recommended a further study on fraud preventative measures.

In addition, Agwor & Akani (2017) found a relationship between internal control and fraud, management integrity and misappropriation of assets by employees. The study recommended that public sector managers should implement effective internal control systems and lead by example in terms of ethical values to minimise fraud. Matebese-Notshulwana (2021 found that procurement irregularities in the public sector occur despite the existence of governance and oversight structures responsible for detecting and correcting irregularities. Furthermore, the study found that poor internal controls for supply chain management processes remain the biggest public sector financial management problem. The study recommended implementing consequence management against those involved in procurement irregularities. However, these studies failed to recommend internal controls based on research findings from councillors. The persistent occurrence of irregular expenditure necessitates the establishment of an environment that fosters adherence to supply chain management policies. Such an environment will mitigate fraud and corruption, thereby ensuring integrity, promoting transparency, and enhancing accountability. This study aims to identify internal controls that can prevent irregular expenditure by councillors and other stakeholders while also providing contributions and recommendations for the prevention and elimination of irregular expenditure within municipalities.

Several studies have focused on irregular expenditure in the public sector. However, none have examined the prevalence of irregular expenditure over eleven years, specifically analysing the incidents of irregular expenditure per municipality within the province during this timeframe. While some studies have addressed consequence management for fraud and corruption in the public sector and made recommendations for actions against politicians, councillors, and officials involved in state theft, they have not explored the impact of political influence on law enforcement agencies and other governance structures. This oversight relates to the poor implementation of consequence management due to cadre deployment practices. This study provides a longitudinal analysis of the causes and prevalence of irregular expenditure across all 54 municipalities in the KZN province, proposing controls based on the current political dynamics affecting public sector financial management.

2.6. Chapter summary

The literature review revealed that irregular expenditure in municipalities is primarily caused by unfair procurement practices, inadequate monitoring of contractors' work, conflicts of interest, and a lack of consequence management. It appears that councillors and municipal managers prioritise the interests of those who appointed them over the needs of the communities they serve. Furthermore, municipalities often fail to effectively engage local government stakeholders in their operations. The review also identified that the practice of cadre deployment contributes to fraud, corruption, and irregular expenditure in municipalities. Despite the MFMA mandating municipalities to prevent irregular expenditure, over 90% of municipalities in KZN incur such expenditure annually. This situation persists despite the step-by-step guidelines outlined in the MFMA and the ongoing support from the National Treasury, Cogta, and professional bodies. Based on these findings, this analysis will explore the prevalence and causes of irregular expenditure in KZN municipalities, investigate stakeholder understanding and opinions regarding these causes, examine the implementation of consequence management related to irregular expenditure and procurement irregularities, and assess the effectiveness of internal controls aimed at preventing irregular expenditure in KZN municipalities.

The literature reviewed included conceptual and theoretical aspects, unpacking principal-agent theory, cadre deployment, and the impact of cadre deployment on the fiscal management of municipalities, as well as definitions of irregular, fruitless, and wasteful expenditures. The chapter also examined empirical literature on the occurrence and causes of irregular expenditure, consequences of irregular expenditure and procurement irregularities, and controls established to mitigate irregular expenditure. Additionally, it addressed the prevalence and causes of violations of SCM processes, actions taken against violators, and preventive controls.

The chapter highlighted notable gaps in the literature, including insufficient examination of the occurrence and causes of irregular expenditure within municipalities, implementation of consequences for irregular expenditure and procurement irregularities, and internal controls aimed at preventing such expenditure. It provided a solid foundation for this study, establishing the theoretical framework centred on the cadre deployment and appointment model. The chapter also assisted in developing the questionnaire and interview questions. The next chapter discusses the methodologies used to gather information for this study.

CHAPTER 3: METHODOLOGY

3.1. Introduction

This chapter outlines the research strategies adopted, and the steps pursued to assemble precise information that was used for this study. Additionally, this chapter stresses the questions addressed in this research, participants and their information, instruments used for this research, analysis of information, sample sizes and methodology for sampling, considerations for ethics and the return of the questionnaire.

3.2. Research onion model

Eposi, Potgieter & Pelser (2021); Ngcamu & Mantzaris (2023) found that irregular expenditure was caused by collaboration between councillors, contractors, and officials. Furthermore, Molatlhwa (2021) & Buccus (2022) found that tender corruption was entrenched in municipalities. Zungu (2018) found that irregular expenditure was caused by fraud and corruption. The study further found that councillors and officials were involved in the manipulation of supply chain management policies, resulting in irregular expenditure. Additionally, procurement fraud and corruption resulted in intimidation and threats directed at officials (Zungu, 2018). Because of the fear among municipal officials when it comes to speaking about irregular expenditure, officials were excluded from participating in this study. This study used both quantitative and qualitative research techniques before using SEM, which identified the factors causing irregular expenditure. To ensure alignment between the research objectives, the main aim of the study, and the research methodology, the research onion proposed by Saunders et al. (2016) was adopted. The layers of the research onion provide a robust framework to close the gap between theory and practice.

The Research Onion model by Saunders, Lewis & Thornhill (2019); Mardiana (2020); Abdelhakim (2021) was utilised as a guiding framework to ensure a systematic and comprehensive approach to this study. The research onion was developed by Saunders, Lewis & Thornhill (2019); Mardiana (2020); Abdelhakim (2021) to describe the stages through which the researcher must pass when formulating an effective methodology. Its usefulness lies in its adaptability to almost any type of research methodology and can be used in a variety of contexts (Bryman, 2012).

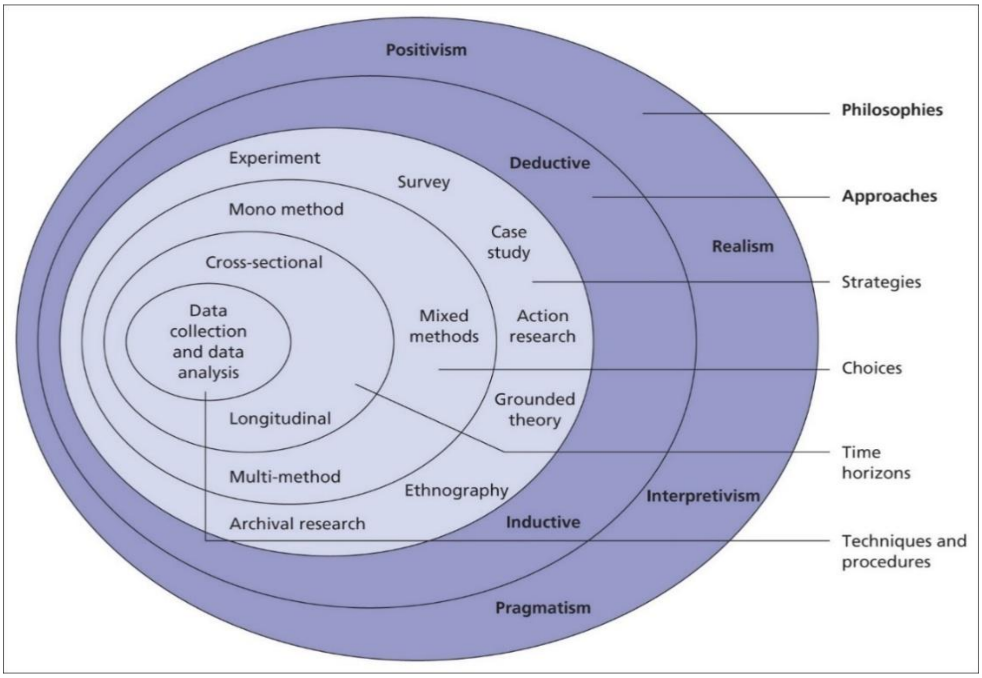


Figure 3: Research Onion Model (Source: Mudalige, 2024.)

3.2.1. Research philosophy

A research philosophy refers to beliefs concerning the nature of the reality being investigated (Chege & Otieno, 2020). It is the underlying definition of the nature of knowledge. Research philosophy plays a pivotal role in guiding the research process, providing the underlying assumptions that justify the methodology employed (Jansen, 2023). These philosophical frameworks differ in their goals and preferred methods, influencing the research approach (Sharma, 2024). The selection of a research philosophy is driven by the type of knowledge being investigated (Žukauskas, Vveinhardt & Andriukaitienė 2018). This philosophical foundation shapes the researcher's understanding of reality, truth, and knowledge, informing the research design and methods. Research philosophies encompass various paradigms, including positivism, interpretivism, and pragmatism, each with distinct epistemological and ontological assumptions. Positivism, for instance, emphasises objectivity and empirical evidence, whereas interpretivism focuses on subjective experiences and contextual understanding.

This research adopted the pragmatism research philosophy because the researcher wanted to gain deep insights into the incidents and causes of irregular expenditure using a mixed-method research approach. Maarouf (2019) defined a pragmatism research philosophy as a research philosophy that combines both quantitative and qualitative methodologies in social science research. This research philosophy is adopted in studies that adopt a mixed-method approach, utilising a combination of different data types and analysis methods (Jansen, 2023). The pragmatism approach facilitated development of a comprehensive understanding of the phenomenon and practical implications, with a synthesis of qualitative and quantitative data obtained using questionnaires and interviews.

3.2.2. Research approaches

The Research Onion Model identifies deductive and inductive research approaches. These approaches differ significantly in their methodology, application, and philosophical underpinnings. The deductive approach, as described by Casula, Rangarajan & Shields (2021), commences with a pre-existing theory, from which hypotheses are derived. The research design is then tailored to test these hypotheses, involving the statistical analysis of data to confirm or refute the expected outcomes. This approach is ideally suited for contexts where the research aims to verify whether observed phenomena align with established expectations based on prior research (Johnson, Gray & Sarker, 2019). In stark contrast, the inductive approach adopts a more flexible and exploratory stance. As illustrated in Figure 4, researchers employing this method begin by collecting relevant data on the topic of interest. Following an extensive data collection phase, the researcher pauses to gain a comprehensive understanding of the gathered data, adopting a more subjective, qualitative perspective.

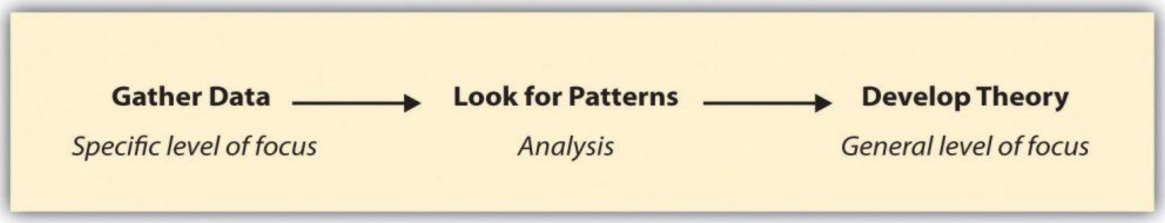


Figure 4: Steps in Inductive Research (Source: Glass, 2023, p.187)

This research adopted the inductive research approach since theoretical conclusions were formulated after data collection from municipalities, councillors, and other stakeholders. With an inductive research approach, the researcher started with a set of observations from the collected data and then moved to a broader range of propositions regarding those experiences.

3.2.3. Research strategy

A research strategy refers to a step-by-step plan of action that gives direction to the researcher's thought process (Walia & Chetty, 2020). The strategy can include different approaches, such as experimental research, action research, case study research, interviews, surveys, or a systematic literature review. The current research adopted the quantitative survey research strategy since the researcher wanted to get insights from councillors and stakeholders across the whole province of KZN municipalities. As noted by McCombes (2023), survey research involves systematically gathering data from a targeted population to gain an in-depth understanding and valuable insights into a specific research phenomenon. The research employed fifty-four municipalities in KZN, and the researcher had established communication channels with the KwaZulu-Natal Co-operative and Traditional Affairs Department (KZN Cogta) responsible for municipalities in KZN.

3.2.4. Research approaches and justification for the choice of mixed methodology

The choices outlined in the research onion include the mono method, the mixed method, and the multi-method (Gerring, 2017). The mixed methods require the use of two or more methods of research and refer to the use of both a qualitative and a quantitative methodology. Due to the nature of information being sought through, and to sufficiently answer the research questions, the mixed method was adopted to allow the researcher to alternate between being objective and being subjective when analysing the points of view of participants (Sauders, Lewis & Thornhill, 2019). The research methodology combined secondary data analysis, quantitative data collected through questionnaires, and qualitative insights from councillor interviews.

The mixed method approach has been widely used by scholars in accounting and auditing research due to its abilities to address the limitations of qualitative and quantitative methodologies (Mvunabandi 2023; Mvunabandi, Nomlala & Patrick 2022), providing robust conclusions. This thesis used the sequential mixed methods research design where the first phase of data collection started distributing questionnaire survey to the study's respondents followed by semi-structured interviews. The interviews were meant to complement and enrich the data gathered via questionnaire survey. Usually, respondents are reluctant to provide detailed information during survey while they might be happy to share insights via interviews.

The results from interviews assisted the researcher to add insights into the quantitative results. Quantitative and qualitative results were mixed during interpretation stage where conclusions were drawn reflecting what was found from the combination of the results from both methods in the current thesis. The mixed method approach also helped in depicting a complete picture of the phenomenon due to its ability to answer the research questions comprehensively.

(i) Quantitative research

Paudel, Bhandari, Gilmor, Lee & Kanbara (2023) describe quantitative research as an empirical approach focused on gathering and analysing numerical data. It can be used to find patterns and averages, make predictions, test causal relationships, and generalise results to wider populations (Sreekumar, 2024). This methodology enables researchers to gather a vast array of numeric data, which can be subjected to various statistical analyses (Paudel, Bhandari, Gilmor, Lee & Kanbara, 2023; Sreekumar, 2024). According to Olanrewaju, Hossain, Whiteside & Mercieca (2020), the collection of quantitative data facilitates the application of simple to complex statistical techniques. Quantitative research includes methodologies such as experiments structured observations, and questionnaires. The current research gathered quantitative data using semi-structured questionnaires.

(ii) Qualitative research

Paudel, Bhandari, Gilmor, Lee & Kanbara (2023) defined qualitative research as the collection and analysis of non-numerical data such as text, video, or audio to understand concepts, opinions, or experiences. It can be used to gather in-depth insights into a problem or generate ideas for research. This type of research relies on open-ended questions that allow participants to elaborate on their thoughts, attitudes, or behaviours (Mills, 2024).

This study employed a mixed-methods approach, in-depth interviews and content analysis to gather comprehensive data that informed the research conclusions. The study incorporated interviews in addition to questionnaires, considering the varying educational backgrounds and demanding political work commitments of some councillors.

(iii) Mixed method research designs

There are many mixed-method research designs but the most used are, convergent (parallel or concurrent) design, exploratory sequential design, and explanatory sequential design. Herschell & Buchanan (2021) defined convergent design as a mixed method design in which quantitative and qualitative data are collected simultaneously but analysed separately, and the results are merged or integrated.' This type of design allows for the collection of rich, detailed data and provides a comprehensive understanding of the research problem (George, 2023). Alele & Malau-Aduli (2023) describe exploratory sequential design as a mixed-methods approach, where initial quantitative data collection provides the foundation for designing and implementing subsequent qualitative data collection strategies. The quantitative and qualitative data results are then integrated to provide a more comprehensive understanding of the phenomenon. According to George (2023), explanatory sequential design involves utilising qualitative data to provide deeper insights and contextual understanding of the findings generated from quantitative data. Alele & Malau-Aduli (2023) found that the goal is to use the qualitative findings to explain and interpret the quantitative results.

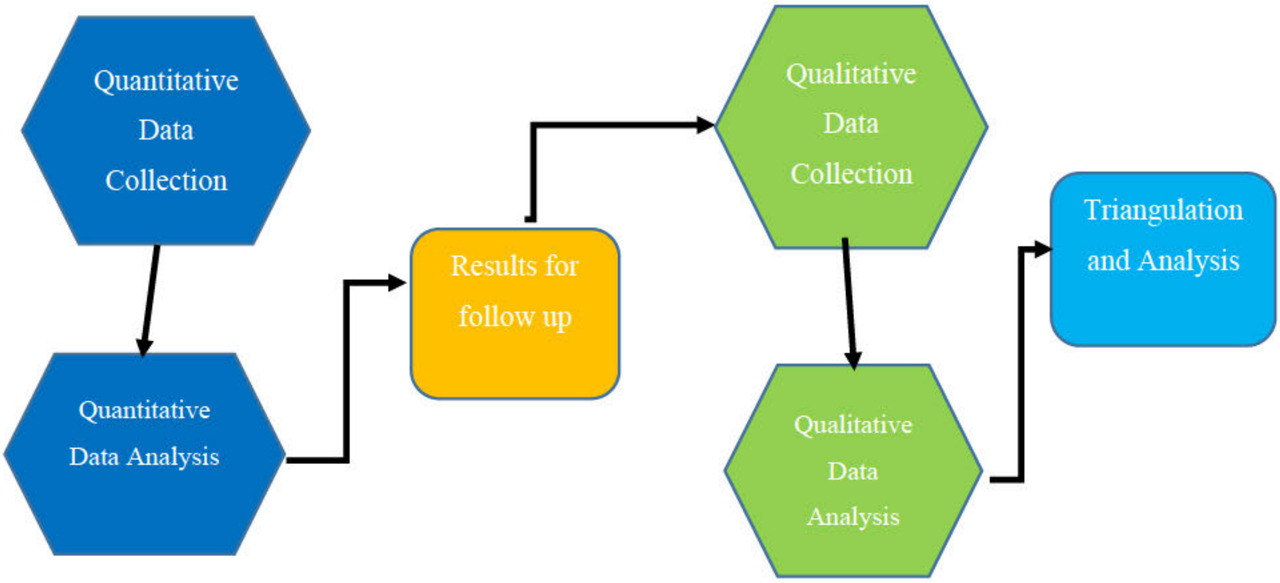


Figure 5: Explanatory Sequential Design, Source: (Alele & Malau-Aduli, 2023, p.123)

Building on the recommendations of McBride, MacMillan, George & Steiner (2019), who emphasised the strengths of explanatory sequential design, the present study utilised this approach, initiating with quantitative data collection and analysis, then augmenting the findings with qualitative data collection and analysis. As shown in Figure 5 above, explanatory sequential design involves the collection and analysis of quantitative data first before qualitative data is collected. Following data collection and analysis, the researcher employed data triangulation to validate findings by comparing the qualitative and quantitative data, identifying areas of convergence and divergence.

3.3.Triangulation of data

According to Paudel, Bhandari, Gilmour, Lee & Kanbara (2023); Noble & Heale (2019), triangulation involves employing a multifaceted research approach, combining multiple datasets, research methods, theoretical perspectives, or investigators to provide a comprehensive understanding of a research question. Triangulation is a vital research strategy employed to bolster the validity and credibility of findings while minimising the influence of research biases (Abbadia, 2023). This approach helps mitigate confirmation bias, a pervasive error where researchers unconsciously seek evidence supporting preconceived notions (Valencia, 2022). Confirmation bias can lead to flawed conclusions, undermining the reliability of research findings (Abdulazeez & Somala, 2024). To address this issue, researchers utilise triangulation, leveraging multiple perspectives, methods, or data sources to ensure a comprehensive understanding of the research phenomenon.

There are many types of triangulations, each serving a distinct purpose. The researcher opted for a dual approach, combining methodological triangulation and data triangulation. Methodological triangulation was achieved through the concurrent use of qualitative data collection using interviews and quantitative data collection through questionnaires. This dual approach ensured a comprehensive understanding of the research phenomenon. Data triangulation, as recommended by Paudel, Bhandari, Gilmour, Lee & Kanbara, 2023), was also employed by utilising multiple data sources to examine the phenomenon from diverse vantage points. By combining these two forms of triangulation, the researcher enhanced the validity and reliability of the findings. The integration of methodological and data triangulation offered several benefits. Firstly, it enhanced validity through cross-validation of findings. Secondly, it reduced the risk of research biases. Thirdly, it increased credibility through diverse data sources and methods. Finally, it improved understanding of the research phenomenon. By embracing triangulation, researchers can strengthen their studies, providing more accurate and reliable insights.

The first objective for this study was the examination of the prevalence and causes of irregular expenditure in KZN municipalities. The researcher triangulated data gathered through questionnaires and that gathered through interviews. This same process was also conducted for the objective seeking to investigate stakeholders' perspectives on the implementation of consequence management as well as the objective seeking to investigate controls for irregular expenditure prevention in KZN municipalities. Data was also triangulated through documentary research and that was gathered through primary research.

3.4.Time horizons

Time horizons is a time frame intended to complete the research project and is one of the crucial aspects to consider when designing the research study (Taherdoost, 2021). The research onion, a conceptual framework for research design, identifies two distinct types of time horizons: cross-sectional and longitudinal (Kim, Wilkinson, Pope, Chambers, Cohen, 2017; Neumann; Sullivan & Caderwood, 2017). The cross-sectional time horizon involves collecting data at a single point in time, described as a "snapshot" approach (Thomas, 2020; David & Warren, 2021). This method is employed when the investigation focuses on examining a specific phenomenon at a particular moment (George & Merkus, 2021). The data collection process is confined to a brief period, providing a static view of the research context.

In contrast, the longitudinal time horizon involves collecting data repeatedly over an extended period (Shah, Qamhawi & Makris, 2023). This approach is essential when examining change over time is a critical factor in the research (Thomas, 2020). The study's data collection was conducted within a limited timeframe, making it a cross-sectional study that provides a comprehensive overview of the situation at a particular moment. The data was assembled from one subject at one moment to define the phenomenon using a cross-sectional study technique. Part of a cross-sectional design is a one-time management instrument.

3.5. Data collection instruments

The researcher collected primary data through both interviews and questionnaires. In addition, the research also utilised data collected from secondary sources.

Table 2 below summarises how data was collected for each objective.

Table 2: Data Collection by Objective

OBJECTIVE	RESEARCH APPROACH	SAMPLE	DATA COLLECTION INSTRUMENT
To analyse the prevalence and causes of irregular expenditure in KZN municipalities.	Documentary Analysis.25 Articles and publications.	25 Articles and publications.	Document review template.
To analyse the prevalence and causes of irregular expenditure in KZN municipalities.	Quantitative Research.	Councillors 268. Rate Payers Associations 162. Audit Committee 10. Consultants 10.	Questionnaire (6-point Likert Scale).
	Qualitative Research.	The saturation point was achieved with 10 participants.	interview guide
To examine the implementation of consequence management for irregular expenditure and procurement irregularities in KZN municipalities.	Quantitative Research.	Councillors 268. Rate Payers Associations 162. Audit Committee 10. Consultants 10.	Questionnaire (6-point Likert Scale).

Source: Author (2024)

3.6.Secondary Data

Secondary data comprised the Auditor General KZN MFMA General reports, MFMA section 131 reports, as well as other relevant text data. Furthermore, secondary data in the form of MFMA general reports was publicly available for all municipalities and MFMA section 131 reports were obtained from KZN Cogta. The secondary data for this study was derived from twenty-five articles and publications, as detailed in Table 2, and analysed using documentary analysis techniques.

3.7.Pilot study and pre-testing of the questionnaire and interview guide

A pilot study is a small feasibility study designed to evaluate various aspects of the methods planned for a larger, more rigorous, or confirmatory investigation (Lowe, 2019). Before the questionnaires were administered, they were piloted and pre-tested. The questionnaire was first sent to the supervisors, experts, and colleagues for input. Their inputs and suggestions were incorporated into the questionnaire. The pilot survey meant to evaluate both the questionnaire, and the interview guide was conducted from 15 December 2022 to 28 December 2022. The questionnaire was sent to thirty stakeholders who formed part of the study. This helped to determine whether they understood the questions as they intended. Their responses were analysed to determine if they understood the questions. They were requested to make suggestions to improve the structure of the questions. Their suggestions were incorporated before the final administration of the questionnaire.

To ensure that interview questions were clear and understandable, they were piloted with professionals in the field. The questions were then tested with municipal stakeholders to gather feedback and refine the interview protocol. Finally, the questions were piloted with individuals within the municipalities to gain insights that would enhance the effectiveness of the interview protocol.

3.8.Questionnaires

A questionnaire, as described by Petrat (2022), is a widely used research instrument that employs a set of carefully crafted questions to collect data on participants' attitudes, experiences, and opinions, providing insights in both qualitative and quantitative forms. Questionnaires provide structured and standardised responses, streamlining the analysis process to save time (Petrat, 2022). Additionally, questionnaires have clear response options and scales, making it easier to quantify and measure the data (Lindemann, 2023). This facilitates the calculation of descriptive statistics, such as means, standard deviations, or percentages. The questionnaire served as the primary data collection tool. To ensure clarity and organisation, the questionnaire was divided into five distinct sections, each targeting specific aspects of irregular expenditure. The first section, Section A, focused on collecting demographic data from participants. This included information such as age, gender, location, education, and marital status. By gathering this data, the study aimed to establish a comprehensive understanding of the participants' backgrounds and potential influences on their responses. Section B delved into the prevalence of irregular expenditure, seeking to understand the frequency and extent of this phenomenon. Stakeholders' perspectives on irregular expenditure were explored in Section C. This section aimed to capture the opinions, experiences, and perceptions of stakeholders regarding irregular expenditure. Section D shifted focus to stakeholders' perspectives on consequence management. The responses provided valuable information on existing practices and potential areas for improvement. Finally, section E examined internal controls for preventing irregular expenditure. This section probed the measures in place to mitigate the occurrence of irregular expenditure. By dividing the questionnaire into logical sections, the study ensured clarity and coherence in the data collection process. This, in turn, facilitated accurate analysis and interpretation of the findings.

The study was conducted after permission was obtained from KZN Cogta and informed consent obtained from participants before data collection and interviews. Research questions were arranged and classified in a way that responded to the research objectives. A 6-point Likert scale questionnaire was used with responses of ‘strongly disagree’, ‘disagree’, ‘neutral’, ‘agree’, ‘strongly agree’ and ‘not sure’. Since participants were required to reply to the same set of questions, therefore the questionnaire was considered appropriate to gather research data and this resulted in an effective method to gather data from the population. Questionnaires were used to collect data for the examination of the perception of stakeholders about irregular expenditure, the implementation of consequence management for irregular expenditure and related irregularities in KZN municipalities. Questionnaires were also used to collect data to determine controls for irregular expenditure prevention in KZN municipalities.

3.9.Interviews

Interviews are a qualitative research method that relies on open-ended questions to collect data (George, 2022). Interviews are a versatile research tool, varying in their level of structure to suit diverse research objectives. The three primary types of interviews; structured, unstructured, and semi-structured differ significantly in their approach, question format, and flexibility (George, 2022). George & Merkus (2022) posited that structured interviews represent one end of the spectrum, characterised by a rigid format. These interviews feature predetermined questions in a set order, closed-ended, and limited to dichotomous (yes/no) or multiple-choice responses. This approach ensures consistency and reliability, making it ideal for quantitative studies or surveys where precision and replicability are paramount (Lowe, 2019).

To gain a nuanced understanding of irregular expenditure, implementation of consequence management and internal control measures, the researcher employed semi-structured interviews with key stakeholders in KZN municipalities. Semi-structured interviews were conducted with councillors to gather rich, contextual insights into the nature and extent of irregular expenditure and consequence management. As a way of improving the validity and the reliability of the interview results, the researcher did the following.

- Read a book entitled Conducting In-depth Interviews: A Guide for Designing and Conducting In-Depth Interviews for Evaluation Input by Carolyn Boyce, & Palena Neale
- Watched television programs where interviews are conducted.
- Read extensively on irregular expenditure and strategies for dealing with it.

3.10. Transcription and recording

Transcription is converting spoken language into written form, a crucial step in qualitative data analysis (Amberscript Global, 2024). Transcription bridges between the raw audio or video data collected from interviews, focus groups, or observations, and the written text that researchers analyse (McMullin, 2023). The fidelity of the transcription process plays a critical role in ensuring the integrity and trustworthiness of qualitative data. Inaccurate transcription can compromise the validity and depth of the data, potentially leading to the loss of nuanced insights and contextual details, misinterpretation of participant responses, and erosion of data richness and reliability (McMullin, 2023). It ensures the data's credibility and reliability, allowing researchers to revisit and analyse again the data multiple times. After carefully recording the responses of participants, the researcher went on to do verbatim transcription before the data was analysed using NVivo 20. The researcher used a mobile phone to record all responses during the interview process. Verbatim transcription is a detailed method involving transcribing every utterance, including fillers, repetitions, and false starts, offering a comprehensive account of the dialogue. The researcher recorded each participant’s responses in a single document.

3.11. The Target population

The target population is the group of individuals the intervention intends to research on and draw conclusions from (Birigazzi et al., 2019). All municipalities in the KZN province were included as part of this study. A preliminary inquiry suggested that KZN has in total fifty-four municipalities; the population of councillors as indicated by the IEC website is 882 and the members of ratepayers’ associations are estimated to be 278. This study was conducted in KZN because it is a province with a high number of municipalities, many municipalities incur irregular expenditure annually and the Auditor General report large cases of irregular expenditure annually in her MFMA general reports.

3.12. Sample size and Sampling strategy

The following sections discusses samples for both quantitative and qualitative approaches.

3.12.1. Samples for Quantitative Research

When conducting research, sampling is important, and a sample is chosen to represent the population. McCombes (2019) found that a sample is a section of an identified population or a subsection of individuals. A total of forty-eight municipalities out of 54 KZN municipalities were selected based on the Krejcie & Morgan (1970) simple random sampling method. To ensure objectivity, the researcher listed all KZN municipalities on separate pieces of paper and conducted a random draw to select six municipalities for exclusion from the study. The selection of municipalities for this study was driven by the disturbing findings of the 2020-21 Auditor General annual report on the audit of municipalities, which exposed KZN's irregular expenditure of R3,4 billon in the 2021 financial year, with one municipality incurring more than R700 million in that year. In addition, KZN with fifty-four municipalities have the highest number of municipalities in the country (Cogta Annual Report, 2022). Simple random sampling is a sampling approach where each participant of the population stands an opportunity to be picked out. Additionally, a simple random sampling approach was utilised in the selection of select councillors and participants from rate payers’ associations. Audit committee members and consultants were selected using purposive sampling. As a result of the strategic positioning of audit committees and consultants within municipal finance and governance, audit committees and consultants were purposively selected. The IEC website (IEC Home - Electoral Commission of South Africa) reveals that the population of councillors in Kwa-Zulu Natal is 882 and preliminary findings revealed that the population of members of rate payers' associations was 278. Guided by these populations and the Krejcie & Morgan (1970) formula, a sample of 268 was considered for councillors and a sample of 162 was chosen for members of rate payers associations as shown in Table 3 below. The Krejcie and Morgan formula used for calculating sample sizes is shown below:

$$\boldsymbol{n} = \frac{\boldsymbol{x^2Np(1-p)}}{\boldsymbol{e(N-1)+x^2p(1-p)}}$$

$n = sample\ size$

$N = population\ size$

$e = acceptable\ sampling\ error$

$p = proportion\ of\ population\ (if\ unkown = 0{,}5)$

$$x^2 = chi - square\ of\ degrees\ of\ freedom\ 1\ and\ confidence\ 95\% = 3{,}841$$

The study targeted adults residing in KZN province, with a minimum age requirement of 18 years to avoid complexities related to parental consent and ensure participants' autonomy. To overcome the limitation of unknown population size for the Consultancy and Audit Committee, the study adopted a purposive sampling method to target and recruit ten consultancy and ten Audit Committee members for the questionnaire survey.

Table 3: Sample size of Participants

PARTICIPANTS	POPULATION	SAMPLE SIZE	PERCENTAGE
Councillors.	882	286	59,6%
Members from Rate Payers Associations.	278	162	36%
Audit Committee.	The population was not known, therefore the researcher used purposive sampling.	10	2,2%
Consultants.	The population was not known, therefore the researcher used purposive sampling.	10	2,2%
Total		**450**	**100%**

Source: Author (2024)

3.12.2. Samples for Qualitative Research

Unlike quantitative research, which offers established formulas for determining sample size, qualitative research lacks clear guidelines. The optimal sample size for qualitative studies has been a subject of ongoing debate. However, a consensus has emerged around the concept of data saturation, an instance where further data collection yields minimal new insights. Researchers are still debating the ideal sample size for achieving data saturation in qualitative studies (Hennink & Kaiser, 2022). There is no consensus on this issue, which has sparked numerous suggestions and proposals. This variability underscores the complexity of determining an ideal sample size in qualitative research. The researcher considered ten participants for interviews, as argued by Hennink & Kaiser (2022) that a sample size of 9–17 for interviews or 4-8 for focus group discussions is required to reach saturation in qualitative research. While the optimal number of participants for achieving the saturation point varies, a consensus exists among researchers (Hennink & Kaiser, 2022) that ten to fifty participants are a suitable range, contingent upon the research type and questions (Fugard & Potts, 2015). This justifies why a sample size of ten participants was considered for interviews.

3.12.3. Consideration for validity, reliability, and trustworthiness

To align this research with other academic studies, the researcher extensively reviewed studies conducted locally and internationally on the management of public finances and compliance with financial management prescripts. Based on the review of these academic studies, the researcher scrutinised multiple sources relevant to this study. The research was conducted using Auditor General MFMA general reports, MFMA section 131 reports, as well as previous academic studies to minimise the risk of unreliability and validity of the data.

To obtain the relevant data using the most reliable and valid approaches, the researcher used the questionnaire to gather the research data and to reduce management errors. Therefore, an accurate and consistent questionnaire contributes significantly to the research methodology. Adam, Khan & Raeside (2014) found that the appropriateness of the methodology impacts validity. External validity simplifies the research findings to the examined population, whereas internal validity relies on the correctness of dimensions. Furthermore, Taherdoorst (2020) explains how the data collected covers the population. In total, there are four validity tests comprising construct validity, content validity, criterion validity and face validity. Content validity was extensively applied, survey based on content validity was generated, and an assessment of each item was done using a 6-point Likert scale and further applied through a review of prior academic studies to extract the appropriate data. The questionnaire was sent to relevant experts, resulting in the content validity ratio for each item being calculated.

The research phenomenon needs to deliver repeatable results; Therefore, the degree to which the phenomenon delivers reliable results is called reliability (Middleton, 2019). For instance, an investigation would be dependable if the recurrence dimension completed under similar conditions would produce the same results (Middleton, 2019). It is vital to perform reliability testing as it assures firmness using parts of the measurement tool. The measurement is regarded as the best consistency reliability if the items measured are consistent and result in the same hypothesis (Middleton, 2019). Tahedoost (2020) found that Cronbach's alpha test is an appropriate measure of reliability when using Likert scales. An acceptable reliability coefficient is less than 0.5. However, a reliability coefficient between 0,50 and 0,60 is taken as significant. Furthermore, Hair & Alamer (2021) stated that a good reliability coefficient is above 0,70.

As a result of concerns about data validity using the content analysis method of information gathering, this study followed Oesterreich & Teuteberg (2016) to ensure the reliability and validity of the information. Ten experts coders coded the data, and eventually, two general reports were recorded by each member. The intercoder reliability rate was calculated to confirm the validity and reliability of the information to ensure the achievement of an 80% acceptable rate. The Auditor General MFMA report was recorded and achieved good rate of more than 80%.

For data collected through interviews, replicability and authenticity were critical. Aguinis & Solarino (2019) define replicability in three ways: (i) exact replication – replicating a study using the same population and procedures, (ii) empirical replication – replicating a study using the same procedures but a different population, and (iii) conceptual replication – replicating a study using the same population but different procedures. Acknowledging that replicability is a contentious issue in qualitative research, this researcher aimed for exact replication. This was achieved by recording all interviews and having the transcription reviewed by an independent person to detect errors and falsification. Authenticity was defined in terms of fairness, meaning a caring and trusting relationship was established between the participants and the researcher

Amin, Norgaard, Cavaco, Witry, Hillman, Cernasev & Desselle (2020) and ensured through informed consent and transparency during the data collection process.

3.13. Ethical considerations

Due to established relationships with relevant stakeholders, the researcher did not anticipate challenges in obtaining ethical clearance for this study. A gatekeeper letter was received from the department responsible for municipalities in the KZN province (KwaZulu-Natal Cooperative Governance and Traditional Affairs – KZN COGTA) before data collection. The aims, potential risks, expectations, and participants' rights, along with the informed consent forms, were explained to each participant to uphold ethical standards. Participants were informed that they were not required to complete the surveys fully and could opt out at any time. Each participant was assigned a pseudonym. Crucially, they were assured that data will be kept for a period of five (5) years at the University of KwaZulu-Natal in a secure place with restricted access. All literature and academic sources used for this study were appropriately cited and referenced, and all individuals and stakeholders who assisted were acknowledged. The MFMA general reports published annually by the Auditor General were publicly available documents, so no ethical clearance was needed for this information. Obtaining ethical clearance from the UKZN ethics committee was essential to proceed with this study, and the researcher received the ethical reference number HSSRREC/00005078/2022 from the research office before data collection. Participants were assured that results relating to individuals will not be tabulated in the research report but will be documented in a research paper available to all participants on completion and no information is published that would allow participants to be identified. Furthermore, participants were assured that upon completion of this study, electronic data collected in support of this research will be immediately destroyed.

3.14. Data analysis methods

The analysis of data was performed for each of the four study objectives. Below is the discussion of the analysis per objective.

3.14.1. Objective One: To analyse the prevalence and causes of irregular expenditure in KwaZulu-Natal municipalities

Information for this objective was obtained through reading the AG MFMA general report and the Cogta Section 131 report from the 2013-2023 financial years. Therefore, a content analysis of these reports was performed analytically to obtain information about the incidents and causes of irregular expenditure. Analysing the Auditor General & Section 131 reports using content analysis is accepted as the most relevant approach (Stemler, 2015; Lacy, Watson, Riffe & Lovejoy, 2015; Graneheim, Lindgrem & Lundman, 2017; Maama, 2020). This analysis of textual data has been used widely according to this data analysis (Stemler, 2015; Lacy, Watson, Riffe & Lovejoy, 2015; Graneheim, Lindgrem & Lundman, 2017). The sections that published the irregular expenditure were read from both reports for this research objective. As a result, the content of the Auditor General & Section 131 was extensively read by the researcher who recognised several trends regarding the prevalence and causes of irregular expenditure like the audit findings.

During the reading of the Auditor General South Africa's general reports & Section 131 reports, the researcher critically analysed what was written in the report about the expenditure, and through interpretation, extracted several themes. The researcher sought causes and prevalence of irregular expenditure in KZN municipalities. Through extensive reading of the Auditor General & Section 131 reports, the researcher developed these themes through interpreting and analysing the report. The Auditor General & Section 131 reports from 2013 to 2023 were used to extract different themes. All supply chain non-compliance findings reported in the Auditor General's reports were deemed significant. The content and significant findings on irregular expenditure in the MFMA general reports of the Auditor General & Section 131 reports were collected, organised into themes, presented, and analysed into major themes.

Additionally, the analysis of the Auditor General's MFMA general reports & MFMA Section 131 reports from KZN Cogta were analysed to identify violations of the supply chain management processes over the years and identified various accounting reasons for the violation of the supply chain management rules resulting in the analysis of the contents of these reports to obtain the information for these objectives. Content analysis is a research approach for developing valid and replicable explanations from the reports (Maama & Appiah, 2019). These research methods were used to identify violations of supply chain management regulations resulting in irregular expenditure from the Auditor General's MFMA general reports & MFMA section 131 reports.

3.14.2. Objective Two: To investigate stakeholder understanding and opinions of the causes of irregular expenditure in KZN municipalities

This objective used parametric information analysis, and the technique used included the Kruskal-Wallis test. These analyses were performed with IBM SPSS version 27. To examine the variations in perceptions regarding the violation of supply chain management regulations causing irregular expenditure among different stakeholder groups in KwaZulu-Natal (KZN) municipalities, the researcher conducted a Kruskal-Wallis test. Additionally, quantitative data was analysed using descriptive statistics, including percentages, frequencies, and means. Furthermore, this chapter reports on the reliability tests conducted to ensure the consistency and accuracy of the measurement instruments. Qualitative data were analysed using themes generated after feeding information in NVivo 20. The researcher used thematic maps to show themes developing from the collected data.

3.14.3. Objective three: To examine the implementation of consequence management for irregular expenditure and related irregularities in KwaZulu-Natal municipalities

The study used a parametric data analysis technique for this objective. The specific technique used included the Kruskal-Wallis -test. These analyses were performed with IBM SPSS version 27. The quantitative data collected through questionnaires was analysed using descriptive statistics, specifically means. The quantitative analysis involved calculating means to understand average responses, generating frequency distribution tables to visualise response patterns. Thematic analysis, facilitated by NVivo 20, was employed to examine the qualitative data collected through semi-structured interviews. This involved coding and categorising interview transcripts, identifying emerging themes and sub-themes, and developing project maps to visualise relationships between themes. To represent the themes that emerged during interviews, the researcher utilised project maps and frequency distribution tables. Project maps provided visual representations of thematic relationships, while frequency distribution tables illustrated the prevalence of themes.

3.14.4. Objective Four: To assess the efficacy of the internal controls for the prevention of irregular expenditure in KwaZulu-Natal municipalities

The information from the questionnaire was analysed using a descriptive method. The outcomes were presented using the mean score and standard error. The Kruskal Wallis-test and other non-parametric analysis tools were used to analyse the information. Data analysis was performed using IBM SPSS version 27. To examine the differences in responses among various groups, the researcher employed the Kruskal-Wallis test through which significant variations in perceptions and experiences across the sample were identified. To complement quantitative analysis, qualitative data collected through semi-structured interviews was analysed using thematic analysis facilitated by NVivo 20. This software aided in the identification of emergent themes, sub-themes, and patterns within the data. The researcher used project maps and comparative maps to facilitate data visualisation. In addition, the researcher also used a frequency table to show the frequency of citations of the themes that emerged during the interviews. The Word Cloud was used to indicate the frequency of the words that were used during the interviews. The combination of non-parametric testing and thematic analysis enabled a robust examination of the research questions.

3.15. Structural equation modelling

Municipal financial management is based on the public sector financial management laws, regulations, and circulars issued by the National Treasury. Since the study focuses on the prevalence and causes of irregular expenditure, developing a structural equation model (SEM) to assess the factors influencing irregular expenditure was deemed appropriate. Authors such as Pokropek, Davidov & Schmidt (2019) used regression coefficients through the structural equation model. The data for developing a structural equation analysis was obtained from section 131 reports from KZN Provincial Cogta. Variables such as annual report compliance (ARComp), going concern (GC), municipal size (MunSize), the type of municipality (MunType), grant dependency ratio (GPD Ratio), and debt collection ratio (DbtColl) were used for the model to assess the factors influencing irregular expenditure. Adherence to financial management laws and regulations and the sound management of the variables above will ensure positive financial management for the municipality. As a result, municipalities will be able to prevent irregular expenditure.

3.16. Chapter summary

The study adopted a combination of quantitative and qualitative research methodologies. Triangulation occurred as both methodologies were conducted. The research began with administering survey questionnaires, a quantitative method, followed by interviews, making it a mixed-methods study. A pilot study was conducted to develop the questionnaire, which included the pilot study participants. The research targeted several groups: Audit Committees, consultants, residents and ratepayers' associations, and councillors. Councillors have practical experience in municipal financial and supply chain management and irregular expenditure. Audit committees oversee internal auditors and provide advisory services to management and the council on compliance and irregular expenditure matters. Consultants assist management with technical issues such as infrastructure and project planning, execution, and management. They also provide legal services to municipalities, including contract compilation and management. Additionally, consultants help with information technology issues and financial reporting and reporting irregular expenditures by the MFMA and National Treasury circulars and guidelines. Residents and ratepayers' associations represent the community within the municipality. Municipal projects and services are intended for residents and ratepayers, who are the recipients of these services and are affected by all projects undertaken. Residents and ratepayers' associations are critical in identifying irregular expenditures and related irregularities. The questionnaire, developed in consultation with relevant persons, contained 34 statements divided into four categories: stakeholders' understanding of irregular expenditure, perspectives on the causes of irregular expenditure, perspectives on consequence management for irregular expenditure and related irregularities, and internal controls for prevention (all informed by research questions, literature review, consultation with supervisors, consultation with industry experts, and a pilot study). This chapter details the administration of the questionnaires.

Survey questionnaires were distributed to 450 participants. Once the responses were received, interviews with ten councillors were conducted. This research implemented a descriptive sequential method, beginning with a quantitative methodology followed by qualitative methodology to gain a deeper understanding of the quantitative findings. This chapter explains the tools used for data analysis in the study. The questionnaire results were analysed using descriptive statistics, while the interviews were transcribed and analysed using thematic and content analysis methods. The Kruskal-Wallis test was used to assess the significant differences in stakeholders' understanding of irregular expenditure, their perspectives on the causes of irregular expenditure, and their views on consequence management for irregular expenditure and related irregularities and internal control.

The next chapter presents a comprehensive longitudinal analysis of irregular expenditure trends and their underlying causes, derived from assessing relevant documents.

CHAPTER 4: ANALYSIS OF THE PREVALENCE AND CAUSES OF IRREGULAR EXPENDITURE IN KZN MUNICIPALITIES

4.1.Introduction

Irregular expenditure in municipalities is a challenge that affects service delivery if allowed to continue unabated. The current chapter provides a longitudinal analysis of the prevalence of irregular expenditure in KZN municipalities and examines the causes. The longitudinal analysis of the prevalence and causes of irregular expenditure is for a period of 11 years, from the financial year ended 30 June 2013 to the financial year ended 30 June 2023. The researcher draws insights from secondary data that provides information about the causes and prevalence of irregular expenditure in KZN municipalities. The researcher employed documentary analysis to provide a comprehensive analysis of the prevalence and causes of irregular expenditure in KZN municipalities.

The earlier discussion on chapter two under literature review demonstrated that studies in public-sector financial management have focused on bribery and corruption. Issues about irregular expenditure have largely been underexplored, hence, the importance of this chapter.

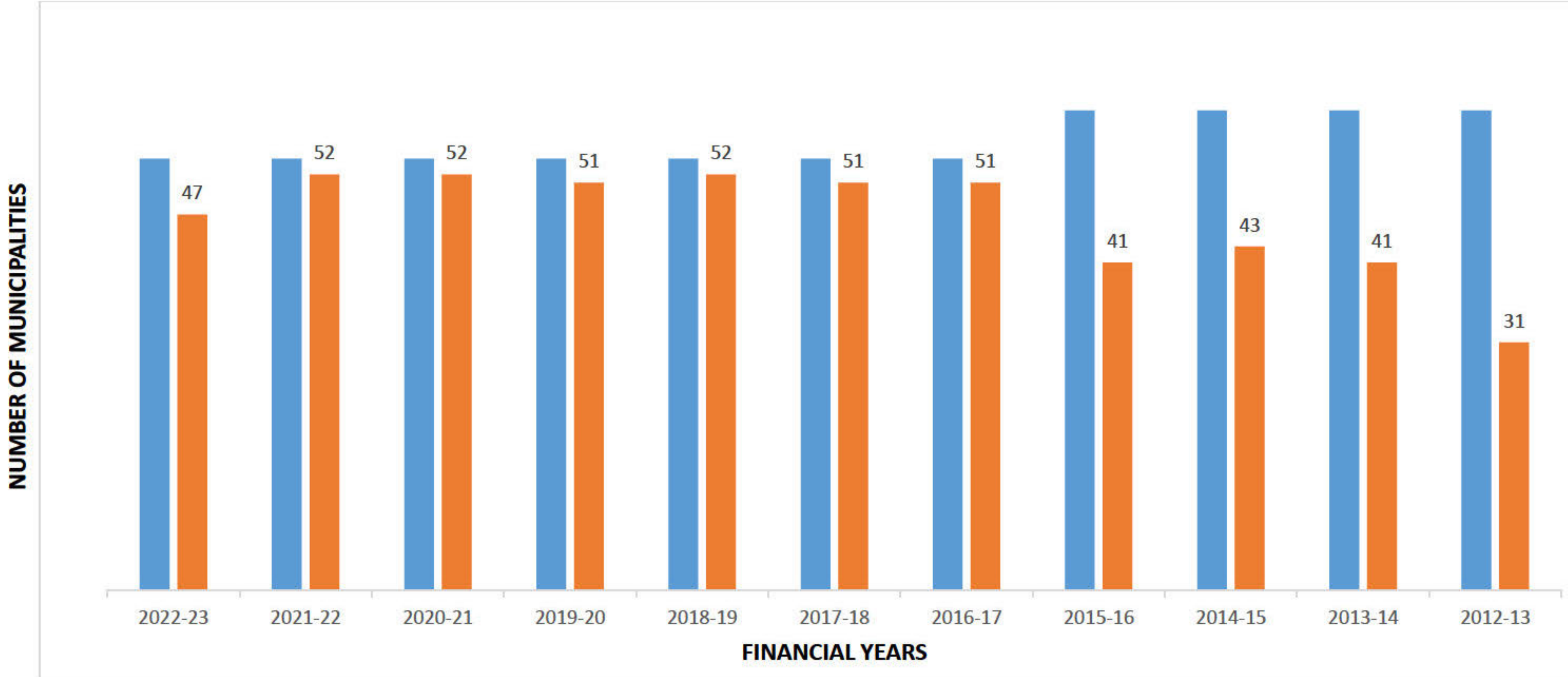
4.2.Findings

This chapter reports on the prevalence and causes of irregular expenditure in municipalities in the province of KwaZulu-Natal. The study analysed the Auditor General’s & Section 131 reports from 2013 to 2023 to identify the trend of reported cases of irregular expenditure. The major findings from this chapter are presented below. The presentation started with the longitudinal analysis of the prevalence of irregular expenditure in Figure 4.1 and was followed by the longitudinal analysis of the causes of irregular expenditure in Table 4.1.

4.2.1. Longitudinal analysis of the prevalence of irregular expenditure

The longitudinal analysis of the prevalence of irregular expenditure is presented in Figure 6. The number of municipalities that incurred irregular expenditure and the prevalence of irregular expenditure in KZN municipalities between 2013 and 2023 was identified by analysing section 131 reports and is shown in Figure 6 below.

Figure 6: Analysis of the prevalence of irregular expenditure in KZN Municipalities



Source: Section 131 reports, 2013 to 2023.

The analysis in Figure 6 above presents the number of municipalities in KwaZulu-Natal (KZN) province that recorded irregular expenditures between 2013 and 2023. The data collected from the Section 131 reports show that in 2012-2013, 31 municipalities 51,67% recorded irregular expenditure, while 29 (48,33%) did not. The trend in irregular expenditure cases continued to increase in 2014-2015, with the number of municipalities that reported irregular expenditure increasing to 41 (68,3%) out of 60 municipalities in the province. This shows that 32% of municipalities incurred irregular expenditure compared to the previous year.

In the financial year ended 2015-2016, the number of municipalities that reported irregular expenditure decreased slightly to 41 (68,33%), representing a 4,7% decrease in the number of municipalities that reported irregular expenditure compared to the previous year. The results further show that the number of municipalities in KZN decreased from 60 to 54 in the 2016-2017 financial year due to the merger of some municipalities. Out of the 54 municipalities, 51 reported irregular expenditure, which represents 24,4% more municipalities that reported irregular expenditure compared to the previous year. The trend of increasing irregular expenditure continued in the 2017-2018 financial year, with 51 out of 54 municipalities reporting irregular expenditure. This represents no change in the number of municipalities that reported irregular expenditures compared to the previous year.

Similarly, in the 2018-2019 financial year, the results show that 52 out of 54 municipalities reported irregular expenditure, representing 1,9% more municipalities that reported irregular expenditure. Figure 6 further demonstrates that municipalities that reported irregular expenditure decreased slightly to 51 out of 54 municipalities in the 2019-2020 financial year. This represents a 1,9% decrease in the number of municipalities that reported irregular expenditures compared to the previous year. In the most recent financial years, the number of municipalities reporting irregular expenditure increased slightly to 52 out of 54 municipalities in the province. This represents 2% more municipalities that reported irregular expenditure compared to the previous years.

Considering the analysis presented, there is a concerning trend of irregular expenditure in municipalities in KZN province, as revealed by the Section 131 reports. The prevalence of irregular expenditure has remained relatively consistent over the years, with between 47 and 52 out of 54 municipalities reporting irregular expenditure. This indicates that irregular expenditure is a systemic problem across the province and requires urgent attention to be addressed. Findings reveal a worrying trend in the prevalence of irregular expenditure in municipalities in KZN province over the past decade. The results show that there has been a consistently high number of municipalities recording irregular expenditures, with only a few municipalities managing to avoid such incidents. This result is similar to Maluleke, Dlamini & Rakololo (2019), who highlighted the prevalence of irregular expenditure in local governments in South Africa.

High levels of violation of supply chain management prescripts by municipalities in KZN can be attributed to several factors. Firstly, poor financial management practices and inadequate internal controls contribute to the prevalence of irregular expenditure. Secondly, corruption and maladministration are major contributors to irregular expenditure, where municipal officials or contractors use their positions to benefit themselves or their companies (Fourie & Malan, 2022). In some cases, tenders are awarded to companies with close links to municipal officials, resulting in inflated prices and poor service delivery (Mabeba, 2021). Another possible reason for the prevalence of irregular expenditure is a lack of capacity within municipalities. Municipalities are responsible for a wide range of services, from basic service delivery such as water and sanitation to more complex tasks such as urban planning and economic development. However, Fourie & Malan (2022) found that many municipalities lack the necessary capacity, skills, and expertise to carry out these tasks effectively, resulting in poor service delivery and financial mismanagement.

The results demonstrate that irregular expenditure has been a persistent problem for municipalities in KZN from 2013 to 2023. The high prevalence of irregular expenditure in municipalities indicates significant weaknesses in financial management and internal controls in these institutions. The problem of irregular expenditure is not unique to KZN, as previous studies have also identified it as a pervasive issue in municipalities in other provinces of South Africa. For instance, Fazekas & Cingolani (2017) found that irregular expenditure was prevalent in the local government of South Africa, with many municipalities struggling to comply with financial management regulations. Lekubu (2013) found that the mismanagement of funds was widespread in South African municipalities, leading to poor service delivery and a lack of development in many areas. The South African Local Government Association (SALGA) conducted a study and found that irregular expenditure increased by 75% between the 2015-2016 and 2016-2017 financial years in municipalities across the country (SALGA, 2018).

The persistent prevalence of irregular expenditure in KZN municipalities has significant implications for local governance, service delivery, and the overall socio-economic development of the province. The mismanagement and misapplication of funds in municipalities result in poor service delivery, inadequate infrastructure, and a lack of development in various areas. This, in turn, contributes to the deepening of poverty, inequality, and socio-economic exclusion, which are already significant challenges in the province. The prevalence of irregular expenditure in KZN municipalities not only results in financial losses but also undermines the integrity of the procurement processes and erodes public trust in public institutions.

The results indicate the urgent necessity for strong and effective oversight mechanisms to be implemented to improve accountability and transparent management of municipal finances. This may require significant reforms in financial management and strengthening financial oversight mechanisms and accountability. Additionally, there may be a need for capacity-building initiatives to equip municipal officials with the necessary skills and knowledge to manage finances effectively. In conclusion, the prevalence of irregular expenditure in municipalities in the KZN province is a systemic problem that requires urgent attention to be addressed.

4.2.2. Longitudinal analysis of the causes of irregular expenditure

The management of municipal finances is critical in ensuring effective service delivery to the community. Irregular expenditure is a significant challenge faced by municipalities in South Africa, with KwaZulu-Natal (KZN) province being no exception. This section provides reported cases of irregular expenditure in KZN municipalities from 2012-13 to the 2022-23 financial years, identifies the causes of irregular expenditure, and provides implications for future management practices. Information for the analysis below was collected from Section 131 and Auditor General reports during the same period. The data was collected through a qualitative content analysis method. Table 4 is a tabular representation of the causes of irregular expenditure in KZN municipalities from 2012-13 to the 2022-23 financial years.

Table 4: Analysis of the causes of irregular expenditure in KZN municipalities.

CAUSES OF IRREGULAR EXPENDITURE

YEARS: 2012-13 T0 2020-22	Price quotations not obtained	Unfair and uncompetitive awards/bids	Abuse of emergency & sole supplier regulations	Awards without tax compliance declaration by SARS	Lack of monitoring of service providers	Failure to use preferential procurement regulations	Failure to procure from local producers	Conflict of interest – employees and councillors	False declarations	Contract management	Composition of bid adjudication committees	Non-compliance with Construction Industry Development Board	Lack of consequence management	Poor record keeping
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2022-23	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2021-22	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2020-21	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2019-20	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2018-19	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2017-18	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2016-17	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2015-16	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2014-15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2013-14	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2012-13	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Sources: Auditor General 2013 to 2023 and Section 131 reports 2013 to 2023

Table 4 shows the causes of irregular expenditure over the years. The paragraphs that follow provide a further analysis of the findings grouped under different major sections. The sections are a continuous disregard for processes, principles, and practices designed to prevent irregular expenditure, and unfair and uncompetitive procurement processes, including inappropriate bid adjudication committees and recurrent awards of tenders without tax compliance declarations by SARS. The last sections of the findings include irregularities in contract management and failure to effectively monitor service providers, failure to procure from local producers, conflicts of interest and false declarations, non-compliance with CIDB, absence of consequences against those that commit financial misconduct, and missing records. The major findings identified will be discussed in detail below.

4.2.3. Continuous disregard for processes, principles and practices

The analysis of the Auditor General (AG) MFMA general reports & section 131 reports from KZN CoGTA from 2013 to 2023 revealed that municipalities were failing annually to prevent irregular expenditure. This was in contravention of section 62(1) (d) of the Municipal Finance Management Act and Municipal Supply Chain Management Regulations. Additionally, since the municipalities were incurring irregular expenditures annually, this meant that municipalities violated their supply chain management policies, which required the prevention of irregular expenditures. The reports showed that the audit findings for transgressions of the Municipal Supply Chain Management Regulations were reported annually. Furthermore, the Auditor General's reports from 2013 to 2023 & section 131 reports from 2013 to 2023 revealed that the majority of municipalities annually did not implement their management action plans and remedial actions to prevent irregular expenditure.

4.2.4. Unfair and uncompetitive procurement processes, including inappropriate bid adjudication committees

The analysis of the Auditor General reports from 2013 to 2023 revealed that municipalities did not obtain three (3) quotations, and some did not invite competitive bids for some of the tenders even though it was not impractical to invite competitive bids. The reports further showed that some municipalities did not adhere to the requirements of the Preferential Procurement Policy Framework Act and its regulations when they awarded some of the contracts. In addition, the reports showed that some municipalities did not advertise tenders for the required minimum period of days, and in some municipalities, there was an improper composition of the bid adjudication committees.

The Auditor General reports from 2013 to 2023 showed that some of the municipalities abused Municipal Supply Chain Management Regulation 36, which allows for deviations from normal tender processes if there are valid reasons, such as emergency or sole supplier, to support the deviations. The reports showed that some of the municipalities deviated from normal tender processes, but the evidence and reasons to support the deviations were not valid to demonstrate that there were emergencies or that the service providers given work without following normal tender processes were indeed sole suppliers.

While some of the municipalities advertised some of the tenders for 14 and 30 days respectively, the Auditor General reports from 2013 to 2023 revealed that some of the tenders were not fully taken through the normal supply chain management processes. For example, the reports showed that some of the tenders were awarded without being taken through the bid evaluation and adjudication committees. The reports further showed that while some of the irregular expenditure was because of multi-year tenders that were irregularly awarded in the past, councils were not willing to terminate irregularly awarded tenders. The analysis of the Auditor General reports further revealed that some of the payments were made for goods and services that were not delivered, and in some instances, payments were made to service providers even though service delivery was poor.

4.2.5. Recurrent awards of tenders without tax compliance declaration by the South African Revenue Services (SARS)

The analysis of the Auditor General reports revealed that some of the municipalities traded with service providers whose tax matters were not declared by the South African Revenue Service (SARS) to be compliant, and this resulted in irregular expenditure. The Auditor General reports from 2013 to 2023 and some of the section 131 reports from 2014 to 2024 showed that even though municipalities had access to the central supplier database (CSD) compliance system, which is used to verify the tax compliance status of service providers before contracting, some of the municipalities ignored the results of the CSD reports for certain service providers as they were awarded contracts even though their tax status was not compliant.

4.2.6. Irregularities in contract management and failure to effectively monitor service providers

The analysis of the Auditor General reports from 2013 to 2023 revealed that some of the municipalities did not verify the work performed by service providers regularly as required by the Municipal Finance Management Act, thus resulting in irregular expenditure. The reports further showed that even though some municipalities claimed they monitored the performance of service providers, they did not show evidence of supplier performance management, such as the completed external service provider assessment forms, which included the assessment dates and minutes as proof of assessment and engagement with the service providers regarding the assessment. Furthermore, the Auditor General reports showed that some of the contracts were amended or extended without the reasons being tabled in the councils, and some amendments and extensions of contracts were not approved. The Auditor General reports further revealed that instead of renewing contracts through open tender processes, some of the municipalities continued to use expired contracts and contracts that did not have an end date.

Through the analysis of the Auditor General reports from 2013 to 2023, some of the municipalities participated in contracts secured by other organs of the state as permitted by Municipal Supply Chain Management Regulation 32. However, the reports revealed that some of the municipalities, instead of using Regulation 32 as permitted by the National Treasury, deviated from the regulations. The reports showed that some municipalities deviated by adding new services not included in the original contracts and some exceeded tender amounts of the original contracts. These practices were against the supply chain management regulations and resulted in irregular expenditure, as the transactions should have gone out on open tender.

4.2.7. Failure to procure from local producers.

Through analysing the Auditor General reports, it was revealed that the Auditor General started reporting on the requirements for local producers from the 2016-17 financial year. The Auditor General reports for five years, from 2018 to 2023, revealed that some of the municipalities did not have the appetite to enforce policies to procure from local producers, resulting in irregular expenditure. Several findings were identified in the reports, such as bids with local content requirements not being advertised with local content conditions in the adverts, at the bid specification stage, the advert or invitation to bid not containing specific bidding conditions stipulating that only locally produced goods, services or works or locally manufactured goods with a stipulated minimum threshold. Through analysis of the Auditor General reports it was further identified that invitations to tender for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content as required by the Preferential Procurement Regulations. Lastly, some of the bid documentation for the procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content as required by the Preferential Procurement Regulations.

4.2.8. Conflict of interest and false declarations

The analysis of the Auditor General reports from 2013 to 2023 revealed that over the years, some of the municipal tenders were given to municipal employees, councillors, their families and their relatives. The Auditor General reports further revealed that some of the municipal employees who had private or business interests in tenders awarded by some of the municipalities did not disclose such interests. Furthermore, some of the municipal employees awarded tenders to companies owned by their families. However, they did not disclose conflict of interest for tenders awarded to businesses owned by their families.

4.2.9. Non-compliance with the Construction Industry Development Board (CIDB)

The analysis of the Auditor General reports from 2013 to 2023 revealed that the audit findings for non-compliance with the Construction Industry Development Board (CIDB) have been reported annually. The Auditor General’s findings showed that construction contracts were given to contractors who did not qualify, some contractors who were not registered with the CIDB, and contractors who were appointed against the CIDB grading processes and scales.

4.2.10. Lack of consequence management

The analysis of the Auditor General reports from 2013 to 2023 revealed that the audit findings for lack of consequence management against people who caused irregular expenditure, including those who committed financial misconduct, were reported in several municipalities during the period. Some of the findings from the Auditor General report showed that investigations into financial misconduct were completed with clear and specific recommendations that must be implemented by accounting officers and councils, but accounting officers and councils did not implement the results and recommendations of the independent investigators (Auditor General, 2013 to 2023).

4.2.11. Poor record keeping

The analysis of the Auditor General reports from 2013 to 2023 revealed that municipalities did not keep records. The reports showed that the audit findings for lack of record keeping for records such as tender documents, expenditure vouchers, and irregular expenditure registers were reported annually for several municipalities. The Auditor General reports further pointed out that due to a lack of tender records, auditors could not verify if supply chain management processes were adhered to during the procurements, and, in addition, some municipalities received qualified audit opinions because of poor record keeping. Furthermore, the Auditor General reports from 2013 to 2023 revealed that the lack of records resulted in municipalities being unable to quantify how much irregular expenditure they incurred and whether the monies spent represented irregular expenditure or irregularities.

4.3.Discussion of findings

The findings showed that irregular expenditure was recorded in all the financial years under consideration. Starting with the financial year ended 30 June 2013, irregular expenditure was recorded in all the categories of causes presented in the table. The causes of irregular expenditure ranged from failure to prevent irregular expenditure to poor record keeping. The most common causes of irregular expenditure this year were the failure to use preferential procurement regulations, followed by the abuse of emergency and sole supplier regulations. In the financial year 2013-14, irregular expenditure was once again recorded in all categories. Failing to prevent irregular expenditure, followed by the failure to use preferential procurement regulations and price quotations not obtained were the most common audit findings for the year ended 30 June 2014. Irregular expenditure was also commonly caused by non-compliance with Construction Industry Development Board regulations and poor record keeping.

In the financial year 2014-15, irregular expenditures were recorded in nearly all categories. The most common cause of noncompliance was failing to prevent irregular expenditure, followed by not obtaining price quotations. The least common irregular expenditures were the composition of bid adjudication committees and poor record-keeping.

The table further shows that irregular expenditure was not prevented from 2015-16 to the 2019-20 financial years. Like the previous years, the most common causes of irregular expenditure in these years were failure to obtain price quotations, unfair and uncompetitive awards/bids, abuse of emergency and sole supplier regulations, and awards without tax compliance declarations by the South African Revenue Service. Other factors that contributed to irregular expenditure included a lack of monitoring of service providers, failure to use preferential procurement regulations, failure to procure from local producers, conflict of interest among employees and councillors, false declarations, poor contract management, the composition of bid adjudication committees, non-compliance with the Construction Industry Development Board, lack of consequence management, and poor record keeping.

The major reason for the persistent prevalence of irregular expenditure in KZN municipalities is the lack of consequence management. The Auditor General's reports from 2012-13 to 2022-23 indicate that consequence management was lacking in most cases of irregular expenditure. In other words, there were no consequences for officials or service providers who were responsible for irregular expenditure. This lack of consequence management sends a message to officials and service providers that they can get away with irregular expenditures without facing any consequences. Hanyane & Naidoo (2015); Sibanda Zindi & Maramura (2020) found that the lack of consequence management for tender fraud and corruption, along with the prevalence of maladministration and financial mismanagement in local government resulted in chaos in the administration of municipalities. Another possible reason for the prevalence and causes of irregular expenditure is the lack of capacity in municipalities. The Section 131 reports indicated that most municipalities lack the necessary capacity to comply with procurement regulations and ensure proper record-keeping. This lack of capacity is evident in the failure to obtain price quotations, non-compliance with Construction Industry Development Board regulations, and poor record-keeping.

The results demonstrate that irregular expenditure was rampant in KZN municipalities in the past decade. The 2022-23 financial year revealed that all the irregular expenditure causes were present in the municipalities. The results demonstrate that the failure to prevent irregular expenditure was a persistent issue in all the years analysed. Similarly, the failure to obtain price quotations was also a common problem, followed by unfair and uncompetitive awards. These issues were prevalent in all the years analysed, indicating that municipalities did not take any corrective measures to address these issues. The prevalence of irregular expenditure in KZN municipalities indicates a significant challenge in financial management. The increase in all causes of irregular expenditure in the 2019 to 2023 financial years indicates a worsening trend. The COVID-19 pandemic and the KZN rioting in 2021 may have contributed to the increase in irregular expenditure due to the need for emergency procurement. However, this should not be an excuse for non-compliance with supply chain management regulations.

The findings are consistent with previous studies that have identified similar causes of irregular expenditure in South African municipalities. Maluleke, Dlamini & Rakololo (2019) have previously identified similar issues, including inadequate supply chain management, lack of punishment for transgressors, and poor governance practices, as factors contributing to irregular expenditure. Similarly, researchers have highlighted the prevalence of irregular expenditure in South African municipalities due to corruption and mismanagement of public funds (Mazibuko & Fourie, 2017). This finding is consistent with previous studies that have identified inadequate procurement processes as a significant cause of irregular expenditure in municipalities (Mlambo, Mphurpi & Makgoba, 2023). The failure to use preferential procurement regulations and procure from local producers is also a significant cause of irregular expenditure in KZN municipalities. This finding is consistent with Fourie & Malan (2022) who suggested that municipalities' failure to use preferential procurement regulations results in a loss of income for local businesses and hinders the development of local economies.

The implications are significant for financial management in KZN municipalities and South Africa in general. The prevalence of irregular expenditure in KZN municipalities indicates that there is a need for improved financial management systems, strengthened internal controls, and increased transparency and accountability in municipal financial management processes. The findings further suggest that municipalities need to ensure that procurement processes are fair, competitive, and comply with regulatory requirements to prevent non-compliance. Moreover, the research highlights the importance of effective monitoring, detection, and prevention mechanisms for irregular expenditure. The findings further highlight the need for municipalities to improve their capacity to comply with procurement regulations and ensure proper record-keeping. This could involve training officials in procurement regulations and record-keeping or hiring more staff to handle procurement processes.

To address the issue of irregular expenditure in municipalities, there needs to be a concerted effort from all stakeholders. Firstly, there needs to be effective oversight and monitoring mechanisms for procurement processes and financial management procedures. This can be achieved through increased training and capacity building of municipal officials and regular performance evaluations of municipalities. Secondly, there needs to be increased accountability and transparency in the use of public funds, which can be achieved through regular reporting and disclosure of financial information. Lastly, there needs to be a zero-tolerance approach to corruption and maladministration in municipalities, with swift and decisive action taken against those engaging in these practices.

4.4. Chapter Summary

The longitudinal analysis of the prevalence and causes of irregular expenditure over the eleven (11) year period revealed several causes that resulted in irregular expenditure annually. The analysis showed that there was no political will, and political leadership collectively was not willing to set a tone at the top to stop the irregular expenditure and related tender irregularities. The analysis revealed that some municipalities did not keep records and registers for irregular expenditure, some destroyed tender records, and some did not implement consequence management. The analysis showed that there was collusion between officials and councillors to bypass the supply chain management processes in favour of certain companies. The analysis further revealed that some of the tenders were awarded to companies owned by officials, councillors, their friends, and families. The Auditor General reports further showed that the abuse of emergencies (Supply Chain Management Regulation 36) was prevalent. Additionally, the Auditor General reports showed that some municipalities bypassed and manipulated supply chain management processes permanently and excluded the people from accessing municipal business, thus creating a monopoly for the few in close cycles of some politicians, councillors, and some officials. While this chapter focused on the longitudinal analysis of the prevalence and causes of irregular expenditure in KZN municipalities, the next chapter focuses on the stakeholders understanding and opinions about irregular expenditure.

CHAPTER 5: STAKEHOLDERS PERSPECTIVE ABOUT THE CAUSES OF IRREGULAR EXPENDITURE

5.1.Introduction

This chapter examines irregular expenditure in KwaZulu-Natal (KZN) municipalities. It builds on the prevalence and causes explored in the previous chapter and presents qualitative and quantitative results from interviews and questionnaires. The primary research aimed to gather stakeholder perspectives on the factors driving irregular expenditure, providing a nuanced understanding of the issue. The quantitative findings from stakeholder interviews offered insights into the causes of irregular expenditure, while the qualitative results enhanced the understanding of stakeholders' perceptions. Additionally, this chapter outlines the socio-demographic characteristics of participants in the quantitative study, offering context for their perspectives and highlighting potential biases. The integration of primary research findings with secondary data presents a comprehensive picture of irregular expenditure in KZN municipalities.

This chapter contributes significantly to the understanding of irregular expenditure in KZN municipalities.

5.2.Data presentation

This section presents the results of the stakeholders' perspective on the causes of irregular expenditure in KZN municipalities. The data analysis and discussions are based on the responses from 450 questionnaires administered to stakeholders and interviews conducted with ten councillors. The questionnaire responses were analysed using descriptive statistics and the interviews were transcribed and analysed using thematic analysis.

5.2.1. Demographic information

The table below presents the demographic data of the participants involved in the study.

Table 5: Demographic Statistics

GENDER		
	N	%
Male	276	61,3
Female	174	38,7
AGE		
Below 31 years	0	0,0
31-40	0	0,0
41-50	279	62,0
51-60	98	21,8
RACE		
Blacks	243	54,0
Indians	183	40,7
Whites	16	3,6
Coloured	8	1,8
POSITION		
Councillor	210	46,7
Auditor committee	70	15,6
Consultants	70	15,6
Members of the Rate Payers Association	100	22,2
EXPERIENCE		
0-5 years	26	5,8
6-10 years	72	16,0
11-20 years	131	29,1
21-30 years	146	32,4
31 years and above	72	16,0
Not Applicable	3	0,7

Source: Author (2024)

The demographic results of the participants are presented in Table 5. Concerning gender, the study included 276 male participants, representing 61,3%, while 174 (38,7%) participants were female. This result shows a slightly higher proportion of male participants compared to females. Regarding age distribution, no participants in the sample were below 31 years old. The age group of 31-40 comprised seventy-three participants, making up 16,2% of the sample. Most participants, 279 (62,0%) fell into the 41-50 age range. Additionally, 98 (21,8%) participants were in the 51-60 age category. Irregular expenditure issues may have different dynamics and motivations among various age groups. Including various age groups could enhance the study's applicability to understanding the prevalence and causes of irregular expenditure across all age ranges.

Examining racial demographics, the largest racial group represented in the study consisted of 243 Black participants, accounting for 54,0% of the sample. White participants were a smaller proportion, with 16 (3,6%) individuals. The Indian racial group had 183 participants, representing 40,7% of the sample, while only 8 (1,8%) participants identified as Coloured. The overrepresentation of Black participants and the underrepresentation of White and Coloured participants fairly represent the racial diversity in the province.

The study includes participants from various positions within the municipal context, providing valuable insights from multiple perspectives. Out of the total sample, 210 (24,4%) participants were Councillors, 70 (15,6%) served on the Audit Committee, 70 (15,6%) were consultants, and 100 (22,2%) were categorised as members of the public (representatives from ratepayer's associations). Individuals from various positions offer a diverse perspective on irregular expenditure within the municipalities. This diversity allows for a comprehensive analysis of irregular expenditure, capturing the viewpoints of Councillors, Audit Committee members, consultants, and ratepayers' associations.

In terms of experience, the sample comprised participants with varying levels of professional experience. The results show that 26 (5,8%) participants had 0-5 years of experience, 72 (16,0%) participants had 6-10 years of experience, 131 (29,1%) participants had 11-20 years of experience, 146 (32,4%) participants had 21-30 years of experience, 72 (16,0%) participants had 31 or more years of experience, and only 3 (0,7%) participants responded that experience did not apply to them. The diversity in the experience of the participants enables for a detailed analysis of irregular expenditure, which incorporates insights from both experienced and less experience professionals.

5.2.2. Reliability and validity test

This section presents the reliability and validity test results of the constructs in the questionnaire. The tests were performed to assess the reliability of the of the questionnaire constructs and ensure the validity of the collected data. The analysis focused on two sections of the questionnaire: Section B, which assessed stakeholders' understanding of irregular expenditure, and Section C, which presented the perspectives of the stakeholders on the causes of irregular expenditure. Table 6 presents the Alpha Cronbach results.

Table 6: Alpha Cronbach Results

GROUPS	SECTION B	SECTION C
Councillors	0,914	0,704
Audit Committee	0,918	0,739
Public	0,915	0,706
Consultants	0,877	0,756

Source: Author (2024)

An acceptable Cronbach's alpha is equal to or greater than 0,70 indicating good reliability of the psychometric test. The world should not revolve around Cronbach's alpha ≥ 0,70. The paper mentions that a Cronbach's alpha value of ≥ 0,70 is commonly considered acceptable in many studies (Cicchetti, 1994). In practice, values between 0,5 and 0,70 are acceptable, with values between 0.7 and 0.9 considered the best indicators of the internal stability of the tool.

The findings in Section B show how stakeholders understand irregular expenditure. For the various stakeholder groups, the alpha Cronbach coefficients range from 0,877 to 0,924. These coefficients show a level of internal consistency, indicating that the items in Section B, which evaluated stakeholders' comprehension of irregular spending, are accurate indicators of the construct. The Audit Committees received the highest coefficient (0,918) among the stakeholder groups, closely followed by the public (0,915), council members (0,914), and consultants (0,877). The coefficient obtained by the consultants was low (0,877), but still within acceptable bounds. Based on the results of the response to Section B of the questionnaire, stakeholders across various groups appear to have a decent awareness of irregular expenditure.

Section C represents stakeholders' perspectives on the causes of irregular expenditure. The alpha Cronbach coefficients for different stakeholder groups range from 0,704 to 0,756. These coefficients suggest an acceptable level of internal consistency, indicating that the items within Section C, which assessed stakeholders' perspectives on the causes of irregular expenditure, are reliable measures of the construct. Among the stakeholder groups, consultants obtained the highest coefficient (0,756), followed by the audit committee (0,739), councillors (0,704), and the public (0,706). These findings indicate that stakeholders have varying perspectives on the causes of irregular expenditure, with consultants showing the highest agreement on the identified causes, while councillors demonstrate the lowest level of agreement.

5.2.3. Stakeholders' understanding irregular expenditure.

This section examines stakeholders' perceptions of irregular expenditure in municipalities. The results regarding the stakeholders' understanding of irregular expenditure are presented in table 7 while table 8 presents the Kruskal-Wallis test results, which test for a significant difference in stakeholders' understanding of irregular expenditure.

Table 7: Mean of Responses on Stakeholders' Understanding Irregular Expenditure.

	Councillors	Audit Committees	Public	Consultants
B1: Irregular expenditure is a common problem faced by municipalities	4,6	4,41	4,64	4,64
B2: Irregular expenditure involves unauthorised or improper use of public funds	4,55	4,4	4,58	4,58
B3: Irregular expenditure negatively impacts the financial stability of municipalities	4,94	4,89	4,98	4,98
B4: I am aware of specific instances of irregular expenditure in the municipality	4,55	4,36	4,36	4,6
B5: The consequences of irregular expenditure are adequately communicated to stakeholders	1,93	2,29	1,16	2,18
B6: The municipality prioritises ethical behaviour, reducing the occurrence of irregular expenditure	1,38	2,92	1,17	2,24
B7: Employees and stakeholders can report irregular expenditure without fear of retaliation	2,49	3,03	1,72	2,87
B8: The municipality's leadership sets a strong example of financial integrity and accountability	2,01	2,76	1,67	2,95
B9: Transparency in financial matters is actively practiced and promoted by the municipality	2,06	3,13	1,12	2,65

Source: Author (2024)

Table 8: Kruskal-Wallis H Test
Test Statistics[a,b]

	Kruskal-Wallis H	df	Asymp.Sig.
B1	12,899	4	0,112
B2	6,002	4	0,119
B3	1,455	4	0,135
B4	13,187	4	0,110
B5	7,271	4	0,009
B6	9,826	4	0,026
B7	11,403	4	0,048
C8	8,842	4	0,023
C9	10,014	4	0,158

Source: Author (2024)

a. Kruskal Wallis Test
b. Grouping Variable: Position

Table 7 shows the average ratings of the response of each stakeholder group for nine statements related to irregular expenditure. The results suggest that stakeholders across all groups perceive irregular expenditure as a prevalent issue faced by KZN municipalities or statements B1 to B4. The high average ratings, which range from 4,36 to 4,98 indicate a consensus among the various groups on irregular expenditure. The high average ratings for statements B1 to B4 suggest the high level of awareness among stakeholders about the prevalence of irregular expenditure in municipalities. Media coverage, audit reports, and past experiences of irregular expenditure may have influenced the consensus on this issue. These incidents might have had an impact on their perspectives and increased their understanding of irregular expenditure.

The perspectives of stakeholders about whether the effects of irregular expenditure are effectively communicated to stakeholders (B5) and whether the municipality prioritises moral behaviour to prevent irregular expenditure (B6) However, differ significantly. According to Table 8, the Kruskal-Wallis H Test shows a statistically significant difference in how stakeholders perceive if the effects of irregular expenditure are appropriately communicated to stakeholders (B5 = 0,009; B6 = 0,026). Kruskal-Wallis proposed the Kruskal Wallis test in 1952, which is a nonparametric method for testing whether samples originated from the same distribution (Fan, Feng & Xia 2020). The null hypothesis of the Kruskal-Wallis test is that the mean ranks of the groups are the same. As the nonparametric equivalent of one-way ANOVA, the Kruskal-Wallis test is called one-way

ANOVA on ranks (Fan, Feng & Xia 2020). The mean ratings from councillors and audit committees were lower than those from the public and consultants. This discrepancy may result from poor communication channels or a lack of transparency on the part of municipalities in disclosing the effects of irregular expenditure. Improved communication strategies may be necessary to address this concern and ensure stakeholders are well-informed about the outcomes of irregular expenditure incidents.

Kruskal-Wallis results revealed a significant difference in stakeholders' perceptions of whether the municipality prioritises ethical behaviour to reduce irregular expenditure (B6). Councillors rated this statement significantly lower than other groups. This raises concerns about councillors' commitment ethical standards, which may contribute ongoing of irregular expenditure incidents. Promoting ethical behaviour within the municipality's leadership and aligning it with anti-corruption efforts can help mitigate these occurrences.

The results further revealed significant differences (*p*-value = 0,048) in stakeholders' perceptions of whether employees and stakeholders can report irregular expenditure without fear of retaliation (B7). Councillors, public participants, and consultants provided lower average ratings, implying concerns about the protection of whistle-blowers. To address this issue, measures should be implemented to protect whistle-blowers and ensure a safe environment for reporting irregularities. The findings regarding the municipality's leadership setting a strong example of financial integrity and accountability (B8) also reveal significant differences (*p*-value = 0,023) among the stakeholders. The Kruskal-Wallis test revealed significant differences in stakeholders' perceptions of whether the municipality's leadership sets a strong example of financial integrity and accountability. Councillors and the public rated this statement lower compared to consultants. This disparity might be due to differences in the perceived transparency and accountability demonstrated by municipal leadership. Stronger leadership examples of financial integrity can foster a culture of responsible spending and governance.

Transparency in financial matters being actively practiced and promoted by the municipalities (B9), received similar average ratings across the groups. While not statistically significant (*p*-value = 0,158) the lower average ratings given by councillors and the public for transparency in financial matters raise questions about the effectiveness of current transparency practices. Transparent financial practices are essential for gaining stakeholders' trust and ensuring proper management of funds. Enhancing transparency efforts can improve stakeholders' confidence in municipal financial management.

The research findings shed light on stakeholders' understanding of irregular expenditure in KwaZulu-Natal municipalities. While there is a consensus on the commonness of irregular expenditure, there are significant differences in perceptions regarding communication, ethical behaviour, accountability, and transparency. To effectively prevent irregular expenditure, municipalities should prioritise ethical leadership, enhance communication about irregularities and their consequences, protect whistle-blowers, and promote transparent financial practices. These efforts, coupled with collaborative approaches, can contribute to reducing irregular expenditure and fostering better financial stability in KwaZulu-Natal municipalities. Policymakers, municipal authorities, and relevant stakeholders must use these findings to inform policy decisions and implement measures that lead to improved financial governance and accountability.

5.2.4. Stakeholders' Perspectives on the Causes of Irregular Expenditure

The stakeholder views on the reasons behind irregular expenditure in KwaZulu-Natal municipalities are presented in this section. A 6-point Likert scale questionnaire was used to collect the data, with options for strongly agree, disagree, neutral, agree, strongly disagree, and not sure. The results from the administration of the questionnaire are shown in Table 9.

The Kruskal-Wallis tests, which demonstrate the degree of variation in the stakeholders' responses, are also presented in Table 10.

Table 9: Stakeholders Perspectives of the Causes of Irregular Expenditure

	Councillors	Audit Committee	Public	Consultants
C1. Irregular expenditure is caused by corrupt practices by some politicians	3,55	4,37	4,60	4,63
C2. Weak internal controls contribute to incidents of irregular expenditure in municipalities	3,55	3,37	4,60	3,63
C3. Tender irregularities are not properly investigated	4,55	4,39	4,61	4,64
C4. Proper monitoring and oversight of financial transactions is lacking in the municipality	2,49	3,3	4,53	3,53
C5. Irregular expenditure is caused by fraud and corruption by municipal officials	3,72	2,54	3,78	3,89
C6. Pressure to achieve short-term financial targets leads to irregular expenditure practices	3,65	3,47	4,70	3,77
C7. Irregular expenditure occurs due to collusion among internal and external stakeholders	3,71	4,51	3,77	2,87
C8. The complexity of public procurement processes increases the risk of irregular expenditure	2,02	2,99	1,08	2,09
C9. Individual employees involved in irregular expenditure are held personally accountable	2,17	1,39	1,62	2,66
C10: Municipal officials responsible for financial management bear ultimate responsibility	4,22	2,07	3,28	3,32
C11: Councillors play a significant role in preventing irregular expenditure	3,93	4,19	4,32	4,08
C12: The consequences for those involved in irregular expenditure are sufficient to deter misconduct	4,81	3,95	4,53	3,53
C13: There is no effective mechanisms to detect irregular expenditure in the municipality.	3,72	2,54	4,68	4,01
C14: Reporting irregular expenditure is encouraged and protected within the municipality	2,96	1,84	1,27	1,82
C15: The municipality conducts regular internal audits to identify potential irregularities	2,38	3,14	2,39	1,75
C16: The public is well-informed about how to report suspected cases of irregular expenditure	2,16	2,53	1,97	2,75
C17: There are adequate channels to report irregular expenditure anonymously if needed	2,48	3,12	1,83	2,04

Source: Author (2024)

Table 10: Kruskal-Wallis H Test

	Kruskal-Wallis H	Df	Asymp. Sig
C1	11,695	4,0	0,122
C2	11,655	4,0.	0,098
C3	11,554	4,0	0,021
C4	9.458	4,0	0,057
C5	13.552	4,0	0,069
C6	15,644	4,0	0,004
C7	14,689	4,0	0,075
C8	0,955	4,0	0,917
C9	12,861	4,0	0,012
C10	10,426	4,0	0,068
C11	9,527	4,0	0,117
C12	12,861	4,0	0,810
C13	11,506	4,0	0,069
C14	10,191	4,0	0,018
C15	13,062	4,0	0,147
C16	8,535	4,0	0,135
C17	11,638	4,0	0,096

Source: Author (2024)

a. Kruskal Wallis Test
b. Grouping Variable: Position

Table 10 shows the average ratings provided by different stakeholder groups (councillors, audit committee, the public, and consultants) for seventeen statements (C1 to C17). The results shed light on stakeholders' understanding of the root causes of irregular expenditure and revealed potential variations in perceptions among diverse groups. The results for C1, show that on average, most stakeholder groups believe that corrupt practices by politicians contribute to irregular expenditure. However, councillors' ratings were comparatively lower. This discrepancy could be attributed to councillors' proximity to the political sphere, making them more cautious in acknowledging or attributing irregular expenditure to politicians' actions. However, the Kruskal-Wallis test confirms no significant difference in perceptions (p= 0,122) among stakeholder groups. Concerning C2, the ratings suggest that stakeholders agree that weak internal controls play a role in causing irregular expenditure. The Kruskal-Wallis test indicates no significant difference (p=0.098) in stakeholders' perceptions of weak internal controls.

The mean score for C3, concerning whether tender irregularities are not properly investigated, indicates that most stakeholder groups (councillors, audit committee, the public, and consultants) believe that tender irregularities are not properly investigated in KwaZulu-Natal municipalities. The high average ratings across all groups suggest a shared concern about the lack of effective investigation processes for tender-related irregularities. Tender irregularities might involve political interests and powerful stakeholders, leading to political interference in the investigation process. This interference can hinder the proper investigation of irregularities and prevent accountability. In addition, the complex bureaucratic processes and red tape within municipalities could slow down investigations and prevent timely action on tender irregularities. The independence of the investigation process could be compromised in some cases due to external pressures or influence. When the investigation lacks independence, it may not lead to unbiased and comprehensive findings.

The average ratings for B4 (proper monitoring and oversight of financial transactions is lacking in the municipality) show a trend like the weak internal controls statement. Councillors provided the lowest rating among the groups, possibly because their focus is more on policymaking than on daily financial operations. The Kruskal-Wallis test shows no significant difference (p=0,057) in stakeholders' perceptions of the lack of proper oversight and monitoring of financial transactions.

The average ratings for B5 indicate that most stakeholder groups agree that irregular expenditure is caused by fraud and corruption by municipal officials. This perception aligns across all groups, suggesting a widespread belief in the role of fraud and corruption in contributing to irregular expenditure. Previous cases of fraud and corruption involving municipal officials may have become public knowledge, leading stakeholders to believe that such incidents contribute to irregular expenditure. The views of stakeholders that corruption is a major cause of irregular expenditure may have been impacted by negative media coverage and controversies involving dishonest actions by municipal officials. Stakeholders who interact with municipal officials may have first-hand knowledge of corrupt practices or experiences that have influenced their perceptions of the reasons behind irregular expenditure.

According to the Kruskal-Wallis test, there is a substantial difference between stakeholders' assessments of how pressure to meet short-term financial targets affects irregular spending (p=0,004). Councillors and consultants provided lower ratings, compared to audit personnel and the public. This discrepancy may be the result of the councillors' daily involvement in financial operations and decision-making, which has made them more conscious of the demands associated with attaining goals. On the other hand, audit personnel gave the highest average rating on the stakeholders' assessments of collusion as the root cause of irregular expenditure, even though the Kruskal-Wallis test did not reveal any statistically significant difference (p=0,075). This could be a result of audit staff investigators being more likely to find evidence of cooperation.

Additionally, the Kruskal-Wallis test indicates no significant difference (p=0,917) in stakeholders' perceptions of the complexity of public procurement processes contributing to irregular expenditure. The Kruskal-Wallis test reveals a significant difference (p=0,012) in stakeholders' perceptions of individual employees involved in irregular expenditure being held personally accountable. Councillors gave the highest average rating, suggesting their support for stronger accountability measures. Moreover, the Kruskal-Wallis test shows no significant difference (p=0,068) in stakeholders' perceptions of municipal officials responsible for financial management bearing ultimate responsibility. There was also no significant difference (p=0,117) in stakeholders' perceptions of the role of councillors in preventing irregular expenditure.

The Kruskal-Wallis test shows no significant difference (p=0,081) in stakeholders' perceptions of whether the consequences for those involved in irregular expenditure are sufficient to deter misconduct. Similarly, no significant difference (p=0,069) was recorded in stakeholders' perceptions of the effectiveness of mechanisms in place to detect irregular expenditure and encourage and protect reporting of irregular expenditure within the municipality (p=0,018). Councillors and consultants provided lower ratings, suggesting potential concerns about the effectiveness of existing protection mechanisms.

The result demonstrates no significant difference (p=0,147) in stakeholders' perceptions of conducting regular internal audits to identify potential irregularities. The Kruskal-Wallis test indicates no significant difference (p=0,135) in stakeholders' perceptions of the public being well-informed about how to report suspected cases of irregular expenditure. The Kruskal-Wallis test indicates no significant difference (p=0,096) in stakeholders' perceptions of adequate channels to report irregular expenditure anonymously if needed. The findings have several implications. The perception of corrupt practices by politicians and collusion among stakeholders implies the need for stringent anti-corruption measures and transparency in political decision-making. Recognising weak internal controls suggests the importance of investing in robust internal audit and control systems to prevent irregular expenditure. Moreover, stakeholders' perspectives on pressure for short-term targets highlight the crucial role of ethical leadership and accountability in financial decision-making. Improving transparency in public procurement and protecting whistleblowers of irregular expenditure also encourages reporting and prevents financial misconduct.

The findings on stakeholders' perspectives on the causes of irregular expenditure in KwaZulu-Natal municipalities provide valuable insights into the challenges faced by the local governance system. The study highlighted the need to address corrupt practices, strengthen internal controls, promote ethical leadership, enhance transparency, and enforce accountability to prevent irregular expenditure.

5.2.5. Presentation and analysis of qualitative results on causes of irregular expenditure

This section analyses qualitative results obtained from interviews with ten councillors from KZN municipalities. Qualitative research was conducted to answer the question: What are the stakeholders' opinions on the causes of irregular expenditure in KZN municipalities? The findings from the interviews are visually represented through thematic maps and project maps generated using NVivo 20. Additionally, frequency tables provide a comprehensive visualisation of the emerging themes. Figure 5.1 shows the most cited themes. The themes that emerged from the interviews include the following: abuse of power, cadre deployment, fraud, corruption, and collusion, intentional violation of rules, lack of consequence management, coordination of state institutions, integrity, protection of whistleblowers, qualified personnel, and poor planning.

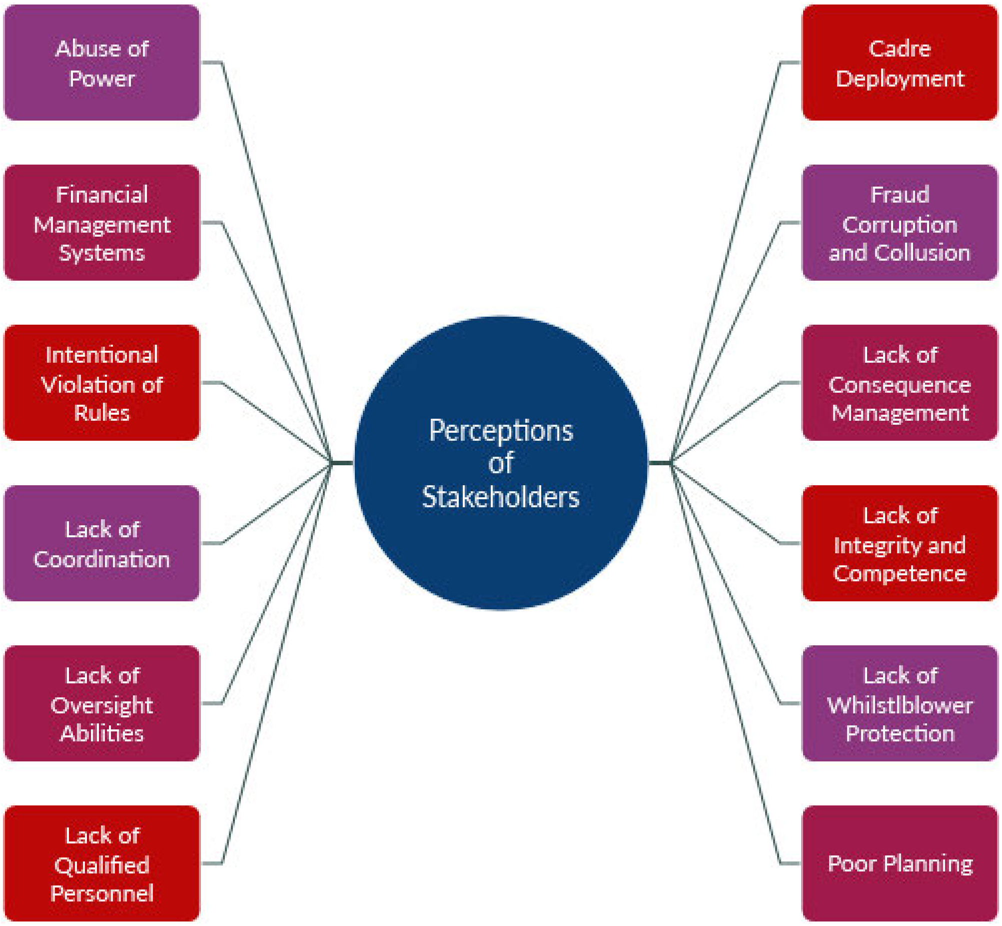


Figure 7: Thematic Maps on Causes of Irregular Expenditure.

Source: NVivo 20

As illustrated in the Thematic Map in Figure 7, the qualitative study's findings reveal a complex array of factors contributing to irregular expenditure in KZN municipalities. If left unaddressed, this issue is likely to persist. Notably, the most prominent theme to emerge from interviews with KZN councillors was the dual concern of cadre deployment and the shortage of qualified personnel, highlighting the need for urgent attention to these underlying issues. Table 11 below shows the frequency of citations and the weighted percentage for the themes that emerged from the interviews. It must be noted that fraud, corruption and collusion, lack of consequence management, and lack of qualified personnel are also cited themes, as displayed in Figure 7 above.

Table 11: Frequency Distribution of the Causes of Irregular Expenditure

Theme	Frequency	Weighted Percentage (%)
Fraud, Corruption and Collusions	3	9,09
Abuse of Power/Power and Greed.	1	3,03
Cadre Deployment.	6	18,18
Financial Management Systems, Legislation and Policies.	2	6,06
Intentional and Deliberate Violation of the Rules.	1	2,03
Lack of Consequence Management.	3	9,09
Lack of Integrity and Competence of the bid Committee's and Supply Chain Management.	2	6,06
Lack of Oversight Abilities of Municipal Public Accounts Committee's (MPAC'S).	1	3,03
Lack of Protection of Whistle-blowers, Fear, Intimidation and Killings.	2	6,06
Lack of Qualified Personnel.	2	15,15
Poor Planning and Ineffective Project Management.	4	12,12
		6,06

Source: NVivo 20

Councillors who identified cadre deployment as the primary driver of irregular expenditure expressed concern that most irregularities arise from the intentional disregard of supply chain management processes, which enable connected individuals, those with political ties, to benefit unfairly. For example, councillor 1 put it this way *"The bulk of irregular expenditure occur because the SCM processes are deliberately ignored to benefit politically connected persons… you need individuals who will compromise their integrity and ethics to award tenders to particular people."* The themes presented in Figure 7 align with the quantitative results, demonstrating a consistent convergence of findings from both the questionnaire and interview data, thereby reinforcing the validity of the results. The results are also consistent with Mlambo, Zubane & Thusi (2022), who found that cadre deployment was a key factor perpetuating a culture of impunity and lack of accountability, which erodes the public sector's ability to function effectively. According to Mlambo, Zubane & Thusi (2022), this has severe implications for governance and service delivery, undermining efforts to achieve inclusive development and poverty eradication, with widespread consequences for the country's development trajectory. In addition, the results of the current study are consistent with Mtisho & Rutenge (2024)'s findings of the connection between political meddling and project management failure. The results also agree with the earlier research done by Shava & Chamisa (2018), which revealed that cadre deployment worsens issues such as corruption, inadequate procurement practices, wasteful spending, and the declining state of local government. Researchers like Masoud (2023); Mtisho & Rutenge (2024) highlight how political manipulation of procurement procedures can skew resource allocation and encourage irregular expenditure.

The interviews also revealed that the other primary driver of irregular expenditure in KZN municipalities is the prevalence of fraud, corruption, and collusion in the tender awarding process. Councillor 9 put it *"The bulk of it is the systematic looting, and that is my opinion. And I can tell you that as far as the municipality that I am a councillor in, it is there for everyone to see."* This is perpetuated by bid committee officials who collude to award tenders to companies with which they have personal connections, thereby undermining the integrity of the process. The findings from the interviews align with the quantitative results, collectively underscoring the deep-seated nature of this problem within municipalities. The results validate Lyra, Pinheiro & Bação (2022), who found that collusion, maladministration, fraud, corruption, misuse, and mismanagement of resources are prevalent in public procurements. Furthermore, the current study's findings are consistent with the results of Mugari, Chigwandaza & Obioha (2023) in Zimbabwe, which identified corruption, embezzlement, and fraud as the primary forms of white-collar crime prevalent in local authorities, resulting in irregular expenditure. According to Mantzaris (2017), there is a variety of corrupt behaviour in the SCM and procurement landscape, including fraud, embezzlement, and irregular and undesired purchases, and this has affected municipalities.

Councillors (Councillor 1 and Councillor 5) who identified a lack of consequence management as the primary factor contributing to irregular expenditure contended that municipal officials and politicians evade accountability for their actions due to concerns about reprisal or job security. Councillor 1 stated that *"municipal officials and politicians normally avoid implementing consequence management for irregularities due to fears of retaliation or job loss". Whereas* Councillor 5 put it *"there is a lot of SCM corruption that happens in departments, but you find that there is no consequence management to supply chain management staff and senior managers".* This observation is in line with quantitative results, and this reveals how this problem is entrenched in KZN municipalities. In addition, the observations made are in line with Mamve (2022), who argued that the root causes of irregular expenditure can be classified into three areas: inadequate skills and capacity; governance failures; and lack of accountability and consequence management. The results of the current study are also consistent with Nzimande & Padayachee

(2017); Tikoe (2024), who found that municipalities are struggling with regulating irregular, unauthorised, fruitless, and wasteful expenditures, and there has been no progress made by municipalities regarding this matter.

Interviews also revealed that individuals responsible for irregular expenditure escape punishment, shielded by influential politicians, which perpetuates the persistence of this challenge. The results resonate with the quantitative results, demonstrating consistency. Councillors (Councillor 1 and Councillor 3) who cited a lack of coordination as the cause of irregular expenditure indicated that the Hawks and Auditor General do not seem to be working together to fight corruption. In addition, when the Auditor General's office comes to do the audit, they speak to only the people who are committing all these irregularities and who participate in it. They will never come and speak to any other councillors, and this perpetuates the problem. Councillor 3 put *it "Tender documents are destroyed under the supervision of the municipal manager, and money is stolen by the municipal manager, but auditors still go to the same accounting officer to ask about the stolen money and lost records, this encourages corruption in municipalities".* According to Councillor 3, the convening of council meetings to discuss audit findings needs to involve a larger range of stakeholders. An approach like this could support good governance concepts including accountability, openness, and meaningful representation of various viewpoints (Masegare & Ngoepe, 2018). Similarly, the councillors' concerns about the narrow focus of the Auditor General's engagement and potential political influence impacting audit processes are consistent with the arguments raised by Olaoye, Aguguom, Safiriyu & Abiola (2019) about the necessity of unbiased and thorough audits.

Councillors (Councillor 1, Councillor 2, Councillor 3 and Councillor 5) who highlighted the lack of qualified personnel as the major cause of irregular expenditure posited that lack of skilled personnel is caused by cadre deployment. As a result of the lack of skill, KZN municipalities incur irregular expenditure. Councillor 5 remarked as follows *"cadre deployment has ensured that employment in municipalities is reserved for inadequately equipped supply chain management staff and supply chain management committee members."* The emphasis on personnel competence aligns with the reports that skilled and trained personnel are crucial for effective financial management and governance (Zweni, Mahlala, Yan & Ndevu, 2023). The deficiency of relevant training for supply chain management officials raises questions about the adequacy of current training programs and the need for continuous professional development aligned with the evolving regulatory landscape. The current study's findings also corroborate Dlomo's (2017) research, which revealed that irregular expenditure results from the failure to appoint officials with appropriate qualifications and the increase in the senior management turnover rate.

According to two councillors (Councillor 1 and Councillor 5), who highlighted the lack of oversight as the major cause of irregular expenditure, the issue of oversight is compromised when some council members are unable to read and write, hindering their ability to hold municipal officials accountable. This literacy gap creates opportunities for municipal officials to engage in irregular expenditure without detection. Councillor 1 remarked *"officials prepare financial reports and go teach and interpret for councillors the meaning of the reports because councillors are not skilled to read and understand."* The same observations were made by Moji, Nhede & Masiya (2022). According to Moji, Nhede & Masiya (2022), the implementation of oversight mechanisms in South African municipalities is hindered by a range of factors, including inadequate internal control tracking systems, which fail to provide evidence of financial transactions and decisions. Furthermore, Moji, Nhede & Masiya (2022) found that the Auditor General's limited capacity to conduct regular progress checks on recommended actions means that issues identified in audits may not be addressed promptly. In addition, Moji, Nhede & Masiya (2022) found that nepotistic practices in municipal appointments also undermine the effectiveness of oversight mechanisms, as they can lead to unqualified or unsuitable individuals being placed in key positions. Warkula & Kusumawati (2022) underlines the necessity of comprehensive supervision mechanisms to reduce fraud and restore budgetary integrity, complements the study.

Two councillors (Councillor 3 and Councillor 5) highlighted the lack of protection for whistle-blowers as the driver of irregular expenditure, emphasising that whistle-blowers in South Africa face threats, leading to a culture of silence. As a result, procurement irregularities go unreported due to fear of reprisal. To effectively address this issue, municipalities must prioritise protecting whistle-blowers, ensuring a safe and supportive environment for reporting wrongdoing. Councillor 3 stated *"fear, intimidation and threats are instilled to officials and councillors opposed to tender fraud and corruption."* Councillor 5 remarked *"those who speak out against corruption are assassinated*." This study validates arguments raised by Nortje (2023) that safeguarding whistle-blowers is vital in fostering an environment conducive to decent work and sustainable growth. According to Nortje (2023), protecting whistle-blowers ensure the integrity of public investments in infrastructure, which can have a profound ripple effect on job creation, stimulating both indirect and induced employment opportunities.

One councillor (Councillor 2) argued through interviews conducted that irregular expenditure is intentional. Councillor 2 stated "*Contractors, service providers, politicians and officials plot the looting of municipal resources, all is planned well in advance."* The councillor who highlighted this as the cause of irregular expenditure argued that it is planned, and municipal officials and politicians caucus on which contractor must get which tender. Political influence makes it possible for officials to violate tender rules openly. The experiences of the participants above are supported by newspaper reports and academic studies. Makaralala (2023) found that officials manipulated the supply chain management processes, leading to the awarding of a tender to certain service providers, and later demanded a fixed number of regular kickbacks from these service providers. Mashapu, Matubatse & Ngwakwe (2024) found that businesspeople work as cartels and pay bribes to officials who ensure that certain municipal contracts are given to them. Similarly, Ambe (2016) found that supply chain management processes are intentionally ignored to benefit certain people. From the above causes, it is evident that irregular expenditure in KZN municipalities is driven by several factors, most of which are displayed in the thematic map in Figure 7 above.

The interview results align with the quantitative findings, as the emerging themes from the qualitative analysis are consistent with the data collected through questionnaires. The least mentioned themes, each cited only once, include abuse of power and greed, intentional and of rules, and lack of integrity and competence within the bid committee and supply chain management. These themes, although less prominent, contribute to the overall understanding of the research topic and support the convergence of qualitative and quantitative findings.

5.3. Chapter summary

The chapter discussed the complex interplay of factors contributing to irregular expenditure in KwaZulu-Natal municipalities. The stakeholders' perspectives provide a window into the multifaceted factors causing irregular expenditure in the municipalities. The issues of fraud and corruption, cadre deployment, exploiting democracy for partisan protection, weak consequence management, weak policies and regulations, threats and political killings, challenges in planning and project management, and a lack of transparency collectively contribute to an environment ripe for financial irregularities. Addressing these challenges requires not only procedural adjustments but also a fundamental shift in the culture of governance. The cumulative impact of the identified causes poses significant implications for governance and public trust. A distorted democratic process that favours party loyalty over the public interest erodes the legitimacy of decision-making bodies. The identified lack of accountability and transparency amplifies suspicions of corruption and mismanagement, further diminishing public trust. As citizens witness irregular expenditure persisting and going unaddressed, their confidence in the municipality's ability to provide essential services and manage public resources erodes. This erosion of trust can lead to disengagement, citizen apathy, and even social unrest.

These findings have implications for policy, practice, and future research. Addressing irregular expenditure demands not only robust consequence management but also a concerted effort to balance democratic representation, ensure transparent processes, and promote effective planning and project management practices. This study underscores the need for multifaceted interventions to mitigate irregular expenditure and enhance financial management governance in KwaZulu-Natal municipalities and beyond. The following are suggestions to curb the incidence and prevalence of irregular expenditure in the KZN municipalities.

(i) A collaboration between political parties and external oversight bodies is essential for effective reforms. The councillors' call for unity and external monitoring reflects a recognition that a multi-faceted approach is required to tackle the systemic root causes of irregular expenditure. These perspectives are in line with academic recommendations for robust governance mechanisms, which include involving civil society organisations, strengthening accountability structures, and ensuring the independence of oversight bodies.

(ii) Municipalities should establish open bidding procedures with specific rules for awarding contracts. This includes steps to thwart political meddling and guarantee that contracts are allocated based on merit.

(iii) An investigation of unexplained wealth and addressing potential conflicts of interest can be made easier by councillors and other officials to submit to routine lifestyle audits and declare their assets.

(iv) Enhancing the capacity of bid committees and supply chain officials can also help to prevent manipulation and guarantee that decisions are made in accordance with objective standards.

(v) Regular external audits and independent audit committees are effective accountability and supervision mechanisms that can aid in the early detection of irregularities and the accountability of wrongdoers.

(vi) Fostering a culture of accountability and discouraging corrupt behaviour can be accomplished by including the community in oversight initiatives and increasing awareness of the detrimental effects of irregular expenditure.

(vii) Political leaders must show a steadfast dedication to combating corruption and irregular expenditure. No matter their political affiliations, anyone involved in corrupt actions must be held accountable.

The next chapter examines the implementation of consequence management for irregular expenditure and procurement irregularities.

CHAPTER 6: IMPLEMENTATION OF CONSEQUENCE MANAGEMENT IN KZN MUNICIPALITIES

6.1. Introduction

This chapter examines the consequences of irregular expenditure and related irregularities in KwaZulu-Natal municipalities. Building on the previous chapter about the incidents and causes of irregular expenditure, the chapter focuses on the implementation of consequence management for these issues. Qualitative and quantitative research methodologies were used to gather data through interviews and questionnaires. The primary aim was to solicit stakeholder perspectives on this implementation, providing a nuanced understanding of the issue. The quantitative findings from interviews offered valuable insights, while the qualitative results provided a broader understanding of stakeholder perceptions regarding the implementation of consequence management.

Furthermore, this chapter provides an overview of the socio-demographic characteristics of participants involved in the quantitative study. This contextual information facilitates a deeper understanding of the participants' perspectives, highlighting potential biases and influences. The integration of primary research findings with secondary data presents a comprehensive picture of the consequences of irregular expenditure and irregularities in KZN municipalities. This chapter contributes significantly to the understanding of consequence management in KZN municipalities. By studying the causes and implications of the lack of consequence management for procurement violations in KZN municipalities, this research adds to the current body of knowledge. By doing so, it provides a better understanding of the problems and potential solutions surrounding this issue, as well as insights that can help policymakers and decision-makers to manage this crucial issue.

6.2. Quantitative data presentation: Consequence management for irregular expenditure and procurement irregularities

Public procurement within municipalities plays a crucial role in South Africa's governance, emphasising equity, transparency, fairness, and cost-effectiveness. However, this study explores the stakeholders' perspectives on consequence management concerning irregular expenditure and procurement irregularities within KwaZulu-Natal municipalities. This section reports on the views of stakeholders regarding consequence management for irregular expenditure and procurement irregularities in KwaZulu-Natal municipalities, as gathered through a questionnaire. The responses of stakeholder groups, including councillors, audit committees, members of the public, and consultants, are presented in Table 12 and analysed to better understand their views on this crucial part of the government.

Table 12: Consequence Management for rregular Expenditure and Irregularities

Questionnaire items	Councillors	Audit Committee	Public	Consultants	Total
D1. Consequence management is used against officials who are not aligned with corrupt politicians.	4,65	4,49.	4,71	4,79	4,66
D2. Lack of cooperation among councillors hampers consequence management for financial transgressions	4,63	4,46	4,69	4,76	4,63
D3. Political connections lead to unqualified individuals in senior municipal positions.	4,59	4,4	4,63	4,67	4,57
D4. Personal wealth accumulation is the primary goal for politically deployed individuals in municipalities.	4,70	4,53	4,77	4,87	4,72
D5. Consequence management is used for political battles, eroding trust in its accountability function.	4,63	4,44	4,68	4,74	4,62
D6. Councils protect their political party members, failing to implement consequences for irregularities	4,58	4,41	4,63	4,67	4,58
D7. Fear of assassinations hinders consequences for politicians and officials.	4,58	4,4	4,63	4,67	5,57
D8. Fear of victimisation prevents implementing consequences for irregularities.	4,71	4,54	4,78	4,89	4,73
D9. Provincial government interventions are politically motivated.	4,15	4,17	4,16	4,16	4,16
D10. Performance agreements for managers don't effectively drive accountability and consequence management.	2,09	2,00	2,07	2,10	2,07
D11. Tender irregularities affect financial health and cause high irregular expenditure.	4,63	4,44	4,69	4,76	4,63
D12. Consequence management involves discipline, firing, arrest, and corrective actions.	4,50	4,33	4,54	4,54	4,48

Source: Author (2024)

Table 13: Kruskal-Wallis H Test
Test Statistics[a,b]

	Krusk-Wallis H	Df	Asymp. Sig.
D1	15,618	4	0,004
D2	15,421	4	0,004
D3	12,996	4	0,011
D4	13,469	4	0,009
D5	15,522	4	0,004
D6	11,391	4	0,023
D7	12,74	4	0,013
D8	13,547	4	0,009
D9	0,259	4	0,992
D10	1,980	4	0,739
D11	16,924	4	0,002
D12	8,302	4	0,081

Source: Author (2024)

a. Kruskal Wallis Test
b. Grouping Variable: Position

Stakeholders across the board express a shared concern that consequence management is wielded against officials who are not aligned with corrupt politicians. As shown in Table 13, the different groups of participants agree with the view that consequence management is used against officials who are not aligned with corrupt politicians. This is indicated by an average mean of 4,66 which includes all the various groups of participants, implying that they all strongly agreed that consequence management is used against officials who are not aligned with corrupt politicians. This consensus reflects a widespread belief in the influence of political connections on accountability within municipalities.

The participants were asked to indicate whether councillors failed to work together to manage the municipality for the benefit of the communities, thus resulting in a lack of implementation of consequence management for financial transgressions. All stakeholder groups are in alignment, emphasising that those political connections lead to the appointment of unqualified individuals to senior municipal positions. Table 13 present that all the various groups of participants had positive views. The mean scores of participants exceeded 4,62 suggesting that the participants strongly agreed with the statement. This consensus underscores the significance of merit-based appointments.

The participants were further surveyed to specify whether the practice of political deployments and nepotism has resulted in officials who were politically well-connected occupying senior management positions in municipalities, even though they lacked the formal qualifications and competencies to perform in their respective positions. Stakeholders concurred that personal wealth accumulation is the primary goal for politically deployed individuals in municipalities. The average mean score for all participants is 4,57 showing that the participants strongly agreed with the statement. This shared perspective reveals a concern about the motives behind public service.

In addition, concerning whether the accumulation of personal wealth is the primary goal for deploying individuals to municipalities, using party membership as a ticket for personal wealth accumulation, Table 13 shows that most participants in various groups strongly agreed, supported by mean scores that exceeded 4,53. Table 12 further demonstrates that the various groups of stakeholders were asked to indicate whether consequence management is used as a tool to fight internal party battles and political opponents, resulting in the lack of trust that it is an accountability and performance management mechanism. There is a consistent sentiment among stakeholders that consequence management is utilised for political battles, eroding trust in its accountability function. The consultants had the highest mean score of 4,74 indicating that participants strongly agreed. The other participants in various groups also strongly agreed with the statement. This perspective emphasises the need for a clear separation between political interests and public accountability.

Concerning whether the councils failed to implement consequences for public office bearers and officials implicated in irregularities because they protected the members of their political party, Table 13 reveals that the average mean score of all the various groups of participants is 4,58 indicating that most participants strongly agreed with the questionnaire item. The various groups were asked to indicate whether the councils failed to implement consequence management for politicians, public office bearers, and municipal officials implicated in irregularities because they feared for their lives, as people who enforce consequences are assassinated in municipalities. Surprisingly, councillors obtained a mean score of 4,58 indicating that they strongly agreed with the question. The rest of the various groups of participants also strongly agreed with the view, as shown by mean scores that exceeded 4,40.

Furthermore, Table 13 indicates that concerning whether the councils failed to implement consequences for politicians, public office bearers, and municipal officials implicated in irregularities because they feared victimisation. Stakeholders consistently assert that the fear of victimisation is one of the biggest barriers to consequences management for irregularities. The mean score of consultants is 4,89 demonstrating that most participants from this group strongly agreed with this questionnaire item. The rest of the participants, including councillors, members of the public, and audit committees also strongly agreed with the statement. This shared perspective underscores the need to protect those who expose wrongdoing.

The various groups of participants were also surveyed to indicate whether interventions by the provincial government are politically motivated, as the provincial MEC targets municipalities where he/she does not command strong political support. The results showed that all stakeholder groups agree that provincial government interventions are driven by political motivations. The public and consultants' participants also had similar views, obtaining a mean score of 4,16 indicating that they also strongly agreed with the statement. Audit committees also strongly agreed with a mean score of 4,17. This perspective suggests that interventions may not always be impartial or objective.

Stakeholders acknowledge that performance agreements for managers are ineffective in driving accountability and consequence management. Table 13 shows that stakeholders indicated performance agreements for municipal and senior managers are not used effectively to address underperformance. The mean score from various respondent groups exceeded 2,00 indicating that most participants disagreed with the assertion of ineffectiveness. This shared perspective highlights the need for performance evaluation reforms. The participants were then asked to indicate whether tender irregularities result in liquidity problems and negative financial health, resulting in a close relationship between high irregular expenditure and poor financial health of the municipality. The stakeholders recognise that tender irregularities have a detrimental impact on financial health, resulting in high irregular expenditure. The average mean score of various groups is 4,63 indicating that most participants strongly agreed with the question. This perspective emphasises the link between procurement practices and fiscal responsibility.

Concerning whether consequence management means people must be disciplined, fired, or arrested at all costs, it also covers the corrective action taken to prevent recurrence. Stakeholders across the board acknowledge that consequence management involves discipline, firing, arrest, and corrective actions. The public and consultants obtained a similar mean of 4,54 indicating that most participants in these groups strongly agreed with the questionnaire item while the rest of the various groups of participants also strongly agreed with mean scores that exceeded 4,33. This perspective reinforces the multifaceted nature of accountability.

The analysis of stakeholders' perspectives on consequence management for irregular expenditure and procurement irregularities in KZN municipalities reveals a complex and challenging landscape. The following points further elaborate on the discussion. The consistent acknowledgment of political influence as a driver of consequence management decisions raises a critical concern. It suggests that political affiliations and connections outweigh transparency, fairness, and meritocracy in sourcing contractors and appointments. This politicisation of the process erodes public trust in the accountability mechanisms in place. Addressing this issue requires a fundamental shift towards depoliticising procurement and appointments, ensuring that individuals are selected based on qualifications and competence rather than political allegiance.

The widespread perception that a lack of cooperation among councillors hampers consequence management for financial irregularities underscores the importance of unity within municipal leadership. This issue highlights the need for stronger governance structures and a collaborative approach to decision-making. Without cooperation, consequences for irregularities are likely to remain elusive, further eroding the effectiveness of accountability mechanisms. The fear of assassinations and victimisation as deterrents to implementing consequences is a grave concern. It exposes the threats and dangers faced by those who aim to expose irregularities and hold wrongdoers accountable. Protecting whistleblowers and individuals reporting irregularities is paramount for maintaining transparency and accountability. This issue calls for comprehensive measures to safeguard the safety and identity of those who come forward.

The results have far-reaching implications for the governance and accountability practices in KZN municipalities. The prevalent influence of political affiliations in procurement and appointments necessitates the urgent need to depoliticise these processes. Merit-based criteria should be strictly adhered to, ensuring that individuals with the necessary qualifications and competence are appointed to key positions. This approach will enhance transparency and credibility in municipal operations. The acknowledgment of the detrimental impact of a lack of cooperation among councillors on accountability underscores the importance of fostering teamwork within municipal leadership. Municipalities should work towards building a culture of collaboration and consensus in decision-making, strengthening the accountability framework.

Addressing the fear of assassinations and victimisation requires robust whistleblower protection mechanisms. Municipalities, in coordination with relevant authorities, should establish secure channels for reporting irregularities and provide legal safeguards to those who come forward. This will encourage transparency and accountability in governance. The consensus that performance agreements for managers lack effectiveness in driving accountability implies a need for their re-evaluation. Performance agreements should be revised to ensure that they serve as effective tools for measuring and promoting accountability within municipalities.

Recognising the link between tender irregularities and the financial health of municipalities highlights the urgency of addressing this issue. Implementing tighter controls and oversight mechanisms in procurement processes can help curb irregularities, leading to improved financial stability. These implications underscore the multifaceted nature of the challenges facing KZN municipalities in consequence management for procurement irregularities. Addressing these issues requires a comprehensive and collaborative effort involving various stakeholders, government bodies, and civil society. These reforms aim to improve transparent financial management, accountability, and the safeguarding of resources within KZN municipalities, benefiting the public and fostering good governance.

6.3. Qualitative analysis of consequence management for irregular expenditure and procurement irregularities

This section highlights the qualitative results and themes that emerged from questions related to consequence management. The most cited themes from interviews conducted are shown in the project map displayed in Figure 6 below and Table 14 below. Nine themes that emerged from the interview results carried out are: assassinations and killings, cadre deployment, collusion between councillors, officials, and service providers, lack of clear disciplinary processes, and guidelines, lack of political will by councillors, non-implementation of performance management policies, poor record keeping, the entrenchment of mafia gangsterism in the running of municipalities, and threats and victimisation. The prevalence of these themes reinforces the quantitative findings, highlighting a strong alignment between the insights gathered from interviews and those obtained through questionnaires. Table 14 below shows the themes that emerged and the frequency of their citations during interviews.

Table 14: Frequency of Citations of Themes on Consequence Management.

Theme	Frequency	Weighted Percentage %
Assassinations and Killings	1	8,33
Cadre Deployment	1	8,33
Collusion between Councillors, Officials and Service Providers	3	25,00
Lack of Clear Disciplinary Processes and Guidelines	1	8,33
Lack of Political will by Councillors	1	8,33
Non-implementation of Performance Management Policies	1	8,33
Poor Record Keeping	1	8,33
The Entrenchment of Mafia Gangsterism in the Running of Municipalities	1	8,33
Threats and Victimisation	1	8,33%

Source: NVivo 20

The project map in Figure 6 below shows the themes that emerged when KZN councillors were asked about the implementation of consequence management for irregular expenditure and procurement irregularities in KZN municipalities. As displayed in Figure 8 below, the implementation of consequence management for irregular expenditure and procurement irregularities in KZN municipalities is affected by a lack of political will by councillors. The interview participant (Councillor 5) who cited this challenge revealed that councillors are part of the looting that is happening in municipalities, which is why they are not willing to discipline officials who commit irregularities in municipalities. Councillor 5 commented *"Councillors deliberately withheld investigation reports, refusing to present and discuss them or make recommendations based on the findings because they are either implicated or their political connections and comrades are involved in the fraud and corruption."* The same findings also come from a study conducted by Munzhedzi (2020) who argued that the challenge for most municipalities is that they lack the requisite capacity and political will to implement such policies.

It also emerged that the implementation of consequence management for irregular expenditure and procurement irregularities in KZN municipalities is hampered by the lack of oversight abilities of municipal public accounts committees (MPACs). Councillors who cited this challenge argued that democracy overrides governance in municipalities. When MPAC members are voted in, it depends on which councillor has the numbers in council, and this will end up leading to incapable councillors voted as members of MPAC. Councillor 9 remarked *"Democracy fails good governance in councils, as councillors use their numbers to vote members of MPAC based on political cadre deployment instructions rather looking at the experience and knowledge of the councillor."* The results of this study resonate well with Moji, Nhede & Masiya (2022), which discovered that factors impeding the implementation of oversight mechanisms in South African municipalities include: incompetent and futile audit committees and management's inability to enforce consequences. The current study's findings agree with Mashabela & Thusi (2024), which identified key obstacles hindering the implementation of consequence management, including inadequate skills and capacity, corruption, disjointed systems within the municipality, and budgetary constraints. These findings align with the current study's results, underscoring the significance of addressing these challenges to enhance municipal effectiveness. The convergence of these findings emphasises the need to tackle these interconnected issues, which collectively impede the municipality's ability to function optimally, to improve municipal outcomes and foster a more efficient and effective local government.

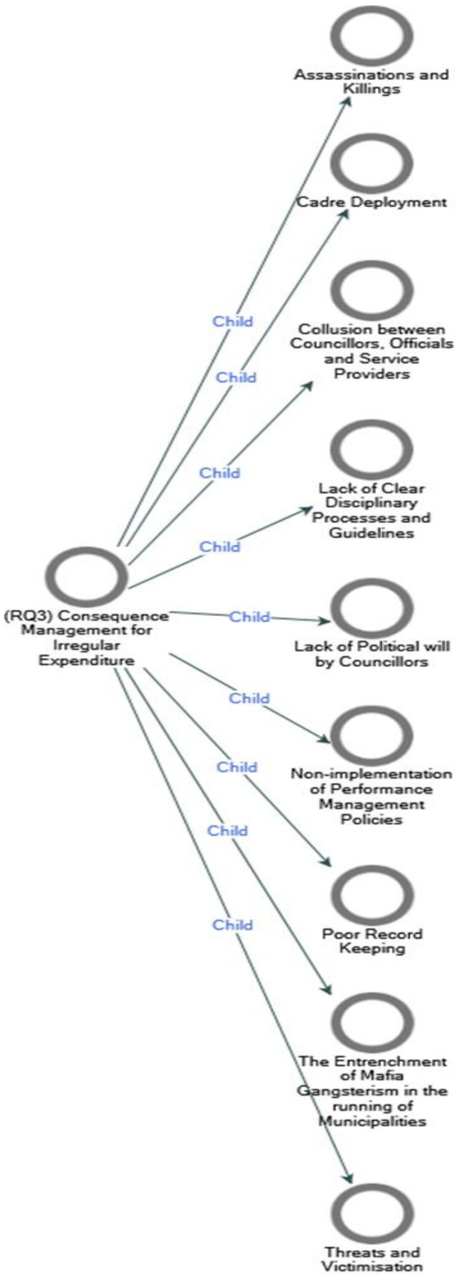


Figure 8: Thematic Maps on Consequence Management for Irregular Expenditure

Source: NVIvo 20

Participants indicated that councillors ignore good governance when they vote for members of MPAC; instead, they use slate politics and numbers in council to vote people into MPAC and this is compromising issues of consequence management. During the interviews, councillors pointed out that the lack of implementation of performance management policies by municipalities is a significant obstacle to effective consequence management. Councillors who highlighted this challenge argued that municipalities passed a performance management policy, but this was never implemented. Councillor 7 remarked *"because most of the employees in the municipality are politically deployed, card carrying and active branch members of the political parties, no one is brave enough to supervise them, they just come in to finish the day, but there is no staff supervision."* Mohangi & Nyika (2023) yielded similar results, highlighting the numerous challenges encountered in implementing performance management. Notably, their research revealed a disconnect between employees' and employers' understanding of performance management, leading to differing expectations. Furthermore, Mohangi & Nyika (2023) discovered that political interference in the administrative and bureaucratic aspects of local government hinders the effectiveness of performance management, as politicians dominate decision-making processes, undermining the intended purpose of performance management. The results of the current study also resonate with findings of a research conducted by Ndasana & Umejesi (2022) who found that no approved Performance Management System (PMS) policy framework had been endorsed by one of the big municipalities in the Eastern Cape province in South Africa. As shown in the project map in Figure 6 above, the entrenchment of mafia gangsterism in the running of municipalities also emerged as a theme concerning consequence management. According to Councillor 8 politicians, taxi bosses, and influential businesspeople team up with officials and councillors to loot in municipalities, and this prevents the implementation of consequence management. Councillor 8 reported pervasive incidents of entrenched mafia gangsterism in the municipalities that affect the proper implementation of consequence management in the municipalities in KZN.

Threats and victimisation also emerged as another challenge encountered in the implementation of consequence management in KZN municipalities. Councillors 7 and 10 highlighted that whistleblowers who report poor-performing contractors face retaliation, including threats of job loss, which complicates the implementation of consequence management in KZN municipalities. Councillor 10 remarked *"cadre deployment created contractors that are untouchable, they do small piece of work and demand full payment."* Councillor 7 stated that *"Contractors with a political backing do not work at all but demand payment as a matter of urgency."* The project map displayed in Figure 6 above also reveals that consequence management is hampered by poor record keeping. One of the councillors remarked *"MPAC is used to bury a lot of stuff, and they only use their majority numbers to write off irregular expenditures. There is no information coming from* *administration to base their decisions."* Councillor 2 highlighted that councils are writing off irregular expenditure without maintaining any documentation or evidence to justify these decisions, making it a concerning issue. The researcher observed that, due to this challenge, many individuals who should be held accountable will evade consequences, as their records will be expunged or written off, allowing them to escape scrutiny. Results revealed that the lack of clear disciplinary processes and guidelines is another challenge surrounding consequence management in KZN municipalities. One councillor who raised this issue during interviews argued that there are no effective consequence management policies in place to deal with consequence management. Councillor 3 remarked *"There is no proper step-by-step process on how to apply consequence management and that is one of the reasons why consequence management is not implemented."* Due to the absence of well-defined policies and procedures, many issues that require investigation are left to languish, allowing perpetrators to escape accountability and evade consequences. Table 14 also reveals that collusion between councillors, officials, and service providers was the most cited theme during interviews. Councillors who cited this challenge argued that there is a network of officials, councillors, and contractors who are working together to siphon money from municipalities. Councillor 9 remarked *"Guess what, our municipal manager is working hand in hand with one of the road contractors, who pays money in the form of bribes to councillors and also renovate their homes. It is a mess in our municipality; collusion is a big problem".* Participants contended that the network of relationships between municipal officials, councillors, and politicians creates a culture of protection, where officials are shielded from accountability, and feel secure despite media exposure of their wrongdoing.

Another theme that emerged is that of cadre deployment. According to participants who cited this challenge, councillors protect officials that commit fraud if these officials are in the right political camp. In this environment, individuals who engage in criminal activities are likely to evade accountability and punishment, as they are protected by their colleagues who shield them from responsibility. Councillor 10 reported that*: "Consequence management is only implemented to get rid of the opposing faction, so it's a tool used for factionalism rather than promoting good governance."* The results are consistent with Mlambo, Zubane & Thusi (2022) who found that cadre deployment was a key factor perpetuating a culture of impunity and lack of accountability, which erodes the public sector's ability to function effectively. According to Mlambo, Zubane & Thusi (2022), this has severe implications for governance and service delivery, undermining efforts to achieve inclusive development and poverty eradication, with widespread consequences for the country's development trajectory.

The project map in Figure 6 above also reveals that assassinations and killings are another theme that emerged from interviews meant to investigate consequence management in KZN municipalities. Councillors (Councillor 6, Councillor 7 and Councillor 10) who highlighted this challenge revealed that Izinkabi (hitmen) are used openly in KZN to kill political opponents and people opposing tender corruption. Councillor 6 commented that *"Izinkabi are used to assassinate people who speak their mind against corruption."* Consequence management has been hindered by the pervasive fear of deadly reprisals, including assassinations and killings, which has created a climate of intimidation.

6.4. Chapter summary

Municipal public procurement had become known for enriching those in political positions and their families and friends. As a result, most people who had hoped that freedom would bring relative socio-economic liberation and improvement were feeling increasingly bitter towards municipalities over issues that included a lack of perceived quality of governance, service delivery failures, fraud, corruption, and disillusionment with empowerment policies. The study aimed to assess the implementation of consequence management for irregular expenditure and procurement irregularities. The objective was to investigate the extent of the implementation of consequence management against persons who committed procurement irregularities. The analysis of the councillors' response and section 131 reports on the incidence of consequence management in KZN municipalities revealed underlying factors. The study revealed a lack of accountability and consequence management in KZN municipalities. This was attributed to the absence of political will among councillors, non-functioning municipal public accounts committees, missing tender records, threats, assassinations, cadre deployments, and mafia gang involvement.

The results indicate that the looting of municipal resources was a well-coordinated effort involving collusion among politicians, councillors, businesspeople, contractors, and professionals working as independent consultants and municipal officials. The use of izinkabi (hitmen) to silence those opposing corruption further demonstrates the extent of the problem. The failure of councils to hold individuals accountable for procurement fraud and corruption, regardless of their political affiliations or administrative positions, reflects a lack of consequence management and accountability. The study highlights how professionals abandoned their ethical responsibilities to collaborate with councillors and officials, leading to the entrenchment of procurement irregularities.

To address these issues, councillors must provide collective political leadership and establish and enforce municipal policies that prioritise the socio-economic well-being of the community. The involvement of councillors in procurement irregularities makes it challenging to hold officials accountable, further impeding the implementation of consequence management. Addressing these challenges also requires a comprehensive and multi-faceted approach. It is essential to strengthen political accountability and foster a culture of consequence management among councillors. Reforms should focus on empowering Municipal Public Accounts Committees, ensuring their effective functioning, and enhancing their oversight capabilities. Improving performance management practices, including setting clear performance targets, and implementing robust monitoring and reporting systems, is crucial.

Furthermore, addressing capacity constraints and the skills gap through training and development programs will enhance the competencies of municipal officials involved in procurement processes. It is important to note that this study focused solely on the perspective of councillors, and the viewpoint of officials was not obtained, which is a limitation. The findings emphasise the need for patriotic individuals and political leadership to effectively combat public procurement fraud and corruption. Further research is recommended to explore the impact of patriotism among politicians, councillors, professionals, officials, and contractors on procurement irregularities and consequence management in municipalities. The next chapter discusses the examination of internal controls for the prevention of irregular expenditure in municipalities.

CHAPTER 7: INTERNAL CONTROLS FOR THE PREVENTION OF IRREGULAR EXPENDITURE

7.1. Introduction

The financial management of a municipality is guided by several legislations, regulations, and circulars issued by the National Treasury. One of the key financial management legislations is the Municipal Financial Management Act (MFMA) of 2003, which requires that the municipal manager must establish effective internal control measures to prevent irregular expenditure. In addition to legislations, regulations and circulars, municipalities have implemented international best practices for internal controls. These practices fall under information systems and communication, internal control activities, the overall control environment, regular risk assessments, and monitoring. Furthermore, municipalities have adopted the combined assurance model, which is alternatively called an accountability ecosystem. Key role players within the municipality's accountability ecosystem are accounting officers, senior managers, officials, Internal Auditors, Audit Committees and councillors. Despite many legislations, international best practices, and numerous role players within the accountability ecosystem for municipalities, most municipalities annually fail to prevent irregular expenditure.

The focus of this chapter is on internal controls and the presentation of the empirical research findings on the internal controls that must be in place to prevent irregular expenditure in KwaZulu-Natal (KZN) municipalities. The results are based on a mixed-methods approach, integrating quantitative and qualitative data. Statistical Package for the Social Sciences (SPSS) version 27 was used to analyse quantitative data and provided insights into the numerical trends and patterns related to internal controls. Specifically, this section presents descriptive statistics on the prevalence of internal controls in KZN municipalities and inferential statistics examining if there are differences in responses from various groups that were part of this study. The qualitative data analysed using NVivo 20 offers a deeper understanding of the prevalence of internal controls in KZN municipalities. The chapter presents themes that emerged when the researcher was interviewing councillors in the KZN province.

7.2. Data presentation: internal controls for the prevention of irregular expenditure in KZN Municipalities

7.2.1. Reliability and validity test

This section presents the results of the analysis conducted on stakeholders' views of internal controls to prevent irregular expenditure. The alpha Cronbach coefficients were calculated to assess the internal consistency and reliability related to internal controls. The findings are presented in Table 15 below.

Table 15: Alpha Cronbach Coefficients for Stakeholders' Views of Internal Controls.

Groups	Alpha
Councillors	0,980
Audit Committee	0,982
Public	0,981
Consultants	0,975

Source: Author (2024)

The alpha Cronbach coefficients measure the internal consistency related to stakeholders' views of internal controls. The coefficients range from 0,975 to 0,984 indicating excellent internal consistency and reliability. Councillors, audit staff, and the public obtained coefficients of 0,980, 0,982 and 0,981 respectively, reflecting high internal consistency. Consultants obtained the lowest coefficient of 0,975 suggesting slightly lower but still acceptable internal consistency.

These findings indicate that stakeholders, including councillors, audit committees, the public, and consultants, agreed on the effectiveness of internal controls for preventing irregular expenditure. The high Cronbach alpha coefficients suggest that the questionnaire items consistently measured the intended construct across stakeholder groups. These results support the reliability of the data on stakeholders' views of internal controls. The findings can inform discussions and actions aimed at strengthening internal controls and enhancing measures to prevent irregular expenditure considering various stakeholder perspectives.

7.2.2. Internal controls for the prevention of irregular expenditure

This chapter aims to assess stakeholders' perspectives on controls for irregular expenditure prevention in municipalities of KwaZulu-Natal, South Africa. The data collected utilised a 6-point Likert scale, with one (1) representing strongly disagree and six (6) meaning not sure. The analyses involved examining the responses from different stakeholder groups, including councillors, audit committees, the public, and consultants. The analyses focused on four key statements related to internal controls (IC1, IC2, IC3, and IC4) as identified in the questionnaire. Table 16 presents the mean scores for each stakeholder group, representing their level of agreement with the statements. Table 17 also provides the Kruskal-Wallis test results, which offer insights into potential differences in perspectives among different stakeholder positions.

Table 16: Internal Controls for The Prevention of Irregular Expenditure

	Councillors	Audit Committee	Public	Consultants	Total
IC1: Introduction of a robust Code of Conduct for all citizens.	4,56	3,41	2,62	2,66	3,36
IC2: Development of procurement plans that align with an IDP.	3,47	4,33	4,57	3,51	3,87
IC3: Premier's office must implement Consequence management.	2,45	4,39	4,52	3,69	3,70
IC4: Live broadcast of the tender processes.	2,46	3,21	4,58	4,72	3,49

Source: Author (2024)

Table 17: Kruskal-Wallis H Test

	Kruskal-Wallis H	Df	Asymp. Sig.
IC1	10,694	4	0,030
IC2	6,460	4	0,167
IC3	6,677	4	0,154
IC4	7,619	4	0,107

Source: Author (2024)

The results indicate variations in stakeholders' perspectives on internal controls. Councillors showed the highest agreement of 4,56 with the need for a robust Code of Conduct for accountability, while consultants expressed the lowest agreement of 2,66. The high agreement among councillors regarding the need for a robust Code of Conduct may be attributed to their role as public representatives and their responsibility to uphold ethical standards.

While limited studies specifically focus on stakeholders' perspectives on internal controls for irregular expenditure in municipalities, broader research on governance and accountability in the public sector supports the importance of Codes of Conduct. Maama & Marimuthu (2023); Mbewu & Barac (2017) have highlighted the role of Codes of Conduct in promoting ethical behaviour, transparency, and accountability among public officials. The current findings align with these studies, indicating that stakeholders recognise the significance of a robust Code of Conduct in preventing irregular expenditure.

Regarding transparency in procurement planning, audit committees expressed the highest agreement of 4,39 followed closely by the public at 4,57. Consultants showed the lowest agreement of 3,51. This suggests that stakeholders generally acknowledge the importance of transparency in procurement planning, but consultants may have some reservations. The higher agreement among audit committees and the public regarding the importance of transparency in procurement planning may stem from their interest, involvement in, or oversight of procurement processes. Audit committees are tasked with ensuring adherence to procurement regulations and may be strongly aware of the need for transparency. The lower agreement among consultants may be influenced by their potential concerns about the practicality or feasibility of aligning procurement plans with the Integrated Development Plan (IDP). Studies examining transparency in procurement have consistently highlighted its importance in preventing irregular expenditure and promoting accountability. Staples & Dalrymple (2016); Plantinga, Voordijk & Dorée (2020) emphasised the significance of aligning procurement plans with broader strategic plans, such as the IDP, to ensure transparency and effective resource allocation. The current findings align with these studies, indicating stakeholders' recognition of the importance of transparency in procurement planning.

In terms of consequence management for irregular expenditure and related irregularities, audit committees showed the highest agreement of 4,39 followed by the public at 4,52. Councillors expressed the lowest agreement of 2,45. These findings highlight the importance of implementing effective consequence management practices, with audit committees and the public emphasising its significance. The higher agreement among audit committees and the public regarding the need for consequence management may stem from their direct involvement in or exposure to instances of irregular expenditure. Audit committees are responsible for detecting and reporting irregularities. The lower agreement among councillors may be due to several factors, including potential conflicts of interest or concerns about the efficacy or fairness of consequence management measures. The importance of effective consequence management in deterring irregular expenditure has been highlighted in previous research. Consequence management measures, including disciplinary actions, promote accountability and inhibit fraudulent practices. While limited research focuses on stakeholders' perspectives on consequence management, the current findings align with Munzhedzi (2016); Odeku (2018) emphasising the need for robust consequence management mechanisms.

Regarding the live broadcast of bid evaluation processes, consultants expressed the highest agreement of 4,72, followed by the public at 4,58 and audit committees at 3,21. Councillors showed the lowest agreement of 2,4. These results suggest that stakeholders support the idea of live broadcasting, but councillors may have concerns. The higher agreement among consultants and the public regarding may stem from their desire for increased transparency and public trust. The lower agreement among councillors and other participants may be due to concerns about potential challenges, such as privacy issues or the practicality of live broadcasting.

Limited research has specifically focused on the live broadcasting of bid evaluation processes; however, Sibanda, Zindi & Maramura (2020); Zindi & Sibanda (2022) have emphasised the importance of transparency and public scrutiny in procurement processes. Public access to bid evaluation processes can enhance transparency, reduce corruption risks, and build public trust. The current findings align with these studies, suggesting that stakeholders, particularly consultants and the public, support the live broadcasting of bid evaluation processes.

The Kruskal-Wallis H test was conducted to determine whether the stakeholder groups had significant differences in their perspectives on internal controls. The results of the test for statements IC1, IC2, IC3, and IC4 are as follows: IC1 (H = 10,694, p = 0,030), IC2 (H = 6,460, p = 0,167), IC3 (H = 6,677, p = 0,154), and IC4 (H = 7,619, p = 0,107). The Kruskal-Wallis test results indicate statistically significant differences in stakeholders' perspectives for statement IC1 (Code of Conduct Accountability). This suggests that stakeholders' views on the need for a robust Code of Conduct differ significantly across the stakeholder groups.

However, for statements IC2 (Transparency in Procurement Planning), IC3 (Consequence Management), and IC4 (Live Broadcast of Bid Evaluation Process), the Kruskal-Wallis test did not reveal statistically significant differences among the stakeholder groups. This implies that the perspectives on these topics are consistent across the different positions, indicating a shared understanding of the importance of transparency, consequence management, and live broadcasting in preventing irregular expenditure.

Implications of these findings include establishing robust Codes of Conduct, aligning procurement plans with the IDP to enhance transparency, strengthening consequence management practices, and exploring the feasibility of live broadcasting of bid evaluation processes. By addressing these areas, municipalities can improve governance practices and mitigate the risk of irregular expenditure. This study provides valuable insights into stakeholders' perspectives on internal controls for preventing irregular expenditure in KZN municipalities. The results highlight the importance of robust Codes of Conduct, transparency in procurement planning, effective consequence management, and live broadcasting of bid evaluation processes. These insights can inform policy and practice, guiding measures to strengthen internal controls and prevent irregular expenditure, promoting good governance in local government.

7.2.3. Qualitative analysis of internal controls for the prevention of irregular expenditure

This section presents qualitative findings from a study soliciting recommendations from councillors on strategies to address irregular expenditure in municipalities across KwaZulu-Natal. The project map in Figure 9 shows themes that emerged when councillors suggested appropriate controls for preventing irregular expenditure in KZN municipalities. Seventeen themes emerged, including: capacity building and empowerment, centralised and autonomous procurement units, coordination of state institutions, implementation of consequence management, ethical and professionalised public service, meaningful involvement of residents and ratepayers in municipal operations, patriotism among key role players in municipalities, planning and oversight capacity, strong internal control procedures and processes, political education and public engagement, proper reporting framework and oversight by councillors, psychological counselling for officials and councillors with traumatic past experiences, public oversight, reducing monopoly and spreading economic participation, rehabilitation of KZN communities and political reconciliations, restructuring and cleaning the law enforcement agencies, and strengthening legislation, transparency, integrity, and fairness in cadre deployment processes. The prevalence of these themes reinforces the quantitative findings highlighting a strong alignment between insights gathered from interviews and those obtained through questionnaires.

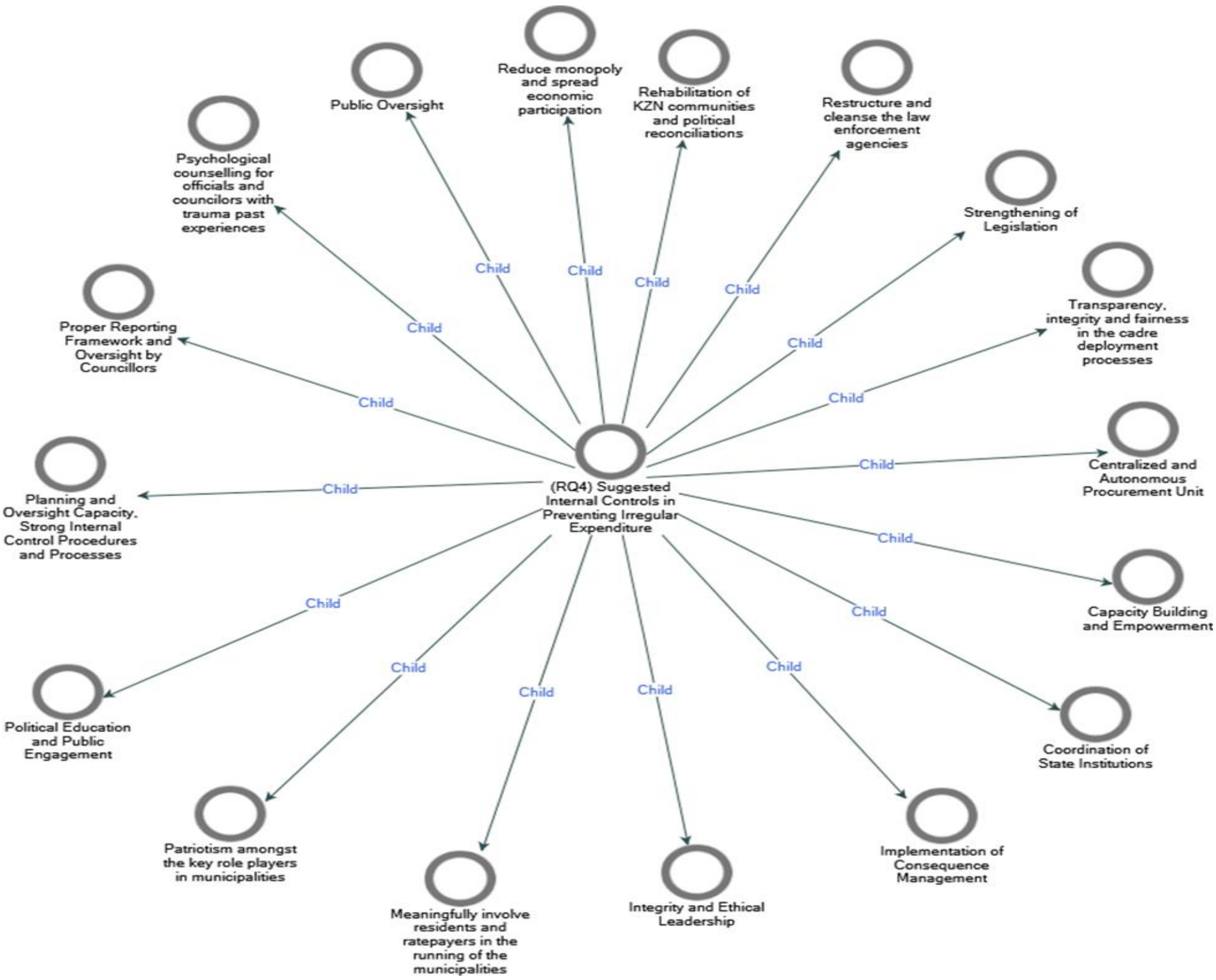


Figure 9: Thematic Maps on Internal Controls in Preventing Irregular Expenditure
Source: NVivo 20

From the themes displayed in Figure 9 above, capacity building and empowerment, ethical and professionalised public service and transparency, integrity and fairness in cadre deployment processes emerged as the most cited themes. The data presented in Table 18 reveals that each of the three themes was cited by four participants, emphasising the need for stakeholders to prioritise these internal control strategies.

Table 18: Citation on Internal Controls in Preventing Irregular Expenditure.

Theme	Frequency	Weighted Percentage %
Capacity Building and Empowerment.	4	10,0
Centralised and Autonomous Procurement Unit.	3	7,5
Coordination of State Institutions.	2	5,0
Implementation of Consequence Management.	2	7,5
Ethical and Professionalised Public Service.	4	10,0
Meaningfully involve residents and ratepayers in the running of the municipalities.	2	5,0
Patriotism among the key role players in municipalities.	2	5,0
Planning and Oversight Capacity, Strong Internal Control Procedures and Processes.	3	5,0
Political Education and Public Engagement.	2	7,5
Proper Reporting Framework and Oversight by Councillors.	2	5,0
Psychological counselling for officials and councillors with trauma past experiences.	1	2,5
Public Oversight.	3	7,5
Reduce monopoly and spread economic participation.	1	2,5
Rehabilitation of KZN communities and political reconciliations.	1	2,5
Restructure and cleanse the law enforcement agencies.	1	2,5
Strengthening legislation.	3	7,5
Transparency, integrity, and fairness in the cadre deployment processes.	4	10,0

Source: NVivo 2020

Table 18 above displays themes and the frequency of their citation. It is abundantly clear that capacity building and empowerment, ethical and professionalised public service, transparency, integrity, and fairness in cadre deployment processes emerged as the most cited themes. Furthermore, a centralised and autonomous procurement unit, planning and oversight capacity, strong internal control procedures and processes, and strengthening legislation emerged as the second most cited batch of internal controls that can be adopted to deal with irregular expenditure in KZN municipalities. The least cited themes, as shown in Table 18 above, are reduction of monopoly and spread of economic participation, rehabilitation of KZN communities and political reconciliations and restructuring and cleansing of the law enforcement agencies. These themes were each cited by one interview participant as shown in Table 18 above.

The themes highlighted above are consistent with previous research. The Councillors' call for legislative support aligns with previous research such as Pillay & Mantzaris (2015); Mantzaris & Pillay (2017) on preventing irregular expenditure. Studies have identified gaps in legislation and regulations that hinder effective oversight and consequence management. The councillors' suggestion to strengthen the legislative framework, introduce stricter regulations, and enforce criminal sanctions reflects the need for comprehensive reforms to deter financial misconduct and promote accountability. As shown in Table 18 above, a proper reporting framework and oversight by councillors are also one of the themes that emerged during interviews. The councillors' views stressed the need for comprehensive information on irregularities, steps taken to address them, contract timelines, and tender awards. This viewpoint arises from their recognition of the importance of transparent reporting in enabling meaningful oversight. These responses arose from their understanding of the critical role that timely and accurate information plays in the effective oversight of procurement activities in the municipalities. This is because the councillors have first-hand experience and observation of irregular expenditures within municipalities. They have witnessed how poor reporting frameworks and inadequate oversight have led to financial irregularities. These experiences inform their understanding of the problem and the need for effective solutions. These observations align well with previous findings. Previous studies have highlighted the importance of timeliness and accurate financial information to enable informed decision-making and early detection of irregularities (Sibanda, Zindi & Maramura, 2020). The councillors' call for proper reporting frameworks aligns with previous research findings such as (Munzhedzi & Makwembere 2019; Moji, Nhede & Masiya 2022). These studies highlight that transparent and comprehensive reporting is crucial for effective financial management and oversight.

As displayed in the thematic map (Figure 9) above and in Table 18, councillors emphasised the importance of implementing consequence management as a deterrent internal control measure for irregular expenditure. They called for stricter consequences, including criminal sanctions and the closure of employment opportunities for those involved in financial misconduct. The councillors' perspectives align with previous studies, which highlight the significance of accountability and deterrent measures in curbing irregular expenditure. These studies showed that strong consequences including criminal sanctions and financial penalties can serve as effective deterrents against fraudulent activities in the public sector (Sibanda, Zindi & Maramura 2020; Marakalala, 2023). The councillors' emphasis on closing the gap and tracking consequences from the local level to national institutions resonates with the need for a comprehensive and coordinated approach to consequence management.

Thematic maps also reveal the need for the capacity building of municipal officials as a way of dealing with irregular expenditures in municipal authorities. Councillor 3 advocated increased skills training for political leadership and administrative staff. The councillor recognised the importance of effectively enhancing capacity to prevent irregular expenditure by stating, "*I do believe that there needs to be more skills, more training, both for the political leadership and that of administration."* The councillors' perspectives likely arise from their understanding that genuine capacity building is essential for enhancing governance effectiveness and preventing irregular expenditure. Their calls for capacity building reflect a belief that equipping staff with the necessary expertise will enhance financial management practices and minimise the risk of irregular expenditure. The councillors' emphasis on capacity building and training programmes echoes previous studies. Selepe (2022); Mnguni & Subban (2022) identified a lack of skills and knowledge among municipal staff as contributing to irregular expenditure. Insufficient training and limited expertise in financial management processes can lead to errors, non-compliance, and misconduct. The councillors' recognition of the importance of capacity-building initiatives underscores the need for investing in staff development to enhance financial management practices.

As shown in Table 18 above, interviewed councillors also highlighted the significance of proper planning and oversight capacity, robust internal control procedures, and processes in financial management. The councillors emphasised the significance of accountability and ethical behaviour in financial management. They recognise that irregular expenditure arises from a lack of integrity, collusion, and non-compliance with established processes. Arguments raised by councillors during the interview are consistent with the ideas of Taufik (2019), who posited that good internal controls help ensure efficient and effective operations that accomplish the company's goals and still protect employees and assets. Taufik (2019) found that a robust internal control system is critical for maintaining the integrity of financial information.

The coordination of state institutions was identified as a crucial aspect of internal control measures in combating irregular expenditure. Councillors discussed the need for collaboration between the Auditor General's office, CoGTA, Treasury, the Constitutional Court, bargaining councils, and unions. They emphasised the importance of tracking and trying cases from the municipal to the national level involving external organisations and institutions. The call for coordination among state institutions such as CoGTA, the Auditor General's office, and the Treasury, echoes previous studies' findings that highlight the importance of interagency collaboration in promoting good governance and preventing irregular expenditure. Research has shown that effective coordination and information sharing among government entities can enhance transparency, streamline processes, and improve accountability (Moji, Nhede & Masiya, 2022). The councillors' recognition of the role of different stakeholders, including unions and organised labour, aligns with previous research emphasising the value of engaging various actors in the oversight and prevention of irregular expenditure (Enwereji, 2022).

Political education and public engagement as shown in Table 18 and Figure 9, were highlighted as key factors in promoting responsible governance and preventing irregular expenditure. Councillors emphasised educating voters and the community about politics and government functions. They stressed the role of citizens in holding the government accountable through informed voting and active participation. This perspective recognises that political education and engagement should extend beyond formal institutions and involve multiple actors in shaping responsible governance. The call for religious leaders to contribute to government accountability suggests a belief in the influence of moral guidance in promoting ethical behaviour. The councillors' emphasis on political education, public engagement, and the media's role in holding the government accountable resonates with previous studies highlighting the importance of an informed and engaged citizenry. Tian (2023); Mbabazi & Mukwaya (2021) showed that political education and awareness can empower citizens to actively participate in democratic processes, demand transparency, and challenge corruption.

As shown in the thematic map in Figure 9 above, councillors emphasised the need for an ethical and professionalised public service. They highlighted the importance of ethical conduct among officials and the need for professionalism, competence, and training. Councillor 10 underscored the significance of professionalisation, saying, *"Professionalise public service, have people who are competent, skilled... that will address all these problems... everyone must be guided by the rules."* Councillors recognised that an ethical and professional public service would reduce irregular expenditure by minimising the vulnerability to corruption and ensuring adherence to processes and regulations. The councillors' focus on an ethical and professionalised public service corresponds to previous studies that emphasised the importance of integrity, professionalism, and competence among public officials. Wright, Hassan & Park (2016); van Bochove & Oldenhof

(2020) demonstrated that a strong ethical culture and professional standards contribute to effective internal controls and prevent irregular expenditure.

The other theme that emerged during interviews is that there is a need for transparency, integrity, and fairness in the cadre deployment processes. Participants revealed that political deployments of a presidential candidate, cabinet minister, provincial premier, member of the executive council, mayors, councillors, and senior management are a frequent practice in South Africa. Councillors who were part of the interviews argued that cadre deployment has not worked in KZN municipalities because the councillors, mayors, municipal managers, senior managers, and officials who were politically deployed were incompetent and unqualified. Councillor 7 also highlighted the need for transparency, integrity and fairness in the cadre deployment processes, stating, *"There must be transparency within the political structures of how cadres are deployed, and the deploying structures must ensure that integrity and competence are one of the cornerstones for political deployment. Why deploying individuals who lack ethics and who are incompetent? An environment must be created also for fairness in the deployment processes."* The current study corroborates with Zulu, Yalezo & Mutambara (2022), who argued that the practice of cadre deployment has resulted in KZN municipalities that are failing to provide basic service delivery to the communities. Mlambo, Zubane & Thusi (2022) agreed with Zulu, Yalezo & Mutambara (2022) that cadre deployment has led to dysfunctional municipalities, incompetent councillors and managers, and poor service delivery, mismanagement and fraud and corruption in municipalities. Zulu, Yalezo & Mutambara (2022); Mlambo, Zubane & Thusi (2022) agreed that incompetent and poorly skilled cadres deployed in municipalities and cadres that are serving the interests of their political masters are failing to drive the socio-economic transformation and development that are needed by communities. Instead, cadre deployment has resulted in political factions, political interference, fights within the same political party over access to the tenders and other resources of the municipalities and poor service delivery in KZN municipalities (Zulu, Yalezo & Mutambara, 2022). Zulu, Yalezo & Mutambara (2022) further found that cadre deployment has led to killings and political assassinations in KZN municipalities.

Kaizer (2022) states that there is nothing wrong with the political deployment of competent and skilled comrades. Kaizer (2022) supports the deployment of cadres who are good at what they do and exceptional in their respective professional fields, knowing exceptionally well the jobs they are deployed to do and having no questionable history of ethical conduct. The problem is that cadre deployment has led to the state that cannot deliver services to the people (Kaizer, 2022). As a result of the cadre deployment practices that promote incompetent cadres, poorly skilled cadres and cadres who commit and facilitate fraud, corruption, and mismanagement, the state cannot use public procurement to drive the development and transformation agenda. Madonsela (2019) agrees with Kaizer (2022) that cadres deployed use public procurement to benefit themselves, the interests of those who deployed them to the state, and their close friends and families. As a result, public procurement benefits a few and not most people. Instead of using public procurement to benefit small and medium sized businesses belonging to most people, political deployees give tenders to the companies linked to people who deployed them to state institutions and their friends and families (Madonsela, 2019).

Themes presented in Table 18 and Figure 9 also reveal that councillors were of the view that municipalities need to meaningfully involve residents and ratepayers in the running of the organisation's affairs. Councillors argued that residents and ratepayers must be encouraged to be concerned about what happens in their municipalities and must be encouraged to produce solutions. Residents and ratepayers must be encouraged to get involved in the issues of municipalities, attend all council meetings, and sit on strategic committees where the law allows public participation. Residents and ratepayers must attend council meetings so that they have input into policies and by-laws and hold municipalities accountable. The findings of the current study confirm the results of Bowen, Edwards & Cattell (2012); Tian (2023), who found that there was no effective and meaningful stakeholder and public participation in the affairs of the municipalities. Effective public engagement and involvement in the affairs of the municipalities by residents and ratepayers will eliminate community resistance and violent service delivery strikes. Mbabazi & Mukwaya (2021) found that the participation of citizens in the affairs of the municipality enhances accountability.

Officials and councillors work under fear and intimidation because of supply chain management corruption and irregularities in municipalities. Fear and intimidation are taking a toll on the safety, well-being, mental health, and mental wellness of officials and councillors. It is therefore recommended that departments in the province that are responsible for municipalities, as well as relevant local government associations and professional bodies, must prioritise the provisioning of psychological counselling to officials and councillors. The study found that councillors are remote-controlled and micromanaged by political deployment committees. As a result, councillors must always toe the line and implement the deployment committee mandate, whether it is in line with ethics, party policies, the policies of the municipalities, or the interests of the general community. The study corroborates previous studies. Marma (2017); Yusuf & Mutereko (2019), Onwuegbuchulam (2022); Vhumbunu & Rudigi (2022) found that the political atmosphere in KZN result in pressure and emotional challenges for officials and councillors and harms the physical and mental well-being of municipal officials. Officials and councillors need psychological help and dedicated person-to-person support to provide them with emotional support skills, someone to listen to their experiences in municipalities and provide them with professional assistance and guidance in resolving the psychological effects of the problems that they are experiencing (Marma, 2017). MacInnes (2022) agreed with Marma (2017) that psychological interventions are required to assist regarding killings, fear, and threats in KZN.

Participants also highlighted the need for the rehabilitation of KZN communities and political reconciliation as a way of purging the culture of fear and killings in KZN. This will help KZN residents report cases of corruption and abuse of power without any fear. The same arguments were also raised in previous research. For example, Yusuf & Mutereko (2019) found that in the past there was violence in KZN between the ANC and IFP for one party existence and dominance. This resulted in political killings and assassinations. Currently, killings and assassinations are among party members because of factions, competition over tenders, and the desire to be in the winning and powerful slate within the political party. Killings in KZN happen because people want to ascend to political power to have access to government tenders (Onwuegbuchulam, 2022). In this case, reporting corruption and abuse of power in municipalities has turned out to be a challenge since citizens are afraid of these killings.

The participants also suggested encouragement of patriotism among the key role players in municipalities, resulting in the reduction and prevention of irregular expenditure in municipalities. There are many role players in municipal financial management, some identified by the Auditor General (2024) in the accountability ecosystem, such as the senior managers, municipal managers, councillors and coordinating departments. Mamadzhanov (2021); Ilkhom, Rakhmiddin, Ugli & Ugli (2021) found that encouraging the spirit of patriotism will lead to the development of the country.

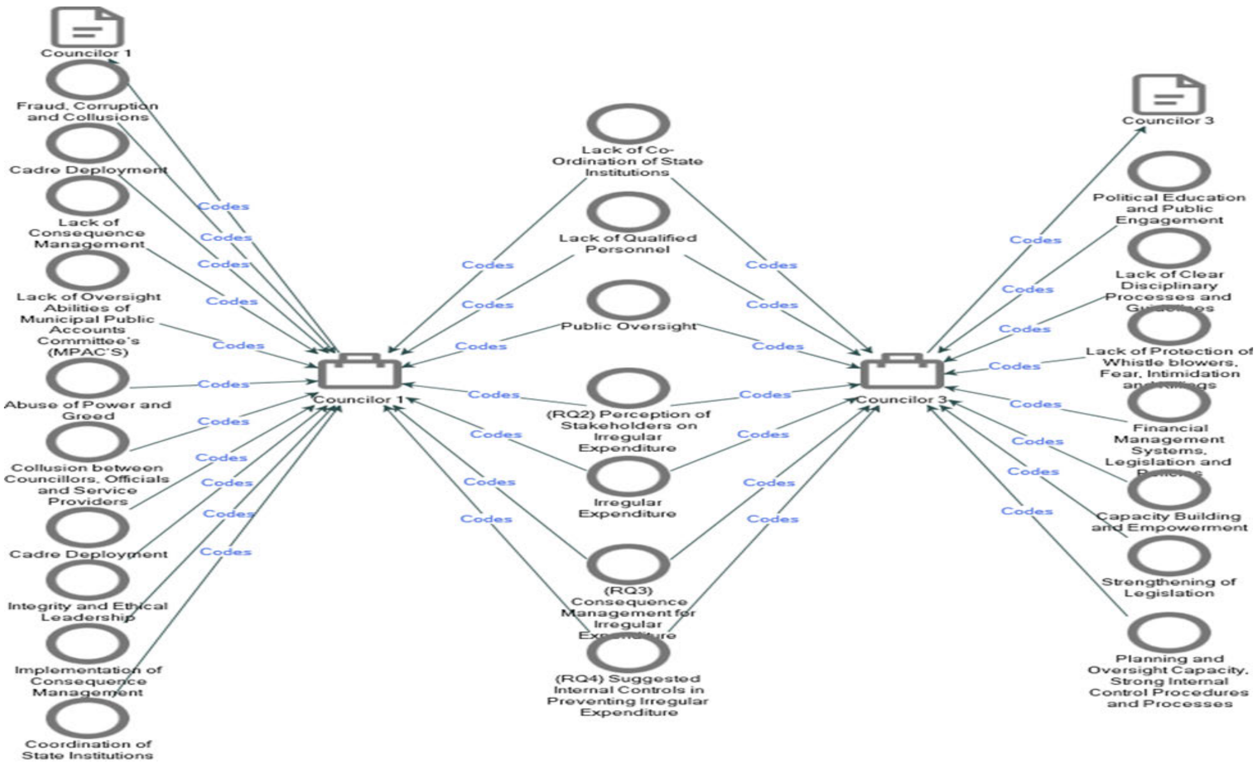
The interviews revealed several challenges facing KZN municipalities. Despite these hurdles, a common thread emerged: councillors showed a willingness to collaborate with stakeholders to find solutions. This suggests a commitment to transparency, accountability, and community engagement, which could facilitate constructive dialogue and collective problem-solving. By acknowledging the challenges and cooperating during interviews, councillors have taken the first step towards addressing the complex issues affecting KZN municipalities.

Cited Words

Figure 10: Word Cloud Showing Cited Words during Interviews, Source: NVivo 20

Figure 10 presents a visual representation of the most prominent words that emerged during the in-depth interviews with ten municipal Councillors. The word cloud illustrates the frequency of keywords mentioned by the Councillors, providing a snapshot of their concerns and priorities. A closer examination of the word count reveals that five words stand out for their high frequency: "municipalities", "irregular", "expenditure", "management", and "KZN". These words are not only the most cited but also closely interconnected, suggesting a strong focus on irregular expenditure within municipalities in the KZN region. The prominence of these words underscores the Councillors' concerns about the need for effective management practices, transparency, and accountability in municipal governance.

Comparative Diagrams Showing Responses of Councillors Concerning Causes of Irregular Expenditure, Consequence Management and Internal Control Measures



Source: NVivo 20

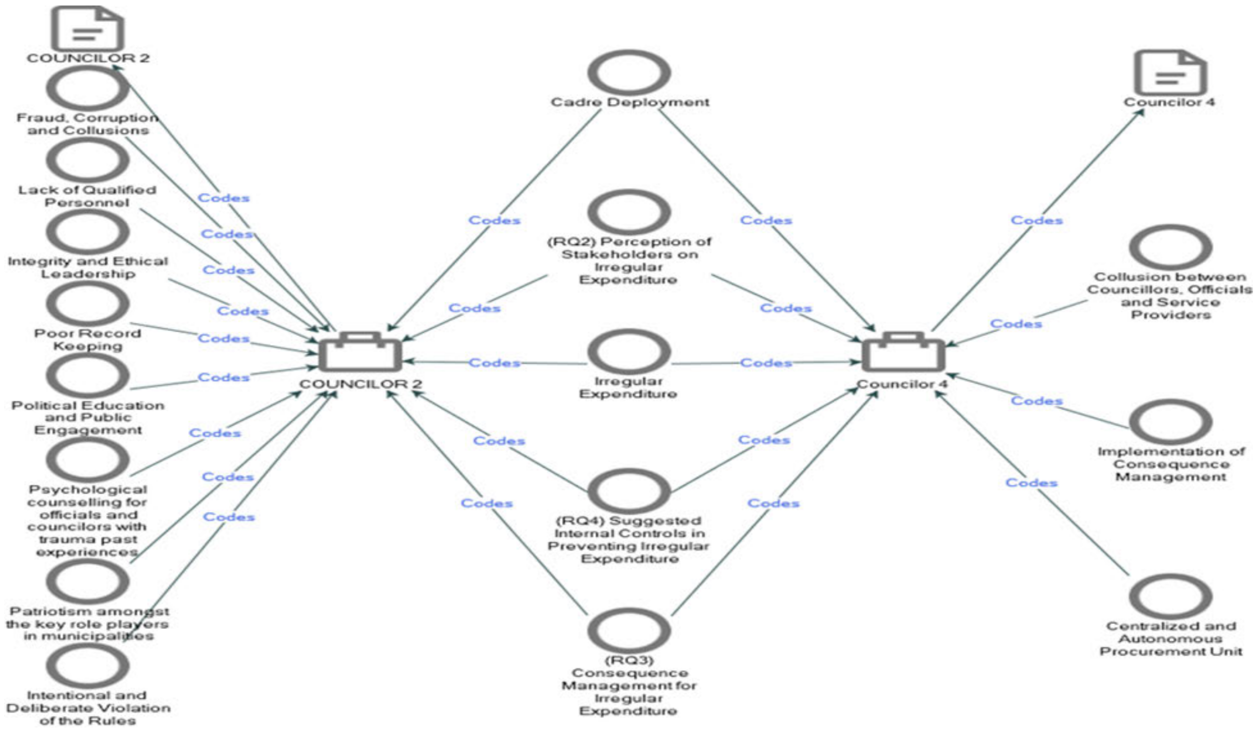


Figure 11: Thematic Maps on Comparative Diagrams of Councillors' Responses
Source: NVivo 20

To facilitate a comparative analysis of Councillors' perspectives on the root causes of irregular expenditure, proposed internal controls, and the challenges of enforcing consequence management, the researcher selected a random sample of four participants' responses for in-depth examination. Figure 11 above shows comparative diagrams juxtaposing the responses of selected participants. As shown in Figure 11, Councillor 1 was of the perception that irregular expenditure is caused by fraud, corruption, and collusion, cadre deployment, lack of consequence management, lack of coordination of state institutions, lack of qualified personnel, lack of oversight abilities of municipal public accounts committee's (MPAC)'s and abuse of power/greed. On the other hand, Councillor 3 argued that irregular expenditure is caused by a lack of coordination of state institutions, lack of qualified personnel, lack of protection of whistleblowers, fear, intimidation and killings and financial management systems, legislation, and policies. An analysis of the responses reveals both convergent and divergent views between Councillor 1 and Councillor 3, highlighting areas of agreement as well as distinct perspectives. In addition, the researcher conducted a comparative analysis of the responses from Councillor 2 and Councillor 4 to assess the level of consistency and alignment between their perspectives. As shown in Figure 9 above, Councillor 2 was of the perception that irregular expenditure is caused by fraud, corruption and collusion, cadre deployment, lack of qualified personnel, and intentional violation of the rules. On the other hand, Councillor 4 was of the perception that cadre deployment is the primary cause of irregular expenditure. A striking agreement emerges from the responses of Councillor 2 and Councillor 4, as both Councillors pinpoint cadre deployment as the root cause of irregularities plaguing KZN municipalities.

Regarding consequence management, Councillor 1 and Councillor 3 differed in their responses as shown in Figure 11 above. Councillor 1 identified collusion between councillors, municipal officials, and service providers, as well as cadre deployment, as significant obstacles to effective consequence management. In contrast, Councillor 3 emphasised the absence of clear disciplinary processes and guidelines as a major hindrance to implementing consequence management. Despite variations in their responses, a common thread emerged among the councillors: consequence management is impacted by multiple factors.

Figure 11 again displays views of Councillor 1, Councillor 2, Councillor 3 and Councillor 5 on how internal controls can be improved to combat the problem of irregular expenditure in KZN municipalities. Councillor 1 suggested that integrity and ethical leadership, public oversight, the implementation of consequence management and the coordination of state institutions can go a long way in combating irregular expenditure in KZN municipalities. Councillor 2 suggested that integrity and ethical leadership, political education, and public engagement, psychological counselling for officials and councillors with traumatic past experiences, and patriotism among the key role players in municipalities are good strategies for dealing with irregular expenditure in KZN municipalities. Furthermore, Councillor 3 suggested that public oversight, capacity-building, and empowerment, strengthening legislation, planning and oversight capacity, strong internal control procedures, and processes and political education and public engagement are keys to combat the problems faced by KZN municipalities. Lastly, Councillor 4 highlighted the need to implement consequence management and introduce centralised and autonomous procurement units. A notable consensus emerged from the suggestions, highlighting a shared understanding of designing effective internal controls to combat irregular expenditure. Specifically, Councillors 1 and 2 converged on the requirement for integrity and ethics for those holding leadership positions in addressing irregular expenditures. Furthermore, Councillors 2 and 3 found common ground in advocating for political education and public engagement as key strategies to tackle irregular expenditures in KZN municipalities.

7.3.Summary of the chapter

Integrity and ethics among leadership are crucial for municipalities to prevent irregular expenditure and procurement irregularities. Residents and ratepayers must be meaningfully involved in municipal operations, and izimbizos should be strengthened to engage communities, particularly in the planning, oversight, and executing municipal infrastructure projects. Councillors must exercise oversight over the administration and the executive to prevent irregular expenditure and ensure the provision of basic services and economic development. There is a need to empower councillors, officials, and communities on municipal financial management and the effects of irregular expenditure and procurement irregularities. The study identified an ecosystem for irregular expenditure and developed a framework for preventing irregular expenditure as part of the investigation into effective control systems.

The ecosystem includes role players such:

- Political parties.
- Party deployment committees.
- Taxi associations.
- Business forums.
- Business chambers and associations.
- Foreign nationals.
- Professional bodies and professional associations.
- Religious organisations and traditional leadership.
- Private sector.
- Officials, senior managers, municipal managers, councillors, internal auditors, audit committees.
- Coordinating departments such as Cogta, Treasury and the office of the Premier.
- Provincial and National Parliament.

The findings from this chapter will assist municipalities in preventing irregular expenditure and stakeholders in developing appropriate interventions to assist municipalities in improving financial management. The next chapter discusses the factors influencing irregular expenditure using Structural Equation Modelling (SEM) and the impact of irregular expenditure on the financial performance of municipalities.

CHAPTER 8: FACTORS INFLUENCING IRREGULAR EXPENDITURE

8.1.Introduction

One objective was to examine the prevalence and causes of irregular expenditure in KZN municipalities. A relevant model was employed to assess the relationships between variables that led to irregular expenditure. The regression model and Structural Equation Modelling (SEM) are effective in assessing relationships between independent and dependent variables. SEM can test a set of relationships among different variables. This chapter discusses the structural equation model developed to assess the factors influencing irregular expenditure and its impact on the financial performance of municipalities.

8.2. Background

The prevalence and causes of irregular expenditure in KZN municipalities is the focus of the study. A structural equation model was developed to assess the factors influencing irregular expenditure and its impact on financial performance. Manuel & Erasmus (2024) found that the financial management was driven by laws and regulations from the National Treasury. Therefore, developing a structural equation model to assess the factors influencing s of SCM prescripts and their impact on financial performance was considered appropriate.

The data for developing a structural equation analysis was obtained from section 131 reports from KZN Provincial Cogta. Variables such as annual report compliance (ARComp), going concern (ability of the municipality to continue its operations in the foreseeable future) (GC), municipal size (MunSize), type of municipality (MunType), grant dependency ratio (GPDRatio), and debt collection ratio (DbtColl) were used to assess factors influencing irregular expenditure. Irregular expenditure relates to financial management practices and compliance with expenditure management as prescribed by the MFMA and municipal supply chain management regulations. Municipalities with a strong culture of compliance, such as adhering to annual reporting requirements, will impact financial management and compliance with expenditure prescripts as this culture of compliance is embedded in their operations (Chitimira, Sethunyane & Magau, 2022). Additionally, the focus on financial health and going concern of municipalities is a growing trend in South Africa as is closely related to municipal financial management such as prevention of violation of SCM prescripts (Meyer & Neethling, 2021). Furthermore, the municipality's going concern assessment is in the public interest and shows the level of financial management and compliance with expenditure management as prescribed by legislations (Carson, Fargher, Geiger, Lennox, Raghunandan & Willekens 2013; Ramutsheli & Janse van Rensburg, 2015).

Through the examination of the MFMA annual reports of the Auditor General (2020 to 2024), the general reports focused on the going concern assessment of municipalities, size, and type of municipalities, as well as their abilities to collect revenues from the debtors. The size and type, such as the capacity, district, and metros, are closely related to the level of public interest (Auditor General 2024). The size and type of the municipality are indicators of the financial management capacity of the municipality, the ability to implement the MFMA, the capacity to manage the finances of the municipality in line with the laws and regulations, as well as the prevention of unauthorised, irregular, and fruitless and wasteful expenditures (Horn & Raga 2012; Pooe, Mafini & Makhubele, 2015; Nzimakwe & Biyela 2021; Munzhedzi, 2021).

The management of the finances of the municipality is based on adherence to the requirements of the MFMA and other local government laws and regulations. As a result, municipal stakeholders such as political and traditional leaders, officials, communities, and the general business community are required to play their roles. Payments for services offered by municipalities are a problem in South Africa, and this has resulted in municipalities not being able to collect revenue for services rendered from debtors. (Enwereji & Potgieter 2018). Municipalities must collect debt for services rendered as required by sections 95 and 96 of the Municipal Systems Act, 32 of 2000. However, because of the prevalence of fraud and corruption in municipalities, such as kickbacks and bribes on debt accounts written off without following due processes, municipalities are unable to collect some of the outstanding debt. Additionally, because of fraud and corruption, indigent lists contain some persons who do not qualify to be indigents. Fraud and corruption make municipalities unable to comply with policies and procedures, and Moloto & Lethoko (2018) found that municipalities must develop and implement a zero-tolerance approach to corruption if they want to implement their policies and comply with laws and regulations. Ambe & Badenhorst-Weiss (2012) found that irregular expenditure is caused by fraud and corruption, and Enwereji & Kadama (2018) found that citizens do not want to pay for municipal services because of corruption in municipalities, thus making it difficult for municipalities to collect debt. Thus, the lesser the level of irregular expenditure, the more confidence citizens will have in municipalities, and debtors should pay for municipal services.

In addition, the municipality's inability to generate revenue and its dependence on state grants indicate that it is situated in a deeply rural area and lacks the administrative capacity to implement the MFMA. Municipalities have various sources of income, such as property rates, service charges, and traffic fines. The government can also enhance municipal revenue through annual allocations (grant revenue), donations, and contributions. Government grants and subsidies consist of unconditional and conditional grants. Unconditional grants can be used at the municipality's discretion, while conditional grants are provided with specific conditions for infrastructure maintenance, such as wastewater treatment plants, pipes, and roads. However, rural municipalities face challenges in managing the expenditure of these grants according to municipal financial management guidelines. Munzhedzi (2016) found that rural municipalities struggle to implement the MFMA due to their inability to attract qualified personnel. Additionally, some municipalities cannot afford to hire qualified engineers, quantity surveyors, land surveyors, and accountants, leading to deviations from financial management standards in grant spending. Nzama (2019) investigated the relationship between grant allocation and financial mismanagement, examining whether the national government considers financial management and the prevention of irregular expenditure by municipalities before allocating grants. Nzama (2019) found no relationship between grant mismanagement and grant allocation by the national government.

The analysis used several indicators, including the current ratio, cash coverage ratio, irregular expenditure, going concern, municipal size, municipal type, and grant dependency ratio, to assess the impact of irregular expenditure on financial management. The MFMA annual general reports from the Auditor General (2020 to 2024) provided insights into the financial health of municipalities, emphasising key indicators such as debtor collection, annual deficits, net current liability positions, liquid assets as a percentage of total current liabilities, and year-end bank overdrafts.

Moreover, the Auditor General's reports highlighted instances of non-compliance with procurement legislation, including unfairly awarded tenders, inadequate contractor monitoring, and tenders awarded to companies owned by councillors, officials, and their families. These issues, along with scope limitations, contribute to irregular expenditure.

Nzama (2019) found no correlation between the irregular expenditure incurred by municipalities and grant funding support from the National Treasury. Similarly, Mishi, Mbaleki, & Mushonga

(2022) concluded that irregular expenditure does not affect ratio analysis or the financial health of municipalities. In contrast, Glasser & Wright (2020) argued that irregular expenditure leads to financial distress and crises for municipalities, resulting in negative financial health and unfavourable financial ratios.

Research by Neethling & Meyer (2019) & Meyer & Neethling (2021) examined the financial health index of municipalities and found that financial mismanagement adversely affects financial ratio analysis. They also concluded that employing ratio analysis could empower municipal leaders to enforce financial management disciplines and improve their financial positions. Lastly, the primary purpose of municipalities is to provide essential services such as water and sewerage, enact and oversee municipal by-laws, and maintain cleanliness in towns (Sitishe, Ntshangase, Lubbe & Msosa, 2023). Magagula, Mukonza, Manyaka, & Moeti (2022) concur with Sitishe et al. (2023) on the role of municipalities, emphasising the importance of financial management in delivering these basic services. Similarly, Molnár & Hegedűs (2018) identified financial ratio analysis and effective financial management as crucial for municipalities to sustain their provision of essential services. Alam, Alam, & Hoque (2017) found that sound management of municipal finances positively influenced financial performance and service delivery in Bangladesh. Additionally, Zerihun & Mashigo (2022) conducted a study among Gauteng metropolitan municipalities that explored the relationship between service delivery and financial performance. Their findings indicated that the financial ratios suggested municipalities were well-positioned to provide basic services and demonstrated sound financial management. The success of any municipality relies heavily on its capacity for debt collection and the cooperation of local stakeholders in paying for services rendered (Sitishe, Ntshangase, Kloper, Lubbe, & Msosa, 2023). In the Free State province, a study by Sitishe, Ntshangase, Kloper, Lubbe, & Msosa (2023) revealed that some municipalities struggle with financial difficulties due to inadequate revenue collection and financial mismanagement. The following sections of this chapter will present the results of the structural equation analysis regarding factors influencing irregular expenditure and the impact of irregular expenditure on financial performance.

8.3. Objective 1: Factors Influencing Irregular Expenditure

This section examines the factors influencing irregular expenditure in KZN municipalities.

Table 19: Factors Influencing Irregular Expenditure

Variables	Obs	Mean	Std.Dev.	Min	Max
IrrExp	462	69,87	1,067	4,016	93,73
ARComp	538	1,232	1,232	1,000	2,00
GC	540	1,129	1,129	1,000	2,00
MunSize	540	1,959	1,959	1,000	3,00
MunType	540	1,222	1,222	1,000	3,00
GDPRatio	540	1,915	1,915	0,000	9,80
DbtColl	322	0,749	0,749	0,000	1,40

Source: Author (2024)

Table 19 presents the descriptive results of the factors influencing irregular expenditure among KZN municipalities. The results show that irregular expenditure is moderately high, with a mean of R6,987 million and a standard deviation of 1,067. The irregular expenditure ranged from R10365 to R9.373 billion, suggesting that some municipalities had higher or lower levels of irregular expenditure. This result indicates significant variability among municipalities. Annual reporting compliance (ARComp) and the going concern status (GC) recorded mean scores of 1,232 and 1,129 respectively. These results suggest that, on average, the municipalities in KZN comply with annual reporting compliance and have a high going concern status. However, there is variability among municipalities in terms of their size and type. Municipality size, with a mean of 1,959 and a standard deviation of 0,745, ranges from relatively small to larger municipalities. Municipality types vary, with a mean of 1,222 and a standard deviation of 0,459, indicating different governance structures or economic bases across municipalities. Economic factors, as represented by the grant dependency ratio (GDP Ratio), also vary widely across municipalities, with a mean of 1,915 and a standard deviation of 3,105. This reflects the economic diversity within KZN municipalities.

Table 20: Correlation Matrix

	ARComp	GC	MunSize	MunType	GDP Ratio	DbtColl
ARComp	1					
GC	0,025	1				
MunSize	0,064	0.,019	1			
MunType	0,206	0,073	0,329	1		
GDP Ratio	0,098	0,007	0,025	0,178	1	
DbtColl	0,0567	-0,043	-0,104	-0,105	0,096	1

Source: Author (2024)

The correlation results demonstrate that irregular expenditure exhibits a moderate positive correlation with municipality type (0,382), indicating that bigger municipalities tend to have higher irregular expenditure. Similarly, irregular expenditure shows a weak positive correlation with the grant dependency ratio (GDP Ratio) (0,207), implying that municipalities with a higher reliance on government grants may have slightly higher irregular expenditure. The result further shows a weak positive correlation between irregular expenditure and good governance (0,181), suggesting that better governance practices are associated with slightly higher irregular expenditure. Similarly, the results show a weak positive correlation between irregular expenditure and municipality size (0,164), indicating that larger municipalities might have slightly higher irregular expenditure. On the other hand, there is a weak negative correlation between debt collection efficiency and municipality size (-0,104), indicating that larger municipalities tend to have slightly lower debt collection efficiency. Generally, the correlation results among the independent variables show that all the coefficients are less than 0,6, indicating that the variables do not suffer from multicollinearity.

8.4. Model Fit Indices

Before structural equation modelling (SEM) estimates are determined, it is important to ascertain whether the data are fit for the SEM. Several indices are used to determine the fitness of a SEM. Fit indices such as the Likelihood Ratio (LR) Chi-Square Test (Prob > chi2), Root Mean Square Error of Approximation (RMSEA), PCLOSE (p-value for the test of close fit), Standardised Root Mean Square Residual (SRMR), Comparative Fit Index (CFI), and Tucker-Lewis Index (TLI) are normally employed to determine whether a proposed model aligns with the observed data. Table 21 below provides the results of the model fit indices.

Table 21: Model Fit Indices

Model fit indicators	LR Prob>chi2	RMSEA	PCLOSE	SRMR	CFI	TLI
Model measurement	0,837	0,000	1,000	0,004	1	1,087

Source: Author (2024)

The Prob > chi2 for the model in Table 21 is 0,837. This result demonstrates that it is insignificant since it is above 0.05, which is the threshold value. The results imply that the data are appropriate for SEM estimation and the model is a good fit. Furthermore, the PCLOSE value (1,000) suggests an excellent fit index. Similarly, the RMSEA value (0,000) presented in Table 3 is 0,000, indicating an excellent fit index of the model to the data. Therefore, the results demonstrate that the null hypothesis cannot be rejected and that the models are statistically acceptable. Additionally, Table 21 shows that the SRMR result is less than 0,08. This also leads to the conclusion that the model is a good fit. Lastly, the TLI result is 1,087, implying that the data and the model fit well since it is above 0,95. In summary, the fit tests model demonstrates that the data fit the model, with all the values suggesting a good fit.

8.5. Structural equation results: Factors influencing irregular expenditure

Irregular expenditure has been an evolving topic discussed in academia, media, and government circles because of its significant impact on public sector financial management and the standard of living of the citizens. The discussion starts and ends with the level of this phenomenon, usually being reduced to the amount involved. The focus of the discussion has contributed to creating awareness among the public about irregular expenditure. However, the problem persists every year. This has not done a lot to curb this problem because the discussion has failed to find the factors that influence the incidence and level of irregular expenditure. An important issue that has yet to be given attention is the factors that influence the incidence and causes of irregular expenditure. This lack of attention to the topic has created a gap in the literature. Given this gap in the literature, this section examines the factors that influence irregular expenditure among KZN municipalities. Figure 12 presents the results of the factors that influence the level and incidence of irregular expenditure among KZN municipalities.

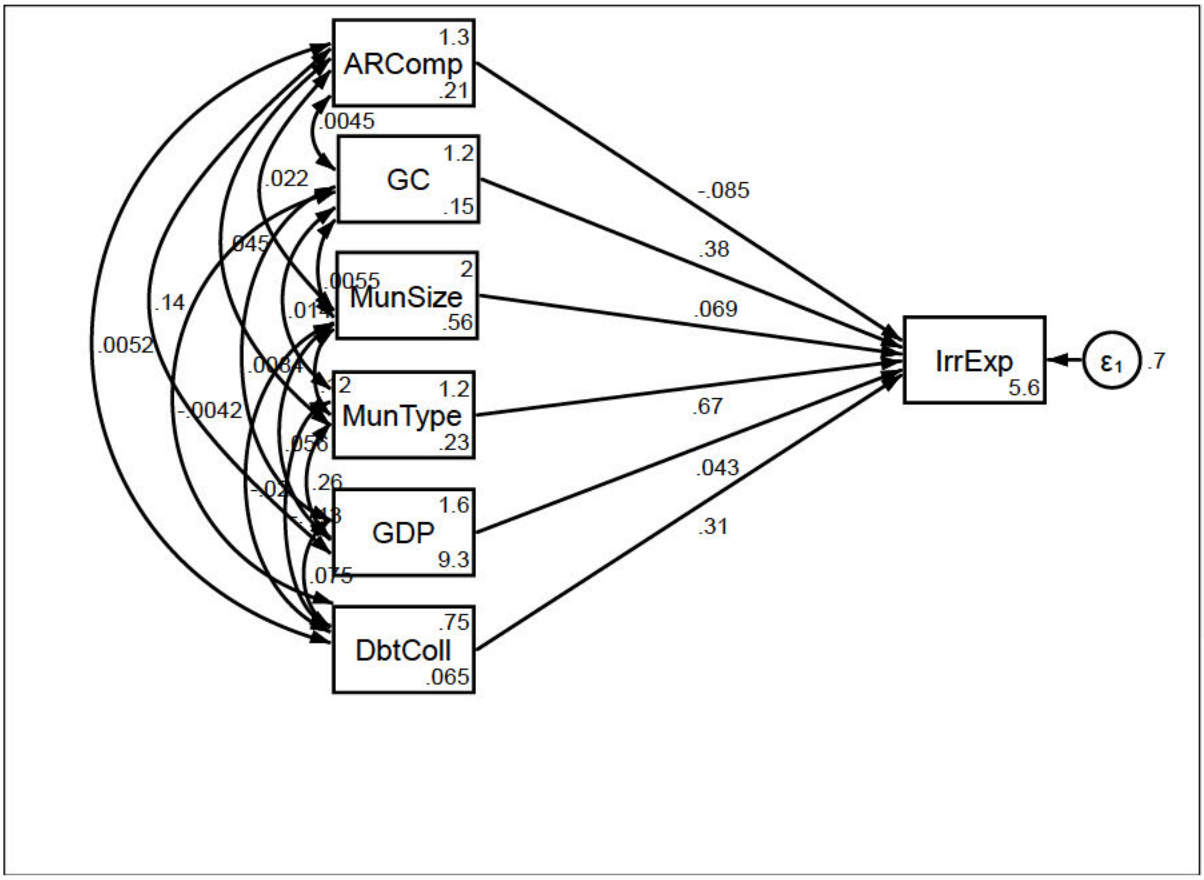


Figure 12: Factors Influencing Irregular Expenditure
Source: Author (2024)

Figure 12 presents the structural equation modelling results on the factors influencing irregular expenditure among municipalities in KZN. The descriptive results showed a moderate adherence to the governance practices of the municipalities, captured through annual reporting compliance (ARComp) and going concern status (GC). Surprisingly, the structural equation modelling results demonstrate a positive and significant (*p*-value = 0,003) relationship between going concern status and irregular expenditure. This result suggests that better governance practices, measured by GC are positively associated with higher irregular expenditure. This finding is surprising and suggests a nuanced relationship, where municipalities with stronger going concern status may paradoxically encounter higher irregular expenditure. The reason for this unexpected result may be that the municipalities have incurred extra unauthorised expenses to achieve good governance practices. This may come from sidestepping the bureaucratic procedures in public sector financial management to adopt simple and innovative management practices. These practices may be relevant to achieving results but may not be done within the prescripts of the MFMA. Thus, innovation may be achieved at the expense of obedience to financial management regulations and laws. In this case, municipalities that adopt innovative practices would record higher irregular expenditure because they would do so at the expense of established financial regulations.

Another possible reason for this result is the complexity and scale of operations in better-governed municipalities. Municipalities with a higher going concern status likely have more complex and of operations. This increased complexity may lead to a higher risk of irregularities due to the greater number of transactions and activities that need to be managed. Concisely, these municipalities may record higher irregular expenditure despite having a higher going concern status. Similarly, the positive relationship between GC and irregular expenditure may be related to resource allocation and management issues. Municipalities with strong concerns may have more resources, that do not necessarily translate to better financial management.

On the other hand, the result shows a negative and insignificant (*p*-value = 0,452) relationship between irregular expenditure and the annual reporting compliance (ARComp) status of the municipalities in KZN. The result implies that a municipality with higher reporting compliance has a significantly lower level of irregular expenditure, indicating that an increase in annual reporting compliance would result in a decrease in the level of irregular expenditure. Several reasons can be ascribed to this result. First, this finding may be attributed to factors such as increased financial and legislative scrutiny leading to compliance with the MFMA and other reporting frameworks. These compliances would eventually reduce the level of irregular expenditure. Similarly, a municipality with lower annual reporting compliance may not keep proper accounting records or may not comply with the MFMA. Hence, cannot keep track of its expenditures. This would lead to expenditures being incurred that are not compliant with the reporting frameworks. This will consequently result in higher irregular expenditure. These results are similar to Mabunda, Mvunabandi & Chonco (2023), who explored the impact of financial mismanagement and supply chain management transgressions at one of the municipalities and found that non-compliance with the MFMA resulting in irregular and wasteful expenditures. In addition, there are similarities between this result and that of Mazibuko (2020), who found that compliance with supply chain management prescripts was important in the public sector.

The structural equation results also demonstrate that municipality characteristics impact the level of irregular expenditure. Municipality type (MunType) has a positive and significant (*p*-value = 0,000) impact on irregular expenditure. Similarly, municipality size (MunSize) also has a positive and insignificant (p-value = 0,334) impact on irregular expenditure, indicating that irregular expenditure is not dependent on the size of the municipalities. These results imply that larger municipalities tend to have higher irregular expenditures. The reason for these findings may be that as municipalities grow, they may face increased complexities in financial management, leading to higher financial irregularities. The increased municipal size may result in bigger transactions and complexities in financial transactions. This would require strict adherence to various laws, policies, procedures, and regulations. It will therefore, become difficult for these municipalities to adhere to the various financial regulations and laws, which will eventually lead to irregular expenditure. On the other hand, small municipalities would have simple structures and less complex financial transactions, making it easier to comply with the various financial regulations and procedures. Studies conducted by authors such as Horn & Raga (2012); Pooe, Mafini, & Makhubele (2015); Nzimakwe & Biyela (2021); Munzhedzi (2021) found identical results. These authors reported that the size and type, such as the capacity, district, and metros, are closely related to the level of public interest. This finding implies that the size and type of the municipality indicate the capacity of that municipality and its ability to implement the MFMA, manage municipal finance in line with the laws and regulations, as well as prevent of unauthorised, irregular and fruitless and wasteful expenditures. In addition, the municipality's inability to generate revenue and its dependency on the grants provided by the state shows that the municipality is in a deep rural area and lacks the administrative capacity to implement the MFMA.

The results demonstrate that the grant dependency ratio (GDP Ratio) has a significant impact on irregular expenditure (p-value = 0,011). In contrast, the debt collection ratio (DbtColl) has an insignificant impact on irregular expenditure. This suggests that municipalities relying on government grants tend to record higher irregular expenditures, likely due to struggles with revenue generation and financial management practices. Consequently, they may be unable to implement effective strategies to manage revenues, leading to increased irregular expenditure. Municipalities with ineffective financial management are placed in administration, as mandated by the Constitution under Section 154 (4), where the government intervenes to provide financial and governance support. The municipality's reliance on grants indicates it is in a rural area and lacks the administrative capacity to implement the MFMA. This finding contrasts with Nzama (2019), who found no relationship between irregular expenditure and grant funding support from the National Treasury.

8.6. Objective 2: Impact of irregular expenditure on financial performance.

This section examines the impact of irregular expenditure on the financial performance of municipalities in KZN. Table 22 presents the summary statistics of the variables.

Table 22: The Impact of Irregular Expenditure on Financial Performance.

Variable	Obs	Mean	Std.Dev.	Min	Max.
CurrentR	345	2,247	2,388	0	17,59
CashCov	540	1,206	0,404	1	2
IrrExp	462	69,87	1,067	4,016	93,73
GC	540	1,129	0,336	1	2
MunSize	540	1,959	0,745	1	3
MunType	540	1,222	0,459	1	3
GDPRatio	540	1,915	3,105	0	9,8

Source: Author (2024)

The descriptive results presented in Table 22 show an average current ratio (CurentR) of 2,274 and a standard deviation of 2,388. This result indicates moderate variability in the current ratios among the municipalities in KZN. The cash coverage ratio (CashCov) also has a mean of 1,206 and a standard deviation of 0,404, reflecting a divergent level of liquidity across the municipalities in KZN. Moreover, the results reveal some variability in irregular expenditure among the municipalities. Table 3 further shows that irregular expenditure obtained a mean of 69,87 million and a standard deviation of 1,067. Governance practices, represented by the going concern status (GC) variable, also recorded a mean of 1,129, demonstrating a moderate going concern status among the municipalities. Similarly, municipality characteristics such as municipal size (MunSize) and type (MunType) showed varied distributions. The municipality size obtained a mean of 1,959 and a standard deviation of 0,745. Similarly, municipality types have a mean of 1,222 and a standard deviation of 0,459. The grant dependency ratio (GDP Ratio) also has a mean of 1,915 and a standard deviation of 3,105, indicating varying levels of dependency on grants.

Table 23: Correlation Matrix

	IrrExp	MunSize	MunType	GDPRatio	CurentR	RepDef
IrrExp	1					
MunSize	0,086	1				
MunType	0,409	0,069	1			
GDPRatio	-0,012	0,019	0,091	1		
CurentR	0,025	-0,191	-0,167	-0,089	1	
RepDep	0,548	-0,072	0,185	-0,149	-0,028	1

Source: Author (2024)

Table 23 presents the results of the multicollinearity test, indicating the correlation level among the independent variables. The results demonstrate that the current ratio and irregular expenditure have a weak positive correlation (0,025), suggesting that municipalities with a good current ratio might have slightly higher irregular expenditure. Similarly, irregular expenditure shows a weak positive correlation with municipality size (0,086), indicating that larger municipalities tend to have slightly higher irregular expenditure. Conversely, there is a weak negative correlation between irregular expenditure and GDP ratio (-0,012), implying that municipalities with a higher GDP ratio tend to have slightly lower irregular expenditure. Table 23 show that the highest correlation is between irregular expenditure and reported deficit (0,548), indicating a moderate positive correlation. In conclusion, the correlation coefficient of all the variables is less than the benchmark (0,65) for measuring correlation, demonstrating no issues with multicollinearity among the variables. Therefore, the estimates from the models are expected to be valid and reliable.

8.7. Model fit indices

Before determining structural equation model (SEM) estimates, it's crucial to assess if the data are suitable for SEM analysis. Various indices are used for this purpose. These include the Likelihood Ratio (LR) Chi-Square Test (Prob > chi2), Root Mean Square Error of Approximation (RMSEA), PCLOSE (p-value for the test of close fit), Standardised Root Mean Square Residual (SRMR), Comparative Fit Index (CFI), and Tucker-Lewis Index (TLI). These fit indices help to evaluate whether the proposed model aligns well with the observed data. Table 24 below presents the results of these model fit indices.

Table 24: Model Fit Indices

Model fit indicator	LR Prob>chi2	RMSEA	PCLOSE	SRMR	CFI	TLI
Model 2 measurement	0.914	0,000	0,572	0,002	0,963	0,951
Model 3 measurement	0.807	0,000	0,698	0,006	0,957	0,968

Source: Author (2024)

The results show that the Prob > chi2 for both models 2 and 3 (0,914 and 0,807) are more than the threshold of 0,05, indicating that they are insignificant. A non-significant chi-square value ($p > 0,05$) indicates a good fit. These results suggest that the model is a good fit indicating that the data is suitable for SEM estimation. In addition, the RMSEA values in Table 24 are 0,000, which suggests an excellent fit of the data to the models. The PCLOSE, which is another significant model fit index also has values of 0,572 and 0,698 for models 2 and 3 respectively. These results show that the null hypothesis cannot be rejected, and the models are statistically acceptable. In addition, the SRMR results for both models are all less than 0,08, which is the threshold for a good fit. Since all the SRMR results are less than 0,08, it was concluded that the models are a good fit. The table also shows that the CFI values are all greater than 0,95, which is considered an excellent fit. Finally, the TLI results for models 2 and 3 are 0,914 and 0,938 respectively. A TLI result above 0,95 indicates that the model fits the data well. Overall, the model fit indicates that the proposed models perfectly fit the data, with the RMSEA, PCLOSE, SRMR, CFI, and TLI values all suggesting a good fit.

8.8. SEM Results: The impact of irregular expenditure on the going concern status

The study further examined how irregular expenditure impacts the going concern status of the municipalities. The results of the SEM are presented in Figure 13 below.

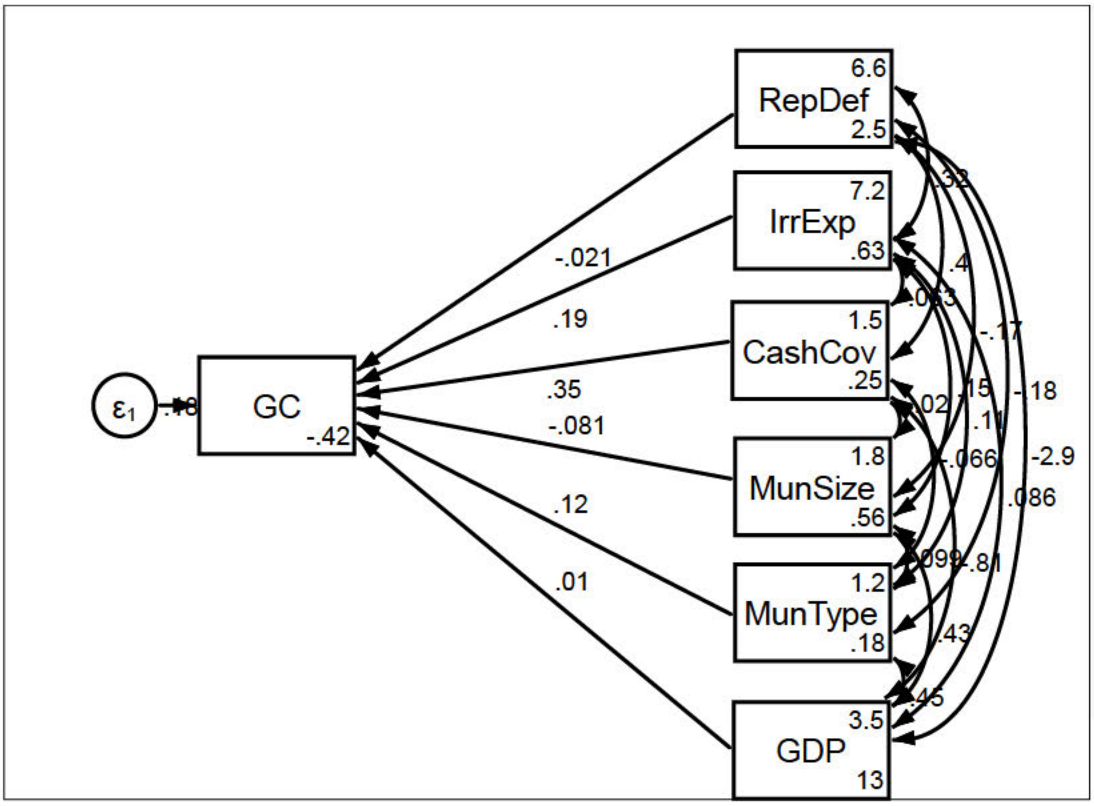


Figure 13: The Impact of Irregular Expenditure on Going Concern

Source: Author (2024)

The findings from the structural equation modelling analysis in Figure 13 illustrate the influence of the violation of the SCM processes that result in irregular expenditure on municipal financial management in KZN. First, the findings from the structural equation modelling analysis reveal a positive and statistically significant (p = 0,023) impact of irregular expenditure (IrrExp) on the going concern status (GC) of the municipalities. This result implies that municipalities with an increased level of irregular expenditure unexpectedly experience a more robust going concern status. These results are similar to Alam, Alam & Hoque (2017) among the municipalities in Bangladesh who found that the level of the management of the municipal finances has a positive impact on their financial performance. Meyer and Neethling (2021highlightthat the focus on financial health and concern of municipalities is a growing trend in South Africa as is closely related to municipal financial management such as the prevention of the violations of SCM prescripts. Furthermore, the municipality's going concern assessment is in the public interest and shows the level of financial management and compliance with expenditure management as prescribed by legislations (Carson, Fargher, Geiger, Lennox, Raghunandan & Willekens, 2013; Ramutsheli & Janse van Rensburg, 2015).

Conversely, the findings indicate that the reported deficit (RepDef) has a negative and insignificant (*p*-value = 0,649) impact on the going concern status of the municipalities in KZN. The results suggest an inverse relationship, implying that municipalities with higher deficit levels have a lower going concern status. The implication is that an increase in the deficit level of the municipality results in a weak going concern status. The results obtained from the structural equation analysis further indicate that economic factors, namely cash coverage (CashCov) and grant dependency ratio (GDP), positively impact the financial health and the status of going concern of the municipalities. First, cash coverage demonstrates a positive and significant ($p = 0{,}013$) impact on the going concern status of the municipalities, whilst the grant dependency ratio exhibits a positive and insignificant impact on the going concern status of the municipalities. This finding suggests that municipalities with a higher cash coverage are more likely to have a higher level of going concern. Interestingly, the grant dependency ratio does not demonstrate a significant (*p*-value = 0,603) impact on the going concern status. This finding implies that municipalities with a high level of going concern do not primarily depend on government support to maintain their operations.

Moreover, the financial performance of the municipalities, represented by their going concern status, is also influenced by their characteristics. Particularly, there is an inverse and insignificant (*p*-value = 0,319) relationship between the municipality size (MunSize) and their level of going concern status. This indicates a weak going concern status in larger municipalities and vice versa. This result can be elucidated by factors such as the presence of more complex operations, high operating costs, and larger budgets in larger municipalities. In terms of budgeting, being able to effectively manage such complexity can be difficult, thereby increasing the risk of financial instability. Conversely, there is a positive and insignificant (*p*-value = 0,469) impact of municipality type (MunType) on the going concern status of the municipalities. This results in questions being raised regarding the financial performance of different types of municipalities in KZN.

8.9. Structural Equation Results: The Impact of Irregular Expenditure on the Current Ratio

The current ratio is a good index for the financial well-being of an organisation because it measures an entity's ability to settle its short-term obligations with its short-term assets. Given the significance of this financial indicator, the research examined the impact of the violation of SCM processes and the resulting irregular expenditure on the current ratio of the municipalities. The SEM results of the analysis are presented in Figure 14.

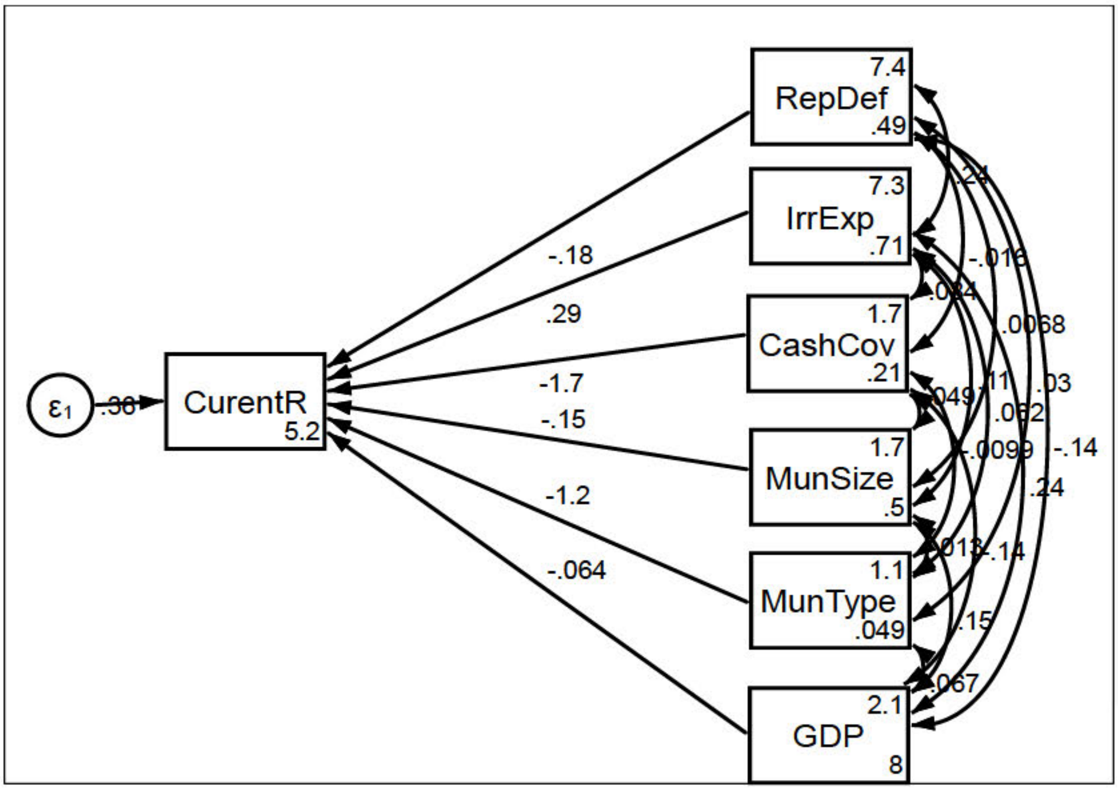


Figure 14: The Impact of Irregular Expenditure on Current Ratio

Source: Author (2024)

Figure 14 demonstrates the results of the structural equation modelling on the impact of irregular expenditure on financial performance. Unsurprisingly, the result shows a negative relationship between irregular expenditure and the current ratio. This result suggests that an increase in irregular expenditure would lead to a decrease in the current ratio of the municipalities. This result implies that municipalities that record high irregular expenditures would struggle to pay their short-term obligations. This result is reasonable because irregular expenditure is associated with prudent financial management, which also influences the liquidity position of organisations. As a result, a municipality with a high level of financial indiscipline would not have enough liquidity for its activities, leading to financial stress. These findings agree with Padovani, Porcelli & Zanardi (2024), who found similar results, reporting that the violation of financial management prescripts and irregular expenditure was one of the major causes of distress in municipalities. This result demonstrates that the lack of administrative controls over the resources of the municipality, poor financial management and lack of internal controls and accountability are major causes of financial distress. Furthermore, the violation of prescripts leads to irregular expenditure and drains the capacity of municipalities, leading to financial health challenges, poor debt collection, and low revenue mobilization (Padovani, Porcelli & Zanardi, 2024). These results contradict Mishi, Mbaleki & Mushonga (2022) who found that irregular expenditure does not affect the financial health of the municipality. On the other hand, there are similarities between this result and Neethling & Meyer (2019); Meyer & Neethling (2021), who investigated the financial health index of municipalities and found that irregular expenditure harms the financial performance of institutions. Similarly, Aivaz, Munteanu, Stan & Chiriac (2022) found identical results. These authors found a relationship between non-compliance and negative financial health. In addition, the authors reported that, over and above negative financial health, non-compliance results in sustainability risks.

The results of the association between reported deficit and current ratio are inverse and insignificant, implying that municipalities with lower deficit levels tend to have higher current ratios. The finding may be because municipalities having higher deficits are characterised by effective financial management strategies and financial stability. Therefore, municipalities that possess strong liquidity (high current ratio) are less likely to have a deficit since they are well prepared to handle financial commitments and downturns in the economy. It is demonstrated by the analysis that the grant dependency ratio (GDP) and current ratio show an inverse and insignificant association. This result indicates that an increase in the GDP ratio is associated with a decrease in the current ratio among municipalities. Additionally, the relationship between cash coverage amounts and the current ratio is inverse and significant, implying that a lower cash coverage amount is associated with a greater current ratio. This can be because of variations in the composition of current assets and liabilities within municipalities.

The specific characteristics of municipalities in KZN play a key role in determining how irregular expenditure influences their financial performance. The results present a significant inverse association between the current ratio, municipality size, and type. This demonstrates that the current ratio decreases with the size and type of the municipality, ultimately affecting its financial performance. The possible reason for this result is that larger municipalities may have larger financial commitments resulting from high demand for service delivery. To be able to effectively deliver these services, the municipalities normally borrow from banks and other financial institutions. In addition, the municipalities normally contract other organisations to render certain services, of which payments are not made upfront, resulting in a higher liability. These explanations show how bigger municipalities may experience a lower liquidity position.

The foregoing discussions have demonstrated that irregular expenditure significantly influences the state of municipal finances in KZN. This outcome is not shocking because irregular expenditure normally arises from financial mismanagement. This shows that municipalities experiencing higher irregular expenditure also experience financial mismanagement, which has negative impacts on their financial performance. The result implies that municipalities aiming to improve their financial performance should avoid irregular expenditure by ensuring that their financial transactions conform to the prescripts of the MFMA. These results are similar to those reported by Motubatse & Ngwakwe (2020); Badenhorst-Weiss (2012). These findings imply that public sector organisations must monitor work performed by service providers and spread economic participation by giving work opportunities to companies owned by different people rather than only awarding contracts to a few companies, normally owned by connected people.

In addition, the results imply that the public sector organisations must enforce high levels of ethics and transparency in the procurement processes, ensure the capacity of the procurement function, and enforce the implementation of consequence management for deviations and manipulation of procurement processes, fraud, and corruption. Government must ensure that it enforces financial management disciplines, such as recording all irregular expenditure on the irregular expenditure registers, ethics, and transparency of the SCM practices. The important point to note here is that poor financial management such as incurring unauthorised, irregular, fruitless, and wasteful expenditures by public sector impacts service delivery. Therefore, to achieve compliance with supply chain management prescripts, public sector entities, including municipalities, must place supply chain management at a strategic level and employ properly qualified and experienced individuals to deal with procurement matters. Municipalities must prioritise transparency and accountability to ensure improved disclosure of financial information, and provide oversight structures with accurate, complete, and credible financial information (Zungu, 2018). Furthermore, municipalities must implement controls to prevent financial mismanagement and fraud. There must also be continuous training and development of staff and councillors to enforce adherence to financial management prescripts.

8.10. Summary of the Chapter

This chapter developed structural equation analysis using variables such as annual report compliance, going concern, municipal size, type of municipality, grant dependency ratio, and debt collection ratio. The following chapter provides a summary, general recommendations, an irregular expenditure ecosystem, a framework for preventing and dealing with irregular expenditure, and contributions.

CHAPTER NINE: SUMMARY, RECOMMENDATIONS AND CONCLUSION

9.1. Introduction

This study analysed the prevalence and causes of irregular expenditure over a period of 11 years, from the 2012-2013 to the 2022-2023 financial years, and explored the stakeholder understanding and opinions about the causes of irregular expenditure. Furthermore, it explored consequence management implementation for irregular expenditure and related irregularities, as well as the efficacy of preventative controls in KZN municipalities. Qualitative and quantitative research methodologies were combined to ensure that all research objectives and questions were addressed in detail.

9.2.Summary and Overview

The findings revealed collaboration between councillors, officials, and contractors, resulting in payments for work not performed, overpayments, and poor performance. The political deployment of contractors created a sense of untouchability, leading to a lack of consequence management and substandard service delivery by these contractors. Additionally, fear, intimidation, threats, and even assassinations contributed to irregular expenditure, rather than a mere lack of skills and experience. The information obtained through the literature review aided in developing appropriate quantitative research questions, while the responses from questionnaires contributed to formulating relevant interview questions. The combination of quantitative and qualitative research methodologies was suitable for the study, and the interviews conducted with councillors proved beneficial, as they uncovered new insights into the prevalence and causes of irregular expenditure.

The section that follows describes all the stages of this study, beginning with the introduction to research, literature review, methodology, analysis of the prevalence and causes of irregular expenditure, stakeholders' understanding and opinions about irregular expenditure, implementation of consequence management for irregular expenditure and procurement irregularities, internal control for the prevention of irregular expenditure, as well as the factors influencing irregular expenditure. A chapter-by-chapter summary is presented below.

9.3. Chapter One - Introduction

The historical context for public procurement in South Africa was discussed in this chapter, including historical economic exclusions and participation by a few minority groups in public sector procurement opportunities. Likewise, the marginalisation and economic exclusion of the majority post-apartheid, under the guise of the democratic era, is mainly because government business opportunities are given to politically and socially connected persons. Most importantly, preference is given to contractors and service providers linked to politicians, councillors, and officials through political, social, and family relationships. The prevalence and causes of irregular expenditure in South African municipalities and the research objectives and questions were discussed. Furthermore, the importance of the study was explained; for example, the absence of academic studies on the analyses of the prevalence of irregular expenditure and its causes in the KZN province and the implementation of consequence management and internal controls in irregular spending. The benefits of conducting this study through the mixed research methodology and the structure of the thesis were also explained.

9.4.Chapter Two - Conceptual and Theoretical Literature Review

This chapter focused on the literature review, addressing both the conceptual and theoretical literature. It examined principal-agent theory, stakeholder theory, cadre deployment, and the political appointment model. The impact of cadre deployment on the financial management of municipalities was unpacked, along with the definition of irregular expenditure. It presented an in-depth examination of the empirical literature' including reviews of research on the prevalence and drivers of irregular expenditure, the implementation, and impact of consequence management strategies for irregular expenditure and procurement irregularities, and the design and effectiveness of internal controls aimed at preventing irregular expenditure. Furthermore, it summarised the results of the literature reviews on the prevalence of irregular expenditure and its causes, consequence management for irregular expenditure and procurement irregularities, and irregular expenditure prevention controls. In addition, the chapter discussed the gaps in the literature, such as the examination of the prevalence of irregular expenditure in municipalities and its causes, the examination of consequence management for irregular expenditure and related irregularities, and the examination of irregular expenditure prevention controls. It provided groundwork and background for this study, as it laid the foundation for the appropriate theoretical framework that was used in the study, which was the cadre deployment and appointment model. This theoretical framework is relevant since councillors, municipal managers, senior managers, contractors, and service providers in municipalities are politically appointed, a process known as cadre deployment. This chapter helped as a foundation for developing the questionnaire and interview questions.

9.5. Chapter Three - Research Methodology

The questionnaire, developed in consultation with relevant individuals, comprised 34 statements categorised into four areas: stakeholders' understanding of irregular expenditure, stakeholders' perspectives on the causes of irregular expenditure, stakeholders' views on consequence management related to irregular expenditure, and internal controls for preventing irregular expenditure. This chapter provides detailed information about the administration of the questionnaires.

Survey questionnaires were distributed to 450 participants. After collecting the responses, interviews were conducted with ten councillors. An explanatory sequential method was employed, starting with a quantitative approach followed by qualitative research to gain a deeper understanding of the quantitative findings. The data analysis tools used in the study are outlined in this chapter. The questionnaire results were analysed using descriptive statistics, while the interviews were transcribed and analysed thematically using NVivo. The Kruskal-Wallis test was applied to assess significant differences in stakeholders' understanding of irregular expenditure, their perspectives on its causes, and their views on consequence management related to irregular expenditure, as well as concerning irregularities and internal controls.

9.6. Chapter Four - Analysis of the Prevalence and Causes of Irregular Expenditure

This chapter analysed the prevalence and causes of irregular expenditure in the KZN municipalities for eleven years. Legislation such as the MFMA and SCM regulations exists to guide the municipalities in prevention of irregular expenditure. Additionally, municipalities implemented best practice guides from National Treasury, such as the completion of the SCM checklist for each tender, which is prepared, reviewed, and approved by different role players in the SCM value chain within the municipality. This checklist, together with the signatures of different employees in the SCM process confirms that there is segregation of duties within the

SCM and that there is also review and approval of all SCM transactions. Even though there is comprehensiveness in the SCM processes, KZN municipalities bypass these processes and incur irregular expenditures.

The study found that not less than ninety-four per cent of municipalities in KZN incur irregular expenditure annually. The analysis showed that irregular expenditure is caused by disregard for the National Treasury SCM regulations and instructions, as well as bypassing internal procedures and processes. Tenders were given to contractors who did not qualify, and preference was given to contractors owned by councillors, officials, their relatives, and connections. Because councillors and officials had an interest in contractors, municipalities paid contractors without monitoring their work. This resulted in poor service delivery, contractors being paid for no work done, and substandard work that required substantial amounts of money to be rectified. Additionally, business opportunities within municipalities were limited to a few contractors and excluded those without connections. Municipalities did not use the SCM budgets and public procurements to stimulate local economic transformation and development, as they marginalised local businesses, and locally produced goods.

9.7. Chapter Five - Stakeholders' Perspectives about the Causes of Irregular Expenditure

The chapter explored the causes of irregular expenditure in the KZN municipalities from the perspectives of the stakeholders. The study revealed that irregular expenditure was mainly caused by fraud, corruption, collusion, cadre deployment, lack of consequence management, lack of coordination among state institutions, lack of qualified personnel, and lack of oversight abilities by MPACs. It further revealed that employees and stakeholders could not report irregular expenditure due to fear and the absence of protection for whistle-blowers.

9.8. Chapter Six - Consequence Management for Irregular Expenditure and Irregularities

This chapter examined the implementation of consequence management for irregular expenditures and irregularities in KZN municipalities. Consequence management was directed against individuals who opposed certain political factions or corrupt activities. Councils are unable to implement consequence management due to safety concerns, as those who sought to impose consequences often faced assassination. The study found that consequence management for tender fraud, corruption, and irregularities in KZN municipalities was not possible due to political interference, entrenched mafia influence, and collusion among councillors, officials, contractors, and service providers. Furthermore, the lack of appropriate legislation and policies, absence of political will, protection of allies, and political factions, and inadequate oversight by MPACs hindered the implementation of consequence management for irregular expenditure and irregularities.

9.9. Chapter Seven - Internal Controls for the Prevention of Irregular Expenditure

Controls for irregular expenditure prevention in KZN municipalities were examined in the chapter. One of the main causes of irregular expenditure and irregularities was the absence of implementation of disciplinary steps against persons who committed fraud and corruption. Municipalities hardly investigated irregular expenditure, allegations of fraud, and irregularities, and where investigations into these wrongdoings were completed with findings and recommendations against certain persons, municipalities simply did not act on them. This is because comrades protect other comrades. Furthermore, there was a lack of integrity in the bid specifications, evaluations, and adjudication committees as these committees colluded with contractors and service providers.

The study found that there must be integrity and ethical leadership. This implies the transparency and fairness of the cadre deployment processes within various political parties. Furthermore, cadre deployment policies must be publicly accessible, and the operations of deployment committees must be transparent. Additionally, the public must be engaged in the management of public finances through political education and public engagement. Students at universities, technical and vocational Education institutions must be engaged on government policies so that when they start careers in government instutitions, they can defend public policies. This includes the involvement and education of Residents' and Ratepayers' Associations in local government.

9.10. Chapter Eight – Factors Influencing Irregular Expenditure

This chapter developed a Structural Equation Model (SEM) to assess the factors influencing irregular expenditure and its impact on the financial performance of municipalities. Several variables were used in the development of SEM, including annual report compliance (ARComp), going concern (GC), and municipal size (MunSize). Additionally, the type of municipality

(MunType), grant dependency ratio (GPD Ratio), and debt collection ratio (DbtColl) were included assess the factors influencing irregular expenditure.

The following section discusses general recommendations based on the findings. These recommendations focus on the control environment necessary for municipalities to prevent irregular expenditure and related irregularities. They aim to contextualise and fully implement the MFMA, and other municipal financial management legislation as intended by the National Treasury. They will also enable government and other stakeholders to effectively use public procurement as a means for development, socio-economic transformation, and service delivery.

9.11. General Recommendations

For the municipal financial management environment to be conducive for adherence to public financial management prescripts, the study suggests the general recommendations as discussed in 9.10.1. to 9.10.5 below.

9.11.1. Municipalities must rotate officials involved with Procurement and SCM

Supply chain management practitioners and procurement officials must be rotated to avoid the risk of familiarity with contractors and service providers. Rotation will reduce threats from contractors and service providers, as procurement and SCM officials will be less predictable. Additionally, threats related to contract awards will decrease, and even violence may reduce, as individuals will not know one another.

9.11.2. Open dialogues among the key role players on irregular expenditure

To eliminate irregularities in supply chain processes, departments, and entities responsible for municipalities should initiate regular open dialogues about irregular expenditures. All relevant key players in the municipal environment must be invited to these discussions. Invitations should include all political parties represented in municipalities, business forums, taxi associations, the private sector, professional bodies, foreign investors, religious and traditional leaders, relevant officials and councillors, representatives from the SAPS, and law enforcement agencies, KZN EDTEA, and representatives for residents and ratepayers' associations. Regular engagements among all key players will help eliminate irregular expenditure in the province.

9.11.3. Instil integrity and ethics

The study showed that municipalities use contractors, service providers, and professionals from various fields to deliver services to communities as well as for administrative purposes. Terman & Feiock (2015) found that municipalities depend on contractors and service providers to deliver services. The use of these entities has contributed to significant fraud, corruption, and irregular expenditure in municipalities. Collusion results in irregular expenditure in many ways; for example, municipalities do not monitor the work performed by contractors, service providers, and professionals before making payments. Some work that must be performed internally by municipal staff is outsourced to split payments between officials and contractors, service providers, and professionals.

The study further showed that municipalities must establish robust Codes of Conduct applicable to all individuals involved in municipal operations. This code can be used to train stakeholders on ethical behaviour to improve governance and prevent irregular expenditure. It is recommended that professional bodies and associations provide regular training to their members on ethical behaviour. Municipalities must also train contractors, service providers, and professionals working for them to raise awareness about collusion resulting in irregular expenditure.

9.11.4. Professionalise the workforce

The study found a need for an ethical and professional municipal workforce. It highlighted the importance of ethical conduct among officials and the necessity for professionalism, competence, and training. It also found that such a would reduce irregular expenditure by minimising vulnerability to corruption and ensuring adherence to processes and regulations. Articulating this view, one councillor emphasised the importance of ethical public service, stating, "Our officials must be ethical... in all that they do, put people first... an answer in dealing with irregular expenditure." This response suggests that the councillors think that an ethical foundation is crucial for responsible financial management. Councillors stressed the need for officials who prioritise public interests and adhere to ethical principles.

In addition, another councillor underscored the significance of professionalisation, saying, "Professionalise public service, have people who are competent, skilled... that will address all these problems... everyone must be guided by the rules." This response indicates a belief in the importance of competence and adherence to established processes and regulations. The councillor viewed professionalisation to minimise vulnerabilities to corruption and ensure responsible financial practices. This study's research findings, with a focus on ethical and professionalised public service, correspond to previous studies that emphasised the importance of integrity, professionalism, and competence among public officials. Wright, Hassan & Park (2016) and van Bochove & Oldenhof (2020) demonstrated that a strong ethical culture and professional standards contribute to effective internal controls and prevention of irregular expenditure.

9.11.5. Public recruitment and performance evaluation of accounting officers

Legislation such as the Municipal Systems Act requires the municipality to appoint the municipal manager as head of administration of the council for a period not exceeding the term of office of the council. The selection process consists of a panel of three to five members, made up of the mayor or their delegate, a councillor designated by the council, and one member who is not an employee of the council. The panel is responsible for shortlisting, screening, interviews, and recommendations for council appointment after candidates have undergone competency assessments. The current appointment model of the municipal manager does not allow the community to participate in the process, as it is limited to the mayor and their recruitment team. Given the high levels of corruption and irregular expenditure in municipalities, this study recommends the public recruitment of accounting officers. To increase transparent recruitment processes and public trust in the appointment processes of municipal managers, this study further recommends live broadcasts of the recruitment of the municipal manager.

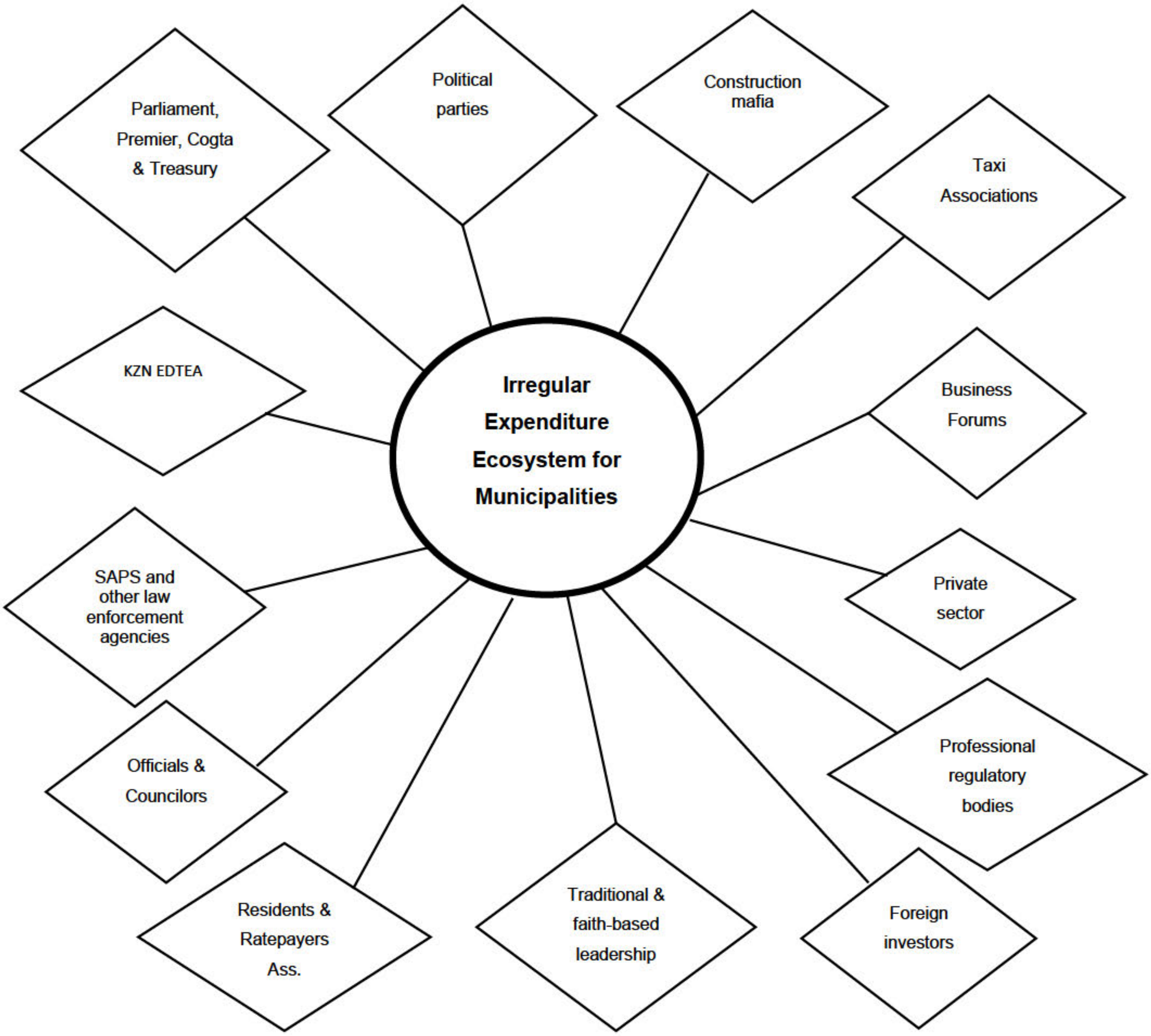
Various legislations applicable to Local Government, such as the Municipal Systems Act (MSA), the Municipal Planning and Performance Management Regulations (MPPMR), the Municipal Finance Management Act (MFMA), the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager, and the Framework for Programme Information (FPPI) issued by National Treasury, regulate the performance management systems of municipalities. The performance management system of the municipality is used to monitor the implementation of the municipality's Integrated Development Plan (IDP) and thereby increasing accountability. The municipal manager is required to sign the performance agreement annually with the mayor. Once the performance agreement is in place, the performance of the municipal manager is evaluated regularly, normally quarterly, or yearly. The evaluation panel for the formal assessment of the municipal manager consists of the mayor, the Chairperson of the Audit Committee, a Member of the Mayoral Committee, a mayor, or Municipal Manager from another municipality and a Member of the Ward Committee. This study recommends the live broadcasting of the signing of the performance agreement and the evaluation of the accounting officers. Besides the stakeholders involved in the evaluations above, it is recommended that the residents and ratepayers associations be involved in the performance evaluation of the municipal manager.

The section on general recommendations highlights the control environment that must be created for municipalities to prevent irregular expenditure. Supply chain management officials and those involved with procurement must be rotated to avoid familiarity with contractors and service providers, and departments and entities responsible for municipalities should initiate regular open dialogues among key role players on irregular expenditure. Furthermore, relevant bodies should instil integrity and ethics among contractors, service providers, and professionals from all walks of life who are involved with municipalities. There must be professionalisation of the municipal workforce, as well as public recruitment and performance evaluation of the accounting officers. Below is the irregular expenditure ecosystem for municipalities.

9.12. Irregular expenditure ecosystem for municipalities

One of the requirements of the Municipal Systems Act, 32 of 2000, is that municipalities must actively engage communities and stakeholders in the affairs of the municipality, of which they form an integral part. Most importantly, they must be engaged in municipal planning, service delivery, and municipal performance. It is essential for municipalities to engage all stakeholders involved with municipal financial management to prevent irregular expenditure. Such stakeholders include persons and institutions that influence the employment of people, the awarding of tenders, the delivery of infrastructure projects, payments for goods and services, and persons and institutions that influence good governance in municipalities. Figure 15 below comprises the irregular expenditure ecosystem for municipalities.

Figure 15: Irregular Expenditure Ecosystem for Municipalities.



Source: Authors construction (2024)

Figure 15 above comprises all the relevant role players making up the irregular expenditure ecosystem. Political parties run municipalities through outright majorities or in coalitions with other parties and have an important role in politically deploying officials, municipal managers, contractors, and service providers to municipalities. The integrity of the deployment practices and the ethics of the political deployees will prevent fraud, corruption, and irregularities in municipalities. Additionally, the competence of the politically deployed cadres will ensure improved financial management and prevention of irregular expenditure. The construction mafia is prevalent in KZN municipalities and has influenced service delivery. Similarly, the private sector, including contractors and service providers contracted by municipalities, plays an influential role in municipal tenders and contracts. Residents, communities, ratepayers' associations, and traditional and religious leaders can help prevent irregular expenditure if they are actively involved in the affairs of municipalities and report poor work done by contractors and service providers to the relevant structures. It is recommended that reporting should occur at the ward level for municipalities, allowing residents and ratepayers to hold municipalities accountable.

Municipalities depend on consultants to plan and execute projects and manage financial reporting, making professionals essential to municipal financial management. The commitment of these professionals to ethical conduct can significantly improve financial management in municipalities. The involvement of professional bodies for all consultants and officials is believed to foster an ethical environment in municipal financial management. Additionally, these bodies are expected to enforce consequence management for those involved in irregular expenditure, fraud, and corruption. This study acknowledges the roles of municipal officials, senior managers, municipal managers, internal auditors, audit committees, and councillors in preventing, detecting, and correcting irregular expenditure. The ecosystem also includes officials from coordinating institutions such as Cogta, the Treasury, the Premier's office, and members of parliament, due to their influence on policy direction and leadership in preventing irregular expenditure.

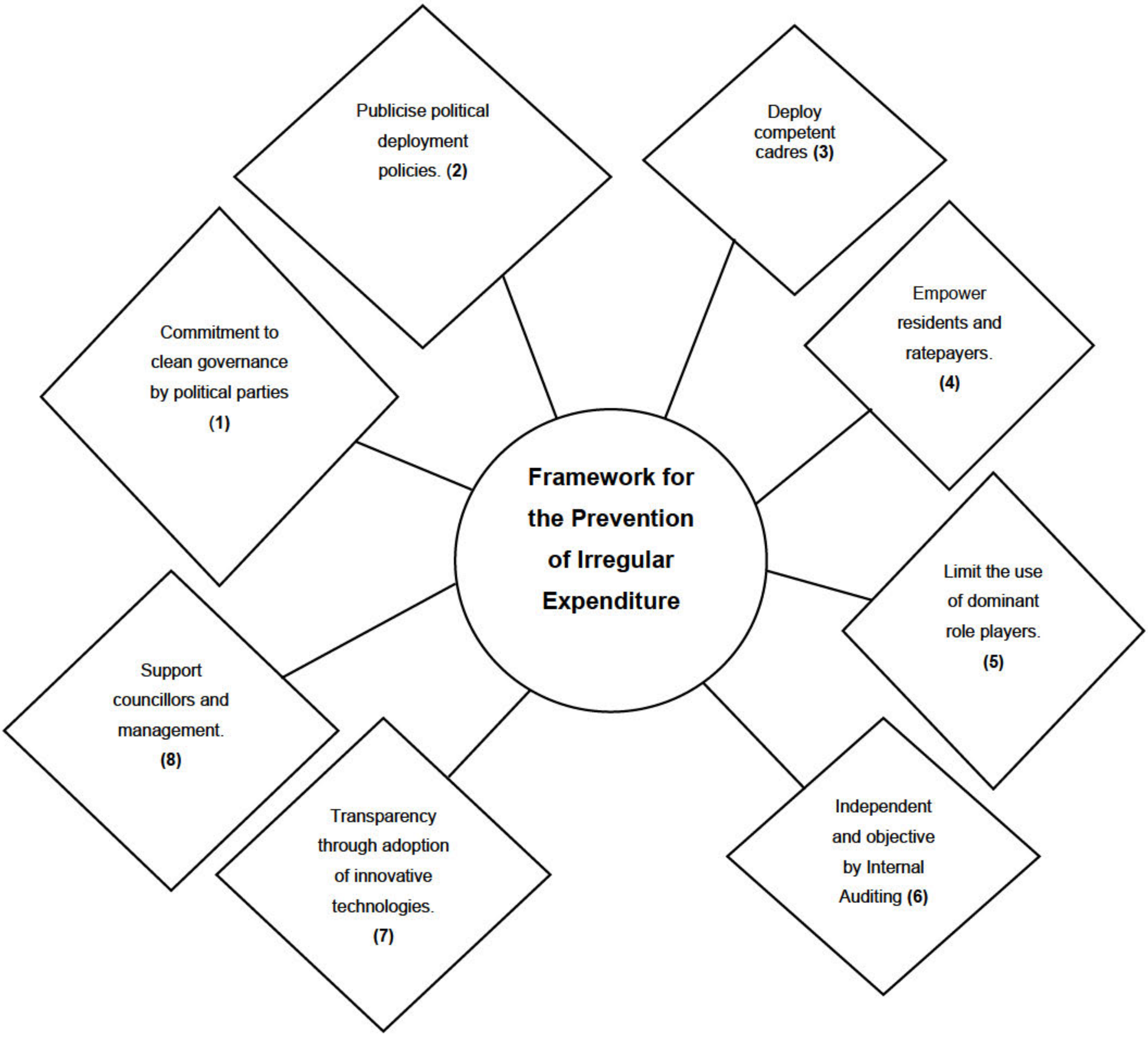
The KwaZulu-Natal Department of Economic Development and Environmental Affairs (EDTEA) is significant in shaping the economic landscape of the province through economic transformation and enterprise development. It will help EDTEA in formulating further policies and an environment conducive for municipalities to attain the objectives of Section 217 of the Constitution of the Republic of South Africa. The ecosystem will assist political parties in developing appropriate cadre deployment policies and practices. Communities and community organisations, such as ratepayer associations, have a key role in municipal oversight; the ecosystem will facilitate their active and meaningful involvement in the running of municipalities to reinforce public oversight. The ecosystem will assist key economic role players including traditional leaders, business forums, taxi associations, chambers of commerce and industries, professional bodies and associations, local and foreign investors, the private sector, and contractors in their roles regarding government contracts and working in the interest of communities and the country for sustainable infrastructure development and improved service delivery.

Additionally, it will support staff and councillors in municipalities in addressing issues of fear, intimidation, and threats, providing them with coping mechanisms and promoting positive health. The ecosystem will also aid the KZN provincial leadership in developing policies and interventions to rehabilitate communities affected by the legacies of violence and political tensions. The internal control environment of a municipality is influenced by the general political atmosphere, the community involvement, and the attitudes of key economic role players. Importantly, law enforcement agencies are a crucial component of the general control environment. The ecosystem will assist law enforcement agencies, such as the South African Police Service (SAPS), in protecting communities, officials, councillors, and the public, enabling them to speak freely about procurement irregularities and ensuring the protection of whistle-blowers. Integrity within the SAPS and its leadership role in community rehabilitation will help address the entrenchment of hitmen (izinkabi) businesses in the KZN province.

9.13. Framework for prevention and dealing with irregular expenditure by municipalities

MFMA section 65(1)(i) requires municipal managers to safeguard the public interest in procurements by ensuring that the SCM policies of municipalities achieve fairness, equity, transparency, competitiveness, and cost-effectiveness in their implementation. While effective management reviews and preventative and detective controls have been compromised by collusion in municipalities, this study aims to develop a framework for preventing and addressing irregular expenditures. Since collusion involves politicians, councillors, officials, contractors, service providers, and professionals working as consultants, an appropriate framework must be developed to tackle SCM fraud and corruption in municipalities. Figure 16 below describes the suggested framework for the prevention of irregular expenditure in municipalities.

Figure 16: Framework for the Prevention of Irregular Expenditure by Municipalities



Source: Authors construction (2024)

Figure 16 above describes a framework to prevent irregular expenditure in municipalities. For municipalities to prevent irregular expenditure, there must be a commitment to clean governance by the political parties governing them. Only councillors, contractors, service providers, consultants, and accounting officers with integrity must be politically deployed to municipalities, and comrades who are competent and have a demonstrable track record must be selected.

Furthermore, municipalities must meaningfully involve residents and ratepayers in their operations, and limit the use of dominant economic role players, contractors, service providers, and consultants. Additionally, irregular expenditures incurred by municipalities must be independently investigated by Internal Audit, and there must be transparency in the bid processes through the adoption of innovative technologies and support given to ethical councillors and managers. Below is the thematic discussion of the suggested framework for the prevention of irregular expenditure by municipalities.

9.13.1. Commitment to clean governance by political parties

Fraud and corruption perpetuate poverty, unemployment, inequality, and the marginalisation of the masses from socio-economic opportunities (Syrif & Faisal, 2019). Political parties are significant in the financial administration of municipalities due to cadre deployment. Consequently, they must set a tone at the top for clean governance in the municipalities they govern (Olasunkanmi, Olawole & Akin, 2024). Perdana & Hanifuddin (2023) found that political parties can reduce fraud and corruption in government institutions only if they are committed to instilling integrity and good values among their cadres. David & Bestari (2020) recommended that ethical behaviour by cadres must be incorporated into the political education of each political party to eliminate corruption within the state. Political education based on good values and integrity will produce ethical and competent political cadres who can be deployed to government and facilitate the much-needed socio-economic transformation (Syarif & Faisal, 2019). A political party or parties governing a municipality can play a major role in stopping fraud and corruption only if they are committed to clean governance. They must take a stand against the looting of municipal resources by dealing decisively with deployees who are stealing and involved in fraud and corruption. Vilakazi & Adetiba (2020) recommended that political parties leading in municipalities must protect the interests of the communities that elected them to councils, rather than using municipal resources, through their political deployees, to enrich their leaders and influential families, groups, and businesspeople.

9.13.2. Publicise political deployment policies

Cadres protecting cadres has become the norm in the province, where politically connected individuals are shielded from consequences. Cadre deployment has led to officials, councillors, contractors and service providers being untouchable due to political party protection. Furthermore, the lack of transparency in cadre deployment has resulted in the appointment of incompetent officials, managers, councillors to lead municipalities and business opportunities reserved for incompetent contractors and service providers. Additionally, the absence of public cadre deployment practices limits party membership and the public's ability to hold political parties accountable. It is recommended that party deployment practices and policies be made publicly available, ensuring that the deployment of officials, accounting officers, councillors, contractors and service providers is conducted fairly within party structures. Political parties should adhere to processes with integrity in their cadre deployment to ensure that competent and honest individuals and persons are appointed. Although the requirements of integrity and competence cannot be assessed due to the lack of publicly available cadre deployment policies, the study recommends that incompetent individuals and persons who lack integrity should not be politically deployed to municipalities. Deploying competent officials, accounting officers, councillors, contractors and service providers with a strong record of integrity will help prevent irregular expenditures and other irregularities in municipalities. Furthermore, appointing competent cadres with integrity will enhance financial management and service delivery in KZN municipalities.

9.13.3. Limit cadre deployment to competent comrades

Councillors are expected to oversee and provide assurance on the annual reporting documents. The annual report contains key documents that must be read and understood by councillors:

- The annual performance reports.
- financial statements.
- Audit report.

Cadre deployment practices of political parties often do not place councillors with appropriate educational backgrounds. Councillors struggle to read and understand municipal performance as reported in annual performance reports, monthly and year-end financial reports, and auditors' reports from the AG. The financial management of municipalities relies on planning, and each municipality develops an Integrated Development Plan (IDP), budget, and Service Delivery and Budget Implementation Plan (SDBIP), which must be understood by councillors. Before annual reports are compiled, in-year reports, such as Section 71 reports and quarterly performance reports, are produced to report on the implementation of the IDP and budget, as required by the MFMA.

Councillors are expected to exercise oversight over planning, in-year reports, and annual reporting. However, due to a lack of oversight skills, they cannot perform their duties effectively. It is recommended that political party deployment practices require a minimum level of skills and competencies to deploy competent party members as councillors. Competent councillors will help municipalities respond to community service delivery needs. Olasunkanmi, Olawole, & Akin (2024) recommend that political parties deploy councillors with proven competencies in their respective fields to improve governance in municipalities.

9.13.4. Empower residents and ratepayers

Municipalities are encouraged to respond to the service delivery needs of communities, residents, and ratepayers. To achieve this, they must meaningfully involve these groups in the operation of the municipalities. Municipalities must work with communities, residents, and ratepayers to identify all service delivery needs in the wards. It has become common in KZN for municipalities to abandon essential services such as street cleaning, litter pickup, and yard rehabilitation after repairing broken pipes. Instead, residents and ratepayers in certain wards have taken it upon themselves to clean pools, temporarily fix potholes, rehabilitate yards dug by contractors, and clean the streets on weekends and public holidays. However, for infrastructure projects like road maintenance, water provision, and other municipal services, residents and ratepayers cannot volunteer for these complex and technical tasks; therefore, municipalities must address the basic service delivery needs of their communities.

Community organisations and resident associations must empower communities, residents, and ratepayers to understand local government operations and their benefits. Furthermore, these groups must be proactive in holding municipalities accountable. KZN municipalities must engage and involve them in their affairs. Residents and ratepayers should participate in project planning, execution, and completion. The lack of robust engagement has led to unnecessary projects being initiated and others abandoned without accountability, with some projects remaining idle and incurring excessive maintenance costs. The involvement of communities, residents, and ratepayers in municipal operations will reduce or eliminate irregular expenditures, procurement irregularities, and fraud. Additionally, meaningful involvement will address the issues of incompetent councillors and municipal managers failing to run municipalities effectively in the KZN province.

9.13.5. Limit the use of dominant role players

Municipalities in the province must ensure that public procurement becomes a means of economic transformation and development province wide. In this regard, there have been many initiatives by the KZN provincial government to streamline government supply chain management policies for development and transformation. The KZN Cabinet Resolution 437 of 2011 on Preferential Procurement, the KZN Social Accord Implementation Framework of 2013, Operation Vula, and Radical Agrarian Socio-Economic Transformation (RASET) are some of the initiatives by the provincial government. However, there is no evidence that these initiatives have been evaluated for their effectiveness. The Constitution, through section 217, requires that when the municipality contracts for goods and services, it must do so in a way that is fair, equitable, transparent, competitive, and cost-effective. Findings from the Auditor General (2024) point out that municipalities fail annually to ensure economic transformation in their procurement spending. This is because business opportunities are given to similar service providers owned by the same persons. In the absence of competition, irregular expenditure will never be eliminated. Therefore, municipalities must stimulate competition and fairness in their procurement spending and give business opportunities to many contractors, service providers, and consultants from different owners.

9.13.6. Independent and objective internal auditing

This study shows that there is a conflict of interest in the investigation of irregular expenditure and tender irregularities because councillors are involved in the looting happening in municipalities. Financial mismanagement, maladministration, and fraud in municipalities are perpetuated by councillors, mayors, and municipal officials, which is one reason why they are not willing to perform proper investigations into fraud allegations. In addition, cases of fraud and mismanagement scandals were not reported to SAPS as per the Municipal Finance Management Act. Zungu (2018) found that some councillors and key officials were involved in tender fraud and corruption in KZN municipalities. As a result, it was difficult for the same councillors and municipal managers who committed tender fraud and corruption to investigate themselves. An analysis of the irregular expenditure in KZN local government in 2015/2016 showed that irregular expenditure incurred was not investigated to determine if any person was liable, as required by section 32(2)(a) and (b) of the MFMA. Furthermore, the Auditor General (2024) reported that there was a balance of R14.76 billion irregular expenditure that was not investigated in KZN municipalities for the year ended 30 June 2023.

Additionally, MFMA section 32 (6) prescribes that the accounting officer must report to the SAPS any irregular expenditure involving fraud and maladministration. This study showed that in municipalities with serious cases of irregular expenditure and allegations of looting, theft, and maladministration, these issues were not investigated or reported to the SAPS. The study also revealed that some councils certified irregular expenditure as irrecoverable without conducting investigations to determine the recoverability, in contravention of sections 32(2)(a)(ii) and 32(2)(b) of the MFMA. The findings indicate that politicians, mayors, and councillors are involved in the allegations of fraud, corruption, nepotism, and theft occurring in municipalities. It is therefore difficult for councillors to initiate investigations when they are implicated in corruption. Furthermore, this research found that internal auditors face intimidation, victimisation, and death threats while conducting their work. It is recommended that municipalities support and protect internal auditors to perform their duties without fear or favour, ensuring that they operate independently and objectively. To prevent irregular expenditure, municipalities must utilise internal auditors to investigate non-compliance with supply chain management processes and irregular expenditure in terms of section 32 of the MFMA.

9.13.7. Transparency of the bid processes through adoption of innovative technologies

The study found that irregular expenditure is caused by fraud and corruption related to tenders, contracts, and payments for work not done. It further found that bid committees, such as the specifications, evaluation, and adjudication committees, serve to manipulate the tender system. Additionally, when the municipal manager makes the final award, they can deviate from the contractors or service providers recommended by the bid committees and select their preferred contractor or service provider. This renders the bid committees irrelevant, as the municipal manager makes the final award based on their discretion. Fraud and corruption are prevalent in municipalities (Okubena, 2016; Mantzaris & Ngcamu, 2020; Kennet & Molatlhwa, 2021; Marakalala, 2023; Ndlovu & Mutambara, 2023). This study recommended the live broadcasting of the bid evaluation processes, as well as live broadcasting from the bid specifications committee, bid evaluation committee, and bid adjudication committees, to ensure transparency and prevent irregular expenditure.

9.13.8. Support councillors and management

Municipalities must support councillors and officials to fully implement supply chain management policies to prevent irregular expenditure. Additionally, municipalities must protect whistle-blowers to detect irregular expenditures.

9.14. Contributions

This study examines the impact of irregular expenditure on various stakeholders, including political parties, business forums, construction groups, residents and ratepayers' associations, taxi associations, and traditional and faith-based leaders, among others. Recommendations, along with the Irregular Expenditure Ecosystem for municipalities and the Framework for Addressing and Preventing Irregular Expenditure, will be made available to relevant lawmakers, including councils, Parliament, and the Treasury.

Due to the complexity of irregular expenditure, a mixed-method research approach was adopted. This combination of qualitative and quantitative data provided a comprehensive understanding of the scope and causes of irregular spending over the years, as well as the implementation of consequence management for irregular expenditure and related irregularities. Surveys were administered to 450 participants, followed by interviews with 10 councillors. The study employed an explanatory sequential method, using quantitative methodology first, followed by qualitative methodology to deepen the insights gained from the quantitative results.

The research analysed the frequency and causes of irregular expenditure across 54 municipalities in KwaZulu-Natal (KZN) over 11 years. It investigated the reasons for irregular expenditure, consequence management for financial misconduct, and the effectiveness of internal controls designed to prevent such expenditure. Additionally, the study offered general recommendations for municipalities to foster an environment that mitigates irregular expenditure, identified the components of the Irregular Expenditure Ecosystem, and developed the Framework for Addressing and Preventing Irregular Expenditure by municipalities.

9.14.1. Practical contributions

The proposed Framework for Preventing and Addressing Irregular Expenditure in KZN municipalities offers practical solutions that, if implemented, will improve financial management practices, foster socio-economic transformation, and reduce irregular expenditure. These solutions are essential for addressing vulnerabilities in financial management that contribute to irregular expenditure while promoting accountability and transparency in municipal spending.

A key aspect of the framework is the identification of areas for improvement in financial management practices. By pinpointing specific areas that require enhancement, municipalities can address these vulnerabilities and prevent irregular expenditure. This includes strengthening internal controls, improving financial reporting, and enhancing risk management processes.

Another important contribution is the development of strategies to combat irregular expenditure. The research provides actionable recommendations for municipal officials and policymakers aimed at preventing and detecting irregular expenditures. These strategies encompass implementing effective internal controls, conducting regular audits, and fostering a culture of accountability and transparency.

Additionally, the study enhances internal controls and risk management processes by identifying the root causes of irregular expenditure. By doing so, municipalities can establish more effective internal controls and risk management practices. This involves implementing robust financial reporting systems, conducting thorough risk assessments, and monitoring the execution of strategies, risk assessments, and policies.

9.14.2. Theoretical contributions

The study on the prevalence and causes of irregular expenditure in KwaZulu-Natal municipalities significantly contributes to public financial management. By examining irregular expenditures, the research enhances our understanding of financial mismanagement and accountability. A key contribution is the insight it provides into violations of Supply Chain Management (SCM) prescripts within municipalities. The research identifies the nature and extent of irregular expenditure, illuminating its underlying causes and consequences.

The study highlights the root causes of irregular expenditure, such as weak internal controls, poor governance, and insufficient accountability. It also explores the consequences, including the erosion of public trust and resource misallocation. By offering a nuanced understanding of how irregular expenditure impacts governance and municipal financial management, the research strengthens the theoretical framework in this field. It underscores the necessity of effective internal controls and risk management processes to prevent irregular expenditure and guides the development of future research and practices in public financial management.

9.14.3. Social contributions

The study on the prevalence and causes of irregular expenditure in KwaZulu-Natal municipalities has significant social contributions that enhance transparency and accountability in municipal spending. By identifying the root causes of irregular expenditure, the study safeguards public funds while helping to rebuild trust between citizens and municipalities. It raises awareness about irregular expenditure and provides insights into the management of public funds. By disseminating this information, the study fosters transparency in government spending, enabling citizens to hold local governments accountable for the use of public resources. Additionally, it helps protect public funds by pinpointing the causes of violations of Supply Chain Management (SCM) policies that lead to irregular spending. Understanding why municipalities incur irregular expenditures allows local governments to take corrective measures to prevent mismanagement, ensuring the effective allocation of public resources for essential services and promoting economic development.

Furthermore, the study identifies the Irregular Expenditure Ecosystem, which includes stakeholders that must collaborate to enhance the management of municipal resources, social cohesion, economic transformation, and local economic development. It encourages collaboration and collective leadership among stakeholders in managing these resources. By understanding the causes of irregular expenditure, relevant stakeholders can implement corrective actions to prevent mismanagement, promoting a culture of accountability and ensuring that local government officials are held responsible for their actions.

9.14.4. Managerial contributions

The study on the prevalence and causes of irregular expenditure in KwaZulu-Natal municipalities contributes to financial management practices within local government. Its findings provide municipal managers with insights, highlight areas needing training and capacity building, and inform the development of consequence management strategies. Municipal managers are crucial to sound financial governance. The study outlines methods for improving financial management practices by identifying specific areas for enhancement. By understanding the reasons for irregular expenditure, municipalities can implement targeted strategies to hold officials accountable, fostering a culture of transparency. Additionally, the research promotes collective leadership to enhance transparency in local government. Through effective leadership and governance, the study supports the efficient management of public funds and ensures the effective delivery of services, ultimately improving the performance and accountability of local government.

9.15. Suggestions for further studies

The limitation is that municipal officials were excluded, and the findings may differ should the study be conducted outside of KZN. Furthermore, interviews were limited to councillors and not employees. This opens the following avenues for further study:

(i) It is recommended that a further study that could include the whole of South Africa be conducted.

(ii) The researcher recommends a study on the causes of irregular expenditure to be conducted among the municipal officials, contractors, business forums, investors and professional associations and all other key role players in the municipal ecosystem.

(iii) As recommended above, a study to enhance the internal controls to prevent irregular expenditure at a national level and among all applicable role players.

(iv) Another study must investigate the correlation between irregular expenditure and financial losses by municipalities.

(v) A study to investigate the feasibility of live broadcasting of the bid evaluation and award processes.

(vi) The researcher further recommends that a study should be conducted on the impact of irregular expenditure and related irregularities on South Africa's ability to respond to socio-economic challenges faced by the country, for example expenditure on tenderers not addressing mass employment and economic empowerment.

It is envisaged that the current study will prompt further research to deal with issues of irregular expenditure.

9.16. Conclusion

Local municipalities are crucial for effective governance, service delivery, and grassroots development. However, collusion among councillors, officials, contractors and service providers – coupled with issues such as looting, fraud, corruption, financial mismanagement, and tender irregularities – has severely undermined public trust and confidence. The study revealed that irregular expenditure often arises from these actions, driven by factors such as fraud, collusion, fear, intimidation, mafia activities, and violence. Given these root causes and the absence of consequences for those engaged in tender fraud and corruption, it is evident that existing legislation including the MFMA and other financial management frameworks, alongside international best practices, is likely ineffective in preventing irregular expenditure or combating corruption in municipalities.

The primary driver of collusion, fraud, corruption, poor governance, and inadequate service delivery within municipalities is identified as cadre deployment. The study indicated that many municipalities are dysfunctional and unable to provide basic services to their communities, largely due to eroded institutional capacities stemming from this practice.

It was also found that political deployment, wherein political party structures appoint municipal officials through cadre deployment, is a global phenomenon, with all political parties in South Africa complicit in this issue. The findings underscored troubling patterns of corruption, cadre deployment, tender irregularities, and financial mismanagement, revealing systemic weaknesses that impede effective municipal functioning. Political party structures operate as a shadow state, managing municipalities behind the scenes through political appointees who prioritise staff appointments and tender exploitation. Cadre deployment breeds political factions, administrative interference, nepotism, looting, fraud, collusion, wasteful expenditures, and benefits for party members, their families, and friends.

Cadre deployment is controlled by mafia gangs masquerading as liberation fighters, exerting considerable influence within party structures and deployment committees. These gangs often pressure municipal managers or senior officials to appoint specific contractors and service providers. In many cases, their primary concern is not who gets appointed, but rather that they receive a consistent monetary payment from the municipal manager or senior official. As a result, in some municipalities, these managers allocate a set amount of money each month to individuals responsible for their deployment. This scenario fosters collusion among municipal managers, councillors, contractors and service providers, creating an atmosphere of threats, fear, and intimidation. It leads to the awarding of tenders to select contractors and service providers and payments for uncompleted work, all to support these political mafia gangs.

This study reveals pervasive collusion, tender irregularities, and substandard service delivery. Such blatant financial mismanagement and fraud must be confronted by the political parties governing these municipalities. Party structures need to account for the theft, looting, and fraud that undermine the municipalities' ability to deliver basic services, stemming from their strategic deployment of councillors, accounting officers, and contractors. The findings indicate that cadre deployment is the primary catalyst for fraud, corruption, and theft, crippling municipalities in their service provision to communities. If councillors are not complicit, they should implement accountability measures for those misappropriating municipal funds. Furthermore, if the political party structures are uninvolved, they must act against their appointees.

Rather than offering political leadership and preventing theft and looting, leaders from various political parties tend to assign blame to historical factors and previous administrations, thereby neglecting to tackle the root causes. The underlying issues of theft, looting, procurement irregularities, and poor service delivery stem from cadre deployment and collusion among councillors, officials, contractors and service providers. Unless the collective political leadership in KZN municipalities confronts these problems by stopping the theft and looting, addressing cadre deployment, and enforcing consequences for such actions, this vision for reform will remain unattainable, especially if the political leadership benefits from or is involved in these corrupt practices.

Procurement irregularities and poor service delivery have become common place in municipalities. Senior management positions are often filled by incompetent individuals, and many municipal managers face allegations of fraud and corruption. Political parties routinely deploy managers with histories of fraud, moving them between municipalities when they are caught in wrongdoing to avoid accountability and potential jail time. Consequence management is typically enforced only during political factional disputes, rather than being applied for the sake of good governance or effective service delivery. Political parties must hold their appointees accountable, ensuring they maintain ethical standards and adhere to good governance practices. If political parties fail to take decisive action against corruption and irregularities within their ranks, the effectiveness of the MFMA and other municipal financial management legislation, as well as best practices, will be severely limited. Political parties need to foster transparency, fairness, and a culture of integrity in public service.

This study concludes that political parties play a significant role in the procurement irregularities observed in municipalities. Their focus is often on engaging in factional battles to gain access to tenders, deploying party members as councillors, municipal managers, and officials, rather than addressing issues within their organisational structures at the branch, regional, provincial, and national levels. Moreover, political parties frequently select contractors and service providers based on political connections, reserving certain services and contracts for those aligned with their interests. To eliminate procurement irregularities, political parties must eradicate mafia-like groups, fraudsters, and internal disputes over access to municipal jobs and contracts from their branches. Without a commitment to change from political parties, theft, looting, fraud, and inadequate service delivery in municipalities are likely to continue. For KZN municipalities to effectively implement the MFMA and related financial controls, along with crucial policies such as the Integrated Development Plan and Budget, they require dedicated individuals who are aware of and committed to a clear political agenda focused on basic service delivery. Municipalities will remain dysfunctional unless the misuse of cadre deployment and political infighting over access to municipal jobs and tenders comes to an end.

Addressing the challenges faced by KZN municipalities requires a multifaceted approach. A combination of existing legislation, best practices, political will, and collaboration among government, communities, and economic stakeholders can lead to meaningful change.

To combat corruption and irregularities, a cooperative effort is essential among political parties, communities, economic stakeholders, law enforcement agencies, and municipalities. Organisations like Cogta and Treasury should enhance their monitoring and oversight roles, helping municipalities build effective systems to prevent and detect corruption. Political parties must also strengthen their internal disciplinary mechanisms and actively discourage unethical behaviour. In this context, this study advocates for political parties to take a strong stance against irregularities within their ranks and to hold members accountable. Furthermore, municipalities should cultivate a culture of transparency, fairness, and accountability, encourage whistleblowing and ensuring prompt investigations into allegations of corruption.

It is crucial to highlight critical issues such as cadre deployment, theft, looting, intimidation, hitman businesses (izinkabi), assassinations and killings, mafia gangs, collusion, corruption, tender irregularities, and financial mismanagement. The MFMA, along with various municipal financial management regulations and international best practices, has the potential to bring about positive change. However, the effectiveness of these measures depends on the commitment of political parties to address irregularities among their members. Additionally, the active involvement of residents and ratepayers in municipal governance, along with a focus on community interests by key economic stakeholders and functioning law enforcement agencies, can help prevent or minimise procurement irregularities. By collaborating, taking remedial actions, and fostering a culture of integrity, political parties, communities, economic stakeholders, law enforcement agencies, and municipalities can work together to combat corruption, ensure good governance, and restore public trust in KZN municipalities.

10. REFERENCES

Abbadia, J., 2023. What is Triangulation in Research: The Path to Reliable Findings. https://mindthegraph.com/blog/what-is-triangulation-in-research/

Abdelhakim, A.S., 2021. Adopted Research Designs by Tourism and Hospitality Postgraduates in The Light of Research Onion. International Journal of Tourism and Hospitality Management, 4(2), pp.98-124

Abdulazeez and Somala., 2024. How does confirmation bias impact the interpretation of scientific data? https://www.linkedin.com/advice/3/how-does-confirmation-bias-impact-interpretation-vebte

Abioro, T.A., 2021. Public procurement corruption and service delivery in Nigeria and South Africa. Public procurement, corruption and the crisis of governance in Africa, pp.249-267.

Ackermann, C. and Marx, B., 2016. Internal audit risk management in metropolitan municipalities. Risk, Governance & Control: Financial Markets and Institutions, 6(3), pp.45-51.

Adams, J., Khan, H. T., & Raeside, R., 2014. Research methods for business and social science students: SAGE Publications India.

Adewumi, A. and Isaac, O.I., 2023. Evaluation of the Influence of IA roles and functions in preventing and detecting fraud in South African manufacturing SMEs. Romanian Journal of Economics, 56(1 (65)), pp.109-131.

Adonis, V.A., 2021. Reengineering Public Accountability in Local Government. Journal of Public Administration, 56(2), pp.288-298.

Aguinis, H. and Solarino, A.M., 2019. Transparency and replicability in qualitative research: The case of interviews with elite informants. Strategic management journal, 40(8), pp.1291-1315.

Agwor, T.C. and Akani, F.N., 2017. Financial accountability and performance of local governments in Rivers State, Nigeria. International Journal of Economics, Commerce and Management, 5(10), pp.620-635.

Aivaz, K.A., Munteanu, I.F., Stan, M.I. and Chiriac, A., 2022. A multivariate analysis of the links between transport noncompliance and financial uncertainty in times of COVID-19 pandemics and war. Sustainability, 14(16), p.10040.

Alam, A.M., Alam, M. and Hoque, A., 2017. Measuring financial condition of urban local government: A study of municipalities in Bangladesh. The Journal of Developing Areas, 51(2), pp.71-85.

Alele, F. and Malau-Aduli, B., 2023. 5.6 Triangulation of data. An introduction to research methods for undergraduate health profession students.

Ambe, I.M. and Badenhorst-Weiss, J.A., 2012. Procurement challenges in the South African public sector. Journal of transport and supply chain management, 6(1), pp.242-261.

Ambe, I.M., 2016. Insight into supply chain management in a municipal context. Public and Municipal Finance, 5(2), pp. 20–29. https://doi.org/10.21511/pmf.5(2).2016.02.

Ambe, I.M., 2016. Public procurement trends and developments in South Africa. Journal of Business, Economics, and Finance, 3(4), p. 277. https://doi.org/10.17261/pressacademia.2016.351.

Amberscript Global., 2024. Transcription Techniques: Enhancing Qualitative Data Analysis. https://www.amberscript.com/en/blog/qualitative-research-transcription/

Amin, M.E.K., Nørgaard, L.S., Cavaco, A.M., Witry, M.J., Hillman, L., Cernasev, A. and Desselle, S.P., 2020. Establishing trustworthiness and authenticity in qualitative pharmacy research. Research in social and administrative pharmacy, 16(10), pp.1472-1482.

Ardigó, I.A., 2022. Local government accountability mechanisms. Transparency International.

Arias Valencia, M.M., 2022. Principles, scope, and limitations of the methodological triangulation. Investigacion y educacion en enfermeria, 40(2).

Atkinson, A.B., 2015. Inequality: What can be done?

Auditor General Report., 2014. 'Auditor General Report on Local Government Audit Outcomes for 2012-13'. Pretoria: Auditor General

Auditor General Report., 2015. 'Auditor General Report on Local Government Audit Outcomes for 2013-14'. Pretoria: Auditor General

Auditor General Report., 2016. 'Auditor General Report on Local Government Audit Outcomes for 2014-15'. Pretoria: https://www.agsa.co.za/Reporting/MFMAReports/MFMA2014-2015.aspx

Auditor General Report., 2017. 'Auditor General Report on Local Government Audit Outcomes for 2015-16'. Pretoria: https://www.agsa.co.za/Reporting/MFMAReports/MFMA2015-2016.aspx

Auditor General Report., 2018. 'Auditor General Report on Local Government Audit Outcomes for 2016-17'. Pretoria: https://www.agsa.co.za/Reporting/MFMAReports/MFMA2016-2017.aspx

Auditor General Report., 2019. 'Auditor General Report on Local Government Audit Outcomes for 2017-18'. Pretoria: https://www.agsa.co.za/Reporting/MFMAReports/MFMA2017-2018.aspx

Auditor General Report., 2020. 'Auditor General Report on Local Government Audit Outcomes for 2018-19'. Pretoria: https://www.agsa.co.za/Reporting/MFMAReports/MFMA2018-2019.aspx

Auditor General Report., 2021. 'Auditor General Report on Local Government Audit Outcomes for 2019-20'. Pretoria: https://www.agsa.co.za/Reporting/MFMAReports/MFMA2019-2020.aspx

Auditor General Report., 2022. 'Auditor General Report on Local Government Audit Outcomes for 2020-21'. Pretoria: https://www.agsa.co.za/Reporting/MFMAReports/MFMA2020-2021.aspx

Auditor General Report., 2023. 'Auditor General Report on Local Government Audit Outcomes for 2021-22'. Pretoria: https://www.agsa.co.za/Reporting/MFMAReports/MFMA2021-2022.aspx

Auditor General Report., 2024. 'Auditor General Report on Local Government Audit Outcomes for 2022-23'. Pretoria: https://www.agsa.co.za/Reporting/MFMAReports/MFMA2022-2023.aspx

Baatwah, S.R., Salleh, Z. and Ahmad, N., 2015. Corporate governance mechanisms and audit report timeliness: empirical evidence from Oman. International Journal of Accounting, Auditing and Performance Evaluation, 11(3-4), pp.312-337.

Bans-Akutey, A. and Tiimub, B.M., 2021. Triangulation in research. Academia Letters, 2, pp.1-6.

Bhat, A., 2024. Qualitative Research Methods: Types, Analysis + Examples. https://www.questionpro.com/blog/qualitative-research-methods/#:~:text=The%20results%20of%20qualitative%20methods,what%20people%20think%20and%20perceive.

Birigazzi, L., Gregoire, T. G., Finegold, Y., Golec, R. D. C., Sandker, M., Donegan, E., & Gamarra, J. G., 2019. Data quality reporting: Good practice for transparent estimates from forest and land cover surveys. Environmental Science & Policy, 96, 85-94.

Blair, R.F. and Starke Jr, A.M., 2017. The emergence of local government policy leadership: A roaring torch or a flickering flame?. State and Local Government Review, 49(4), pp.275-284.

Bogopa, M.J., 2013, August. Challenges of local government in South Africa. In Conference Proceedings published by the South African Association of Public Administration and Management (SAAPAM). Department of Public Administration & Management, Tshwane University of Technology.

Bond, P., 2024. Corporate corruption of South African politics and economics: 'Accumulation by dispossession 'as a structural process, beyond 'state capture'. New Agenda: South African Journal of Social and Economic Policy, 2024(93), pp.33-46

Botlhoko, T.S., 2017. Promoting effective financial accountability in local government in the Northwest province: Developing operational guidelines for municipal public accounts committees (Doctoral dissertation, Bloemfontein: Central University of Technology, Free State).

Bowen, P., Edwards, P.J. and Cattell, K., 2012. Corruption in the South African construction industry: a thematic analysis of verbatim comments from survey participants; Construction Management and Economics, 30(10), pp. 885–901. https://doi.org/10.1080/01446193.2012.711909.

Bryman, A. and Cramer, D., 2012. Quantitative data analysis with IBM SPSS 17, 18 & 19: A guide for social scientists. Routledge.

Buccus, I., 2022. Black economic empowerment, development and seeking justice at South African municipalities: A closer look at two case studies. HTS Teologiese Studies/Theological Studies, 78(4), p.7962.

Canen, N. and Wantchekon, L., 2022. Political distortions, state capture, and economic development in Africa. Journal of Economic Perspectives, 36(1), pp.101-124.

Carson, E., Fargher, N.L., Geiger, M.A., Lennox, C.S., Raghunandan, K. and Willekens, M., 2013. Audit reporting for going-concern uncertainty: A research synthesis. Auditing: A Journal of Practice & Theory, 32(Supplement 1), pp.353-384.

Casula, M., Rangarajan, N. and Shields, P., 2021. The potential of working hypotheses for deductive exploratory research. Quality & Quantity, 55(5), pp.1703-1725.

Chege, K., & Otieno, O., 2020. Research Philosophy Design and Methodologies: A Systematic Review of Research Paradigms in Information Technology. Global Scientific Journals, 8(5), 33–38. www.globalscientificjournal.com

Chitimira, H., Sethunyane, T. and Magau, P., 2022. Overview challenges affecting the promotion of good corporate governance measures in Mahikeng local municipality. Acta Universitatis Danubius. Juridica, 18(1).

Christ, M.H., Eulerich, M., Krane, R. and Wood, D.A., 2021. New frontiers for internal audit research. Accounting Perspectives, 20(4), pp.449-475.

Cicchetti, D.V., 1994. Guidelines, criteria, and rules of thumb for evaluating normed and standardized assessment instruments in psychology. *Psychological assessment*, *6*(4), p.284.

Coetzee, P., Erasmus, L., Malan, S. and Legodi, A., 2022. PUBLIC SECTOR AUDIT COMMITTEE EFFECTIVENESS: DEVELOPING COUNTRY ACTANTS. 2022 GBATA READINGS BOOK THEME RESILIENCE AND REINVENTION: BEST PRACTICES, p.46.

Coletta, D., 2013. Principal-agent theory in complex operations. Small Wars & Insurgencies, 24(2), pp.306-321.

Corruption Watch, 11 December 2024. Exposing Gauteng's Growing Extortion Economy - and what toi do about it. https://www.corruptionwatch.org.za/exposing-gautengs-growing-extortion-economy/

Corruption Watch. Analysis of Corruption Trends. 2020: https://www.bing.com/ck/a?!&&p=dd818bb01d9c6b104c4f1f270af54ffb271624ca1aa8566c6d20eafda0da2a9bJmltdHM9MTczNDM5MzYwMA&ptn=3&ver=2&hsh=4&fclid=2c5b0b08-f50d-6647-2db8 1f9ef4f06791&psq=corruption+watch+2020+fraud+in+municipalities&u=a1aHR0cHM6Ly93d3cuY29ycnVwdGlvbndhdGNoLm9yZy56YS93cC1jb250ZW50L3VwbG9hZHMvMjAyMC8wOS83NTcwSl9DV19SZXBvcnRfQTRfRklOQUwucGRm&ntb=1

Corruption Watch., 2022. Analysis of Corruption Trends. https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwjeyfq3lbWKAxVH1QIHHXVOJacQFnoECBQQAQ&url=https%3A%2F%2Fwww.corruptionwatch.org.za%2Fwp-content%2Fuploads%2F2022%2F09%2Fcorruption-watch-ACT-2022-digital-combined-agent-orange-design-20220907.pdf&usg=AOvVaw2FlIRTkh_55iq4X6mI2iw2&opi=89978449

Cruz, C.F.D. and Afonso, L.E., 2018. Fiscal management and pillars of the Fiscal Responsibility Law in Brazil: evidence in large municipalities. Revista de Administração Pública, 52, pp.126-148.

David, M. and Bestari, P., 2020, March. Strategy of Political Parties in Preventing Corruption Crimes. In 2nd Annual Civic Education Conference (ACEC 2019) (pp. 453-457). Atlantis Press.

Davids, Y.D., Viljoen, J., Ngqwala, N. and Sausi, K., 2020. Elias Motsoaledi Municipality: the legacy of water and sanitation challenges: a case study.

De Haas, M., 2016. The killing fields of KZN. South African Crime Quarterly, 57, pp.43-53.

De Jager, N. and Meintjes, C.H., 2013. Winners, losers and the playing field in southern Africa's 'Democratic Darlings': Botswana and South Africa compared. Politikon, 40(2), pp.233-253.

De Lange, D., 2013. Irregular expenditure is harming the image and reputation of municipalities: irregular expenditure. IMFO: Official Journal of the Institute of Municipal Finance Officers, 14(1), pp. 30–33. https://journals.co.za/content/imfo/14/1/EJC149004.

DeJonckheere, M & Vaughn, L. M., 2019. Semi-structured interviewing in primary care research: a balance of relationship and rigour: Family Medicine and Community Health, 7:e000057.

Deka, P., 2016. Effectiveness of supply chain management of service delivery in Mahikeng Local Municipality. https://dspace.nwu.ac.za/handle/10394/28318.

Dewata, E., Farah, E.H., Jauhari, H. and Sari, Y., 2022, February. Good Governance and Internal Control on the Prevention of Fraud in the Procurement of Goods and Services for Government Agencies. In 5th FIRST T3 2021 International Conference (FIRST-T3 2021) (pp. 150-154). Atlantis Press.

Dimova, I.P., 2019. Internal auditing in the public sector–characteristics, types, and challenges. Students' Start-up Scientific Research, 1(11), pp.104-117.

Dlomo, P.A., 2017. The impact of irregular expenditure in the South African public finance with specific reference to the National Department of Public Works (Doctoral dissertation, Cape Peninsula University of Technology).

Dorasamy, N., 2023. Oversight Bodies' Role in Financial Sustainability in Local Governments. In Financial Sustainability of Local Governments in Southern Africa (pp. 61-84). Routledge.

Doyle, E.E., Johnston, D.M., Smith, R. and Paton, D., 2019. Communicating model uncertainty for natural hazards: A qualitative systematic thematic review. International journal of disaster risk reduction, 33, pp.449-476.

Doyle, L., McCabe, C., Keogh, B., Brady, A., & McCann, M., 2020. An overview of the qualitative descriptive design within nursing research. Journal of research in nursing: JRN, 25(5), 443–455. https://doi.org/10.1177/1744987119880234

Du Toit, E. and Vermaak, F.N., 2015. Characteristics of companies with a higher risk of financial statement fraud: five case studies.

du Toit, E., 2024. The red flags of financial statement fraud: a case study. Journal of Financial Crime, 31(2), pp.311-321.

Dzansi, L.W., Chipunza, C. and Monnapula-Mapesela, M., 2016. Municipal employees' perceptions of political interference in human resource management practices: Evidence from the Free State

Province in South Africa. The International Business & Economics Research Journal (Online), 15(1), p.15.

Dzuke, A. and Naude, M.J., 2015. Procurement challenges in the Zimbabwean public sector: A preliminary study. Journal of Transport and Supply Chain Management, 9(1), pp.1-9.

El Mohafidi, H. and Karim, K., 2023. The relation of the new public management perspectives to service quality within public establishments and enterprises: A theoretical approach. International Journal of Accounting, Finance, Auditing, Management and Economics, 4(3-1), pp.578-590.

Elsig, M., 2011. Principal–agent theory and the World Trade Organisation: Complex agency and 'missing delegation'. European Journal of International Relations, 17(3), pp.495-517.

Enwereji, P.C. and Kadama, F., 2018. Debt management: Payment of residential property rates in a selected district municipality in South Africa. International Journal of Economics and Financial Issues, 8(2), p.277.

Enwereji, P.C. and Potgieter, M., 2018. Establishing a payment culture for municipal services in the Northwest Province: A conceptual framework. International Journal of Economics and Financial Issues, 8(3), p.227.

Enwereji, P.C. and Uwizeyimana, D.E., 2019. Exploring the Key Factors that Can Enhance Municipal Financial Accountability in Africa: Experience from South Africa. African Renaissance, SI (3), pp. 143–165. https://doi.org/10.31920/2516-5305/2019/sin3a10.

Enwereji, P.C., 2022. Enhancing Financial Accountability in South African Local Municipalities: A Consequence Management Viewpoint. Centre of Financial and Monetary Research, 24(4). https://ideas.repec.org/a/vls/finstu/v26y2022i4p19-47.html.

Eposi, E., Potgieter, M. and Pelser, A., 2021. SCM policy implementation and compliance in the Ngaka Modiri Molema District, South Africa. Journal of the Academy of Business and Emerging Markets, 1(1), pp.47-62.

Eposi, E.M., 2023. Evaluation of Customers' Expectations and Perceptions of Service Quality Dimensions: A Study of South African Post Office in the North-West Province. International Review of Management and Marketing, 13(6), pp.29-42.

Erasmus, L.J. and Matsimela, T., 2020. The municipal audit committee self-review threat: The South African Dilemma. Southern African Business Review, 24, pp.22-pages.

Erasmus, R., 2022. A framework for designing South African mobile learning experiences through a participatory design process (Doctoral dissertation, Stellenbosch: Stellenbosch University).

Eskerod, P., Huemann, M. and Ringhofer, C., 2015. Stakeholder inclusiveness: Enriching project management with general stakeholder theory. Project management journal, 46(6), pp.42-53

Fan, J., Feng, Y. and Xia, L., 2020. A projection-based conditional dependence measure with applications to high-dimensional undirected graphical models. Journal of Econometrics, 218(1), pp.119-139.

Fazekas, M. and Cingolani, L., 2017. Breaking the cycle? How (not) to use political finance regulations to counter public procurement corruption. Slavonic and East European Review, 95(1), pp.76-116.

Fourie, D. and Malan, C., 2022. Addressing the endemic consequences of corruption in the South African local government public sector. IntechOpen.

Fourie, D. and Poggenpoel, W., 2017. Public sector inefficiencies: Are we addressing the root causes? South African Journal of Accounting Research, 31(3), pp.169-180.

Fourie, D.J. and Malan, C., 2020. Public procurement in the South African economy: Addressing the systemic issues. Sustainability, 12(20), p. 8692. https://doi.org/10.3390/su12208692.

Fourie, D.J. and Van der Waldt, G., 2023. Enhancing municipal councillors' oversight in local, district, and metropolitan municipalities.

Fowler, L., 2020. Best practices for implementing federal environmental policies: a principal-agent perspective. Journal of environmental planning and management, 63(8), pp.1453-1469.

Franks, P.E., 2014. Dealing with the ‘soft’issues that undermine service delivery at all levels. University of Stellenbosch, Stellenbosch.

Fugard, A.J. and Potts, H.W., 2015. Supporting thinking on sample sizes for thematic analyses: a quantitative tool. International journal of social research methodology, 18(6), pp.669-684.

Gabela, S.E., 2017. Factors contributing to non-compliance in public procurement-a KwaZulu-Natal legislature case study (Doctoral dissertation).

Gailmard, S., 2014. Conceptual flavour of principal-agent theory. The Oxford handbook of public accountability, pp.90-105.

Gasela, M.M., 2022. The influence of organisational culture on performance in public entities of South Africa. Africa’s Public Service Delivery and Performance Review, 10(1), p.563.

Geldenhuys, K., 2024. Procurement mafias Affecting all sectors. Servamus Community-based Safety and Security Magazine, 117(7), pp.36-39.

George Municipality Annual Report. 2022- 2023: https://www.george.gov.za/wp-content/uploads/2024/01/2.Final-Draft-Annual-report-2223-v6-18012023.pdf

George, T. 2022. Types of Interviews in Research | Guide & Examples. https://www.scribbr.com/methodology/interviews-research/

George, T. 2023. Mixed Methods Research | Definition, Guide & Examples. https://www.scribbr.com/methodology/mixed-methods-research/

George, T., & Merkus, J. 2021. Explanatory Research | Definition, Guide, & Examples. https://www.scribbr.com/methodology/explanatory-research/

Geqeza, A. and Dubihlela, J., 2024. Factors limiting internal audit efficiency in provincial governance systems of South Africa. International Journal of Applied Research in Business and Management, 5(2).

Gerring, J., 2017. Qualitative methods. Annual review of political science, 20(1), pp.15-36.

Glass, R. 2023. Inductive and deductive reasoning. https://pressbooks.pub/scientificinquiryinsocialwork/chapter/6-3-inductive-and-deductive-reasoning/

Glasser, M.D. and Wright, J., 2020. South African municipalities in financial distress: what can be done? Law, Democracy & Development, 24(1), pp.413-441.

Govender, D. and Abratt, R., 2016. Multiple stakeholder management and corporate reputation in South Africa. International Studies of Management & Organisation, 46(4), pp.235-246.

Graneheim, U.H., Lindgren, B. and Lundman, B. 2017. Methodological challenges in qualitative content analysis: A discussion paper. Nurse Education Today, 56, pp. 29–34. https://doi.org/10.1016/j.nedt.2017.06.002.

Gray, N., 2021. When anti-corruption fails: the dynamics of procurement in contemporary South Africa. Review of African Political Economy, 48(169), pp.369-384.

Grebe, G.P.M., 2016. Managing fraud risk: A study of the private hospital sector of South Africa. Corp. Ownersh. Control, 14, pp.330-9.

Grossi, G., Papenfuß, U. and Tremblay, M.S., 2015. Corporate governance and accountability of state-owned enterprises: Relevance for science and society and interdisciplinary research perspectives. International Journal of Public Sector Management, 28(4/5), pp.274-285.

Hair, J. and Alamer, A., 2022. Partial Least Squares Structural Equation Modeling (PLS-SEM) in second language and education research: Guidelines using an applied example. Research Methods in Applied Linguistics, 1(3), p.100027.

Hamaker, E.L., Mulder, J.D. and van IJzendoorn, M.H., 2020. Description, prediction and causation: Methodological challenges of studying child and adolescent development. Developmental cognitive neuroscience, 46, p.100867.

Hanyane, B. and Naidoo, G. 2015. Municipal employees' perceptions of service delivery in Limpopo-South Africa: A critical need for good governance. Journal of Human Ecology [Preprint]. https://doi.org/10.1080/09709274.2015.11906918.

Haynes-Brown, T.K. and Fetters, M.D., 2021. Using joint display as an analytic process: an illustration using bar graphs joint displays from a mixed methods study of how beliefs shape secondary school teachers' use of technology. International Journal of Qualitative Methods, 20, p.1609406921993286.

Hennink, M. and Kaiser, B.N., 2022. Sample sizes for saturation in qualitative research: A systematic review of empirical tests. Social science & medicine, 292, p.114523.

Herschell, R., & Buchanan, M., 2021. Epistemological Implications of a 'Convergent Parallel Mixed Methods' Research Design.

Hoffman, P., 2016. State capture began with cadre deployment. Retrieved November 8, p.2016.

Horn, G.S. and Raga, K., 2012. Municipal supply chain management. Administration publica, 20(3), pp.71-91.

Horne, J., Venter, J. and Lochner, H., 2018. The red flag system as the gatekeeper in tender fraud prevention and detection of misrepresentation. International Journal of African Renaissance Studies-Multi-, Inter-and Transdisciplinarity, 13(1), pp.129-143.

Ilkhom, A., Rakhmiddin, M., Ugli, K., Nurmukhammad, K., Ugli, K. and Kuyoshbek, Y., 2021. Factors of Educating Young People in the Spirit of Patriotism. International Journal of Human Computing Studies, 3(4), pp.10-12.

IEC Home - Electoral Commission of South Africa, information Centre - election and results statistics – ward councillor statistics. Accessed September 11, 2022.

Ingram, S., 2017. Timor-Leste's Presidential Election: Several Firsts, but no Generational Change

Institute of Internal Auditors South Africa. Challenges of Internal Audit in Public Sector. June 2019. https://www.google.co.za/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwjSiJqWwcOKAxVjV0EAHabyK8QQFnoECCsQAQ&url=https%3A%2F%2Fiia.am%2Fwp-content%2Fuploads%2F2022%2F02%2FInternal-Audit-in-Public-Sector-FINAL-Eng.pdf&usg=AOvVaw3pqc8OKc5rTzrfM4kj0tL1&opi=89978449

International Standard on Auditing 315., 2019. https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwjj5ojAzq-KAxWtVEEAHYaYKCAQFnoECDUQAQ&url=https%3A%2F%2Fwww.ibr-ire.be%2Fdocs%2Fdefault-source%2Fnl%2FDocuments%2Fregelgeving-en-publicaties%2Frechtsleer%2Fnormen-en-aanbevelingen%2FISA-s%2Fclarified-ISA-s%2FISA-update-2015%2FEnglish%2FA017-ISA-315-for-Handbook_formatted.pdf&usg=AOvVaw1xHv7hkZeTo-TXesqSiEIM&opi=89978449

Jam, A., Bayat, M.S. and Rulashe, T., 2023. Exploring Ethics in South African Municipal Procurement: Professionalism, Compliance, and Ethical Dimensions Interface. HOLISTICA–Journal of Business and Public Administration, 15(1), pp.73-95.

Jankielsohn, R. and Mollentze, S., 2021. The National Democratic Revolution as an ideological instrument for transformation in South Africa. Eximia, 1(1), pp.1-18.

Jansen, D., 2023. What Is Research Philosophy? https://gradcoach.com/research-philosophy/

Jarbandhan, D.B., 2022. The Professionalisation of the South African Public Sector: Challenges and Opportunities. Administratio Publica, 30(4), pp.24-51.

Jarbandhan, D.B., 2023. Perceptions of Talent Management Among Senior Public Managers in South Africa: Implications for Good Governance. Administratio Publica, 31(3), pp.1-16.

Jean Damascene Mvunabandi, Bomi Cyril Nomlala & Harold Patrick, 2022. Forensic auditing as a powerful tool to enhance non-government organisations' fraud risk management: a study of selected NGOs in eThekwini region, South Africa. https://researchspace.ukzn.ac.za/handle/10413/22091

Johnson, S.L., Gray, P. and Sarker, S., 2019. Revisiting IS research practice in the era of big data. Information and Organisation, 29(1), pp.41-56.

Kaizer, R.M., 2022. From cadre deployment to professionalising public service in South Africa: A reflective approach to service delivery improvement. African Journal of Development Studies, 2022(si1), p.21.

Karatzimas, S., Naoum, V.C. and Narbón-Perpiñá, I., 2022. Municipal cost behavior during financial crisis and financial sustainability periods: Evidence from Spain. International Public Management Journal, 25(6), pp.862-882.

Karodia, A.M., 2014. Redefining the Concept of Leadership: Some New Directions For South Africa. Arabian Journal of Business and Management Review (Oman Chapter), 3(7), p.36.

Kgobe, S.F., Selepe, M. and Xolani, T., 2023. The Role of Auditor-General in Strengthening Compliance Levels in Local Government Administration: The Quest for Dedicated Public Officials. International Journal of Social Science Research and Review, 6(7), pp.380-392.

Khaile, T.S., Davids, G.J. and Khaile, F.T., 2021. Limitations of the principal-agent theory to explain the problem of non-compliance in South African municipalities. African Journal of Governance and Development, 10(1), pp.164-183.

KHAN, N.I. and BAKAR, H., 2022. Malaysian Government Officials Induced in Public Procurement Fraud through the Lens of Fraud Diamond Analysis. Asian Journal of Accounting & Governance, 18.

Khanyile, T., 2016. The policy exploration of the South African exclusive economic zone.

Khasiani, K., Koshima, Y., Mfombouot, A. and Singh, A., 2020. Budget execution controls to mitigate corruption risk in pandemic spending. International Monetary Fund, Special Series on COVID-19, 18, pp.1-9.

Kiage, J.O., 2013. Factors Affecting Procurement Performance: A Case of Ministry of Energy; International Journal of Business and Commerce, 8(3). http://ijbcnet.com/3-1/IJBC-13-3104.pdf.

Kim, D.D., Wilkinson, C.L., Pope, E.F., Chambers, J.D., Cohen, J.T. and Neumann, P.J., 2017. The influence of time horizon on results of cost-effectiveness analyses. Expert review of pharmaco economics & outcomes research, 17(6), pp.615-623.

Klaaren, J., Belvedere, F., Brunette, R. and Gray, N., 2022. Public Procurement and Corruption in South Africa. OSF Preprints, 26.

Klein, Y., Lubinga, S. and Masiya, T., 2024. Implementation of internal controls in supply chain management: A case study. Journal of Transport and Supply Chain Management, 18, p.10.

Knott, E., Rao, A.H., Summers, K. and Teeger, C., 2022. Interviews in the social sciences. Nature Reviews Methods Primers, 2(1), p.73.

Koekemoer, S. and Von Solms, R., 2022, May. A Smart City Maturity Assessment Model for South African Municipalities. In 2022 IST-Africa Conference (IST-Africa) (pp. 1-9). IEEE.

Koekemoer, S. and Von Solms, R., 2022. A Feasibility Study Towards E-processing Supply Chain Management Transactions in South African Municipalities. In Proceedings of Sixth International Congress on Information and Communication Technology: ICICT 2021, London, Volume 3 (pp. 505-513). Springer Singapore

Köhler, J.C. and Dimancesco, D. (2020). The risk of corruption in public pharmaceutical procurement: how anti-corruption, transparency and accountability measures may reduce this risk. Global Health Action, 13(sup1), p. 1694745. https://doi.org/10.1080/16549716.2019.1694745.

Kopp, H.M., 2024. Foreign Policy Issue Ownership, Interstate Conflict, and US Vote Intention (Doctoral dissertation, University of Missouri-Columbia).

Krejcie, R.V. and Morgan, D.W., 1970. Sample size determination table. Educational and psychological Measurement, 30, pp.607-610.

Kroukamp, H. and Cloete, F., 2018. Improving professionalism in South African local government.

Kulmie, D.A., 2023. Do Fraud Triangle Components Motivate Financial Crimes in Somalia?. International Journal of Economics and Finance, 15(10), pp.1-84.

KwaZulu-Natal Cooperative Governance and Traditional Affairs. Annual Report,. 2022-23. https://www.google.co.za/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwjNtpzA3cSKAxX5TkEAHXpIFzUQFnoECBUQAQ&url=https%3A%2F%2Fwww.kzncogta.gov.za%2Fhttps-kzncogta-my-sharepoint-com-b-g-personal-luthulipe_kzncogta_gov_za-eqr9u19663dlnhzenfatgiobpaupwypsghrp9-8thzzuiwefxfrkz&usg=AOvVaw3wrPYIiwQZKPxgFXPEeIPN&opi=89978449

KwaZulu-Natal Department of Cooperative and Traditional Affairs: Annual Report, 2021-2022. https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwiAkZjIr6-KAxXnR0EAHYxeAWQQFnoECBkQAQ&url=https%3A%2F%2Fprovincialgovernment.co.za%2Fdepartment_annual%2F1194%2F2022-kwazulu-natal-cooperative-governance-and-traditional-affairs-annual-report.pdf&usg=AOvVaw1AdzC2mWuRjgOxHipNPmHB&opi=89978449

KwaZulu-Natal Provincial Treasury. Annual Performance Plan., 2022-23. https://www.google.co.za/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwj5pvy-3sSKAxW9QEEAHeBANDQQFnoECCsQAQ&url=https%3A%2F%2Fwww.kzntreasury.gov.za%2FAboutUs%2FStrategic%2520Documents%2F2022_23%2520REVISED%2520APP%2520AS%2520AT%252030.09.2022%2520-%2520RETABLING%2520PRINTERS%2520PROOF.pdf&usg=AOvVaw0ffXgA-hk6L5GIpyYfe4GI&opi=89978449

KZN Cogta., 2012. Section 131(2)(b) of the Municipal Finance Management Act, No 56 of 2003, Chrome-extension://Efaidnbmnnnibpcajpcglclefindmkaj/https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf. n ttps://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf (Accessed: September 7, 2022).

KZN Cogta., 2013. Section 131(2)(b) of the Municipal Finance Management Act, No 56 of 2003, Chrome-extension://Efaidnbmnnnibpcajpcglclefindmkaj/https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf. https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf (Accessed: September 7, 2022).

KZN Cogta., 2014. Section 131(2)(b) of the Municipal Finance Management Act, No 56 of 2003, Chrome-extension://Efaidnbmnnnibpcajpcglclefindmkaj/https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf. https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf (Accessed: September 7, 2022).

KZN Cogta., 2015. Section 131(2)(b) of the Municipal Finance Management Act, No 56 of 2003, Chrome-extension://Efaidnbmnnnibpcajpcglclefindmkaj/https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf. https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf (Accessed: September 11, 2022).

KZN Cogta., 2016. Section 131(2)(b) of the Municipal Finance Management Act, No 56 of 2003, www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf. https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf (Accessed: September 11, 2022).

KZN Cogta., 2017. Section 131(2)(b) of the Municipal Finance Management Act, No 56 of 2003, www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf. https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf (Accessed: September 11, 2022).

KZN Cogta., 2018. Section 131(2)(b) of the Municipal Finance Management Act, No 56 of 2003, www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf. https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf (Accessed: September 11, 2022).

KZN Cogta., 2019. Section 131(2)(b) of the Municipal Finance Management Act, No 56 of 2003, www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf. https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf (Accessed: September 11, 2022).

KZN Cogta., 2020. Section 131(2)(b) of the Municipal Finance Management Act, No 56 of 2003, Chrome-extension://Efaidnbmnnnibpcajpcglclefindmkaj/https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf. https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf (Accessed: July 7, 2022).

KZN Cogta., 2021. Section 131(2)(b) of the Municipal Finance Management Act, No 56 o89. Wissinkrome-extension://Efaidnbmnnnibpcajpcglclefindmkaj/https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf. https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf (Accessed: July 7, 2022).

KZN Cogta., 2022. Section 131(2)(b) of the Municipal Finance Management Act, No 56 of 2003, Chrome-extension://Efaidnbmnnnibpcajpcglclefindmkaj/https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf. https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf (Accessed: September 7, 2023).

KZN Cogta., 2023. Section 131(2)(b) of the Municipal Finance Management Act, No Africa, Afrikarome-extension://Efaidnbmnnnibpcajpcglclefindmkaj/https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf. https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf (Accessed: October 10, 2023).

KZN Cogta., 2024. Section 131(2)(b) of the Municipal Finance Management Act, No 56 of 2003, Chrome-extension://Efaidnbmnnnibpcajpcglclefindmkaj/https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56of2003_2004.pdf. https://www.energy.gov.za/files/policies/act_municipalfinancemanagement_56 of2003_2004.pdf (Accessed: September 7, 2024).

Lacy, S., Watson, B.R., Riffe, D. and Lovejoy, J., 2015. Issues and best practices in content analysis. Journalism & mass communication quarterly, 92(4), pp.791-811.

Lampe, H.W., Hilgers, D. and Ihl, C., 2015. Does accrual accounting improve municipalities' efficiency? Evidence from Germany. Applied Economics, 47(41), pp.4349-4363.

Larson, K.L., Choufani, M.R. and Płaszewska-Żywko, L., 2024. An educational approach to develop intercultural nursing care for refugees from Ukraine: A qualitative study. International Nursing Review.

Ledger, T., 2020. 'The logic of appropriateness': understanding non-compliance in South African local government. Transformation: Critical Perspectives on Southern Africa, 103(1), pp.36-58.

Lekubu, B.K. and Sibanda, O.S., 2021. Moral values and ethics as antidotes for corruption in the South African public service and administration. Koers: Bulletin for Christian Scholarship= Koers: Bulletin vir Christelike Wetenskap, 86(1), pp.1-12.

Lekubu, B.K., 2013. Issues of Corruption in South Africa's Municipalities, Conference Proceedings. South African Association of Public Administration and Management

Lindemann, N., 2023. 12 advantages and disadvantages of questionnaires. https://pointerpro.com/blog/questionnaire-pros-and-cons/

Lipcean, S. and McMenamin, I., 2024. Rethinking public funding of parties and corruption: Confronting theoretical complexity and challenging measurement. Governance, 37(2), pp.537-559.

Lopes, C., Almeida, B., Leite, J. and Morais, M., 2023. The influence of internal audit departments on external municipal audit reports. Journal of Public Budgeting, Accounting & Financial Management, 35(5), pp.644-666.

Lowe, N. K., 2019. What Is a Pilot Study? Journal of Obstetric, Gynecologic and Neonatal Nursing. 48, 117–118; 2019. https://doi.org/10.1016/j.jogn.2019.01.005

Lubisi, S. and Bezuidenhout, H., 2016. Blowing the whistle for personal gain in the Republic of South Africa: An option for consideration in the fight against fraud?. Southern African Journal of Accountability and Auditing Research, 18(1), pp.49-62.

Lukhele, T.M., Botha, B. and Mbanga, S., 2022. Content analysis and ranking of irregularities in public sector construction procurement in South Africa. International Journal of Construction Supply Chain Management, 12(1), pp. 50–71. https://doi.org/10.14424/ijcscm120122-50-71.

Lyra, M.S., Damásio, B., Pinheiro, F.L. and Bacao, F., 2022. Fraud, corruption, and collusion in public procurement activities, a systematic literature review on data-driven methods. Applied Network Science, 7(1), p.83.

Lyra, M.S., Pinheiro, F.L. and Bacao, F., 2022. Public Procurement Fraud Detection: A Review Using Network Analysis. In Complex Networks & Their Applications X: Volume 1, Proceedings of the Tenth International Conference on Complex Networks and Their Applications COMPLEX NETWORKS 2021 10 (pp. 116-129). Springer International Publishing.

Maama, H. and Appiah, K.O., 2019. Green accounting practices: lesson from an emerging economy. Qualitative Research in Financial Markets, 11(4), pp. 456–478. https://doi.org/10.1108/qrfm-02-2017-0013.

Maama, H. and Marimuthu, F., 2023. Review of sustainable transformative performance: governance and accountability imperatives. Issues in Social and Environmental Accounting.

Maama, H., 2020. Institutional environment and environmental, social and governance accounting among banks in West Africa. Meditari Accountancy Research, 29(6), pp. 1314–1336. https://doi.org/10.1108/medar-02-2020-0770.

Maarouf, H., 2019. Pragmatism as a supportive paradigm for the mixed research approach: Conceptualizing the ontological, epistemological, and axiological stances of pragmatism. International Business Research, 12(9), pp.1-12.

Mabeba, S.J., 2021. The impact of corruption on service delivery: a topical matter in the South African Municipalities. The Business and Management Review, 165.

Mabunda, L.T., Mvunabandi, J.D. and Chonco, C.M., 2023. Investigating the Effect of Financial Mismanagement on Municipalities Service Delivery: A Case Study of eThekwini Municipality-South Africa. Journal of Accounting and Finance in Emerging Economies, 9(4), pp.639-654.

MacInnes, M.A., 2022. Inkatha, propaganda, and violence in KwaZulu-Natal in the 1980s and 90s. https://doi.org/10.36837/chapman.000333.

Madonsela, S., 2019. Critical reflections on state capture in South Africa. Insight on Africa, 11(1), pp.113-130.

Madonsela, S., 2019. Critical reflections on state capture in South Africa. Insight on Africa, 11(1), pp.113-130.

Magagula, D.N., Mukonza, R.M., Manyaka, R.K. and Moeti, K., 2022. The role of district municipalities in service provision in South Africa: Dissecting challenges faced by Ehlanzeni District Municipality. Africa's Public Service Delivery and Performance Review, 10(1), p.628.

Magomane, T.M., 2012. The impact of cadre deployment on service delivery: the case of Mopani Local Municipalities in Limpopo Province, South Africa (Doctoral dissertation, University of the Free State).

Maharaj, T. and Karodia, A.M., 2013. Municipal Corruption, An Auditor's Report and The Killing of a Fly: One Easy Way on How Not To Investigate Corruption. Arabian Journal of Business and Management Review (Kuwait Chapter), 3(1), pp.71-84.

Mahomed, F., 2014. An exploratory study on public service compliance to the code of conduct and related issues on conflict of interest in South Africa. Journal of Leadership and Management Studies (JOLMS), 1(1), pp.17-29

Makgatho, K.E., 2013. Effectiveness of internal control mechanisms in monitoring financial resources at the Gauteng Department of Education. https://repository.nwu.ac.za:443/handle/10394/10650.

Makiva, M., 2021. Public procurement oversight and the scourge of corruption in the public sector: A comparative analysis of South Africa and Kenya. Public Procurement, Corruption and the Crisis of Governance in Africa, pp.223-248.

Maluleke, W., Dlamini, S. and Rakololo, W.M., 2019. Betrayal Of a Post-Colonial Ideal: The Effect of Corruption on Provision of Low-Income Houses In South Africa. The International Journal of Business and Management, 11(1), pp. 139–176. https://dergipark.org.tr/en/download/article-file/703911.

Mamadzhanov, A.M., 2021. PATRIOTISM-THE BASIS OF THE FORMATION OF SOCIET

Mamaile, L.J., 2018. Developing of a framework to evaluate the internal audit functions at municipalities in South Africa (Doctoral dissertation, North-West University).

Mamaile, L.J., 2019. The perception of senior municipal officials in South Africa regarding the internal audit functions. International Conference on Public Administration and Development Alternative (IPADA).

Mamaile, L.J., 2019. The role of internal audit functions with regard to audit outcomes at South African municipalities. International Conference on Public Administration and Development Alternative (IPADA).

Mamogale, M.J., 2014. Financial performance of local government in Limpopo Province, 2010-2012. African Studies Quarterly, 15(1), pp.71-92.

Mamve, T., 2022. Drivers of irregular expenditure and role of the 'internal control unit' within the Department of Social Development in the Western Cape Province (Doctoral dissertation, Cape Peninsula University of Technology).

Mantzaris, E. and Ngcamu, B.S., 2020. Municipal corruption in the era of a COVID-19 pandemic: Four South African case studies. Journal of Public Administration, 55(3-1), pp.461-479.

Mantzaris, E.A. and Pillay, P., 2017. Corruption and the erosion of citizen trust in Brazil and South Africa. African Journal of Public Affairs, 9(8), pp.63-77.

Mantzaris, E.A., 2017. Trends, realities and corruption in supply chain management: South Africa and India. African Journal of Public Affairs, 9(8), pp.12

Manuel, L.B. and Erasmus, L.J., 2024. A sustainable differentiated funding model for South African district municipalities. Journal of Local Government Research and Innovation, 5, p.163.

Manyathi, S., Burger, J. and Mortimer, L., 2021. The Role of the Public Procurement Regulator in Service Delivery Improvement in South Africa. Journal of Public Administration, 56(4), pp.823-841.

Maqoko, Z. and Asmah-Andoh, K., 2019. Overcoming the Uneasy Political and Administrative Interrelationship for Effective Governance in a Municipality. Administratio Publica, 27(4), pp.69-87.

Marakalala, M.C., 2023. Forensic Investigation: The Case of Procurement Fraud in Madibeng Local Municipality (Northwest Province). International Journal of Social Science Research and Review, 6(2), pp.595-623.

Mardiana, S., 2020. Modifying research onion for information systems research. Solid State Technology, 63(4), pp.5304-5313.

Masegare, P. and Ngoepe, M., 2018. A framework for incorporating implementation indicators of corporate governance for municipalities in South Africa. Corporate Governance: The International Journal of Business in Society, 18(4), pp.581-593.

Mashabela, M. and Thusi, X., 2024. Poor Financial Management in South African Municipalities: Assessing Factors Contributing to Undesirable Audit Opinion. Journal of International Business, Economics and Entrepreneurship, 9(2), pp.49-57.

Mashamaite, K.A., Moloto, K.R. and Municipality, M.L., 2016, July. Aligning Integrated Development Plan, Service Deliv-Ery and Budget Implementation Plan And Budgeting: An Attempt To Enforce Service Delivery Monitoring In South Africa’s Local Municipalities. In Conference Proceedings Published by the (p. 121).

Mashaphu, T.S.M., Motubatse, K.N. and Ngwakwe, C.C., 2024. SUPPLY CHAIN MANAGEMENT RISK FACTORS IN SOUTH AFRICA'S LOCAL GOVERNMENT. Journal of Global Business & Technology, 20(1).

Mashilo, M.T. and Kgobe, F.K.L., 2021. An inevitable dialogue of Ethics-A Conceptual Analysis of the South African Public Procurement Corruption. European Journal of Economics, 5(3).

Mashuri, S., Rasak, M. S. A., Ruslin, R., Alhabsyi, F., & Syam, H., 2022. Semi-structured Interview: A methodological reflection on the development of a qualitative research instrument in educational studies. IOSR Journal of Research & Method in Education (IOSR-JRME), 12(1), 22-29.

Masiya, T., Davids, Y.D. and Mangai, M.S., 2021. Factors affecting the performance of South African municipal officials: Stakeholders' perspectives. Commonwealth Journal of Local Governance, (25), pp.97-115.

Masoud, Y., 2023. The effects of political interference on procurement performance in the parastatal organisations in Dar es Salaam Region. International Journal of Research in Business and Social Science (2147-4478), 12(2), pp.158-169

Masuku, M.M. and Jili, N.N., 2019. Public service delivery in South Africa: The political influence at local government level. Journal of Public Affairs, 19(4). https://doi.org/10.1002/pa.1935.

Matebese-Notshulwana, K., 2021. Weak procurement practices and the challenges of service delivery in South Africa. Public Procurement, Corruption and the Crisis of Governance in Africa, pp.93-111.

Mathebula, N., 2016. Audit outcomes and their role in clean administration in municipalities within Limpopo Province, South Africa: a deterrence theory approach. South African Association of Public Administration and Management [Preprint]. http://ulspace.ul.ac.za/handle/10386/1649.

Mathiba, G., 2020. Corruption, public sector procurement and COVID-19 in South Africa: negotiating the new normal. Journal of Public Administration, 55(4), pp.642-661.

Matlala, L.S. and Uwizeyimana, D.E., 2020. Factors influencing the implementation of the auditor general's recommendations in South African municipalities. African Evaluation Journal, 8(1). https://doi.org/10.4102/aej.v8i1.464.

Matlala, M. and Dintwe, S., 2013, August. PROCUREMENT FRAUD RED FLAGS IN THE SOUTH AFRICAN MUNICIPALITIES'CORPORATE GOVERNANCE. In Conference Proceedings published by the South African Association of Public Administration and Management (SAAPAM) (Vol. 46, No. 3, pp. 1010-1022). Department of Public Administration & Management, Tshwane University of Technology.

Matolong, M.J., 2015. Guidelines for establishing an effective supply chain management framework for local municipalities (Doctoral dissertation).

Matto, M.C., 2017. Analysis of factors contributing to poor performance of procurement functions in local government authorities: empirical evidence from audit reports. European Journal of Logistics, Purchasing and Supply Chain Management, 5(3), pp.41-52.

Matyana, M. and Mthethwa, R.M., 2022. community Participation Conundrum in the Winnie Madikizela Mandela Local Municipality Integrated Development Plan: Exploration of an EnhancedFuture. International Journal of Science and Research, 11(2), pp.1124-1130.

Matyana, M. and Mthethwa, R.M., 2022. Service Delivery Disparities at Winnie Madikizela Mandela Local Municipality: Prospect and Challenges. International Journal of Science and Research (IJSR), 11(6), pp.130-136.

Mazibuko, G. and Fourie, D.J., 2017. Manifestation of unethical procurement practices in the South African public sector. African Journal of Public Affairs, 9(9), pp.106-117.

Mazibuko, G., 2020. Local Government: Getting the South African Municipal Finances Right. Information Management and Business Review, 12(4 (I)), pp.1-1

Mazibuko, G., 2020. Public sector procurement practice: A leadership brainteaser in South Africa. Journal of Social and Development Sciences, 11(1 (S)), pp.1-9.

Mazibuko, G.P. and Fourie, D.J., 2013. Municipal finance: relevance for clean audit outcomes. Public Management and Administration [Preprint]. https://repository.up.ac.za/handle/2263/41547.

Mbabazi, J. and Mukwaya, R.N., 2021. The Local Government Public Accounts Committees (LGPACs): Functionality, Pitfalls, and Recommendations for Action.

Mbandlwa, Z., Dorasamy, N. and Fagbadebo, O.M., 2020. Leadership chavernment system. Journal of Critical reviews.

Mbatha, N.P. and Mutereko, S., 2022. Examining Financial Management of Local Government in South Africa: A Case Study of a Local Municipality in KwaZulu-Natal. Interdisciplinary Journal of Economics and Business, 11(4), pp.285-308.

Mbedzi, L., 2023. The role of code of conduct in enhancing service delivery in local government with specific reference to Mopani District Municipality (Doctoral dissertation).

Mbewu, B.W. and Barac, K., 2017. Effective internal audit activities in local government: fact or fiction?. Southern African Journal of Accountability and Auditing Research, 19(1), pp.15-33.

Mboneni, A., 2023. Political instability affects service delivery: an assessment of Dr Beyers Naude Local Municipality from 1994-2017 (Doctoral dissertation, Stellenbosch: Stellenbosch University).

Mbulawa, A., 2019. Understanding the impact of financial sustainability on South African municipalities.

McBride, K.A., MacMillan, F., George, E.S., & Steiner, G.Z. 2019. The use of mixed methods in research. DOI: 10.1007/978-981-10-5251-4_97

McCombes, S. 2023. Descriptive Research | Definition, Types, Methods & Examples. https://www.scribbr.com/methodology/descriptive-research/

McMullin, C., 2023. Transcription and qualitative methods: Implications for third sector research. VOLUNTAS: International journal of voluntary and nonprofit organizations, 34(1), pp.140-153.

MEDICI, C. and PULEJO, M., 2024. POLITICAL CONNECTIONS, CAREERS, AND PERFORMANCE IN THE CIVIL SERVICE: EVIDENCE FROM US FEDERAL JUDGES.

Meyer, D.F. and Neethling, J.R., 2021, December. An assessment of the financial health of the South African metropolitan municipal regions. In Forum Scientiae Oeconomia (Vol. 9, No. 4, pp. 59-77).

Meyer, N., Meyer, D. and Kot, S., 2017. The development of a process tool for improved risk management in local government. Calitatea, 18(S1), p.425.

Mhlauli, M.B., Salani, E. and Mokotedi, R. 2015. Understanding Apartheid in South Africa through the Racial Contract. International Journal of Asian Social Science, 5(4), pp. 203–209. https://doi.org/10.18488/journal.1/2015.5.4/1.4.203.209.

Middleton, N., 2019. Variability and trends in dust storm frequency on decadal timescales: Climatic drivers and human impacts. Geosciences, 9(6), p.261.

Mills, J.G. 2024. Survey Research Design, A Simple Introduction. https://www.supersurvey.com/Research#:~:text=By%20leveraging%20survey%20research%2C%20organisations,actionable%20solutions%20or%20further%20study.

Mishi, S., Mbaleki, N. and Mushonga, F.B., 2022. Financial mismanagement and efficiency trade-off in local municipalities: Lessons from Eastern Cape, South Africa. Journal of Local Government Research and Innovation, 3, p.16. https://doi.org/10.4102/jolgri.v3i0.68.

Mkhize, S.G., Dorasamy, N. and Anwana, E., 2022. An investigation of factors and challenges influencing non-compliance with procurement guidelines within the KZN Department of Health. Seybold Report Journal; Vol. 17, Issue 10.

Mlambo, D.N., 2023. The Tragedy of the African National Congress (ANC) and its Cadre Deployment Policy: Ramifications for Municipal Stability, Corruption and Service Deliver. Pan African Journal of Governance and Development (PJGD), 4(1), pp.3-17.

Mlambo, D.N., Mphurpi, J.H. and Makgoba, S., 2023. Corruption at the municipal level: Insight (s) from post-apartheid South Africa. African Journal of Development Studies, 13(2), p.35.

Mlambo, V.H., Ndlovu, G., Thusi, X., Mathonsi, V. and Mkhize, N.E., 2022. Professionalizing the Public Sector in South Africa: Challenges, Opportunities and Prospects. International Journal of Social Science Research and Review, 5(12), pp.328-340.

Mlambo, V.H., Zubane, S.P. and Thusi, X., 2022. Interrogating governance challenges and cadre deployment in South Africa. Cihan University-Erbil Journal of Humanities and Social Sciences, 6(1), pp.11-18.

Mncwabe, P.F.R., 2020. The involvement of political parties in the politicization of the South African local government bureaucracy: the political-bureaucratic relations between municipal managers, politicians and political parties (Doctoral dissertation).

Mngomezulu, S. 2020. Political interference in the administration of service delivery in UMLALAZI local municipality of KwaZulu-Natal, South Africa. Journal of Economics and Behavioural Studies, 12(1(J)), pp. 38–45. https://doi.org/10.22610/jebs.v12i1(j).3003.

Mnguni, S. and Subban, M., 2022. Audit outcome challenges in local government: the case of three metropolitan municipalities in South Africa. African Journal of Public Affairs, 13(1), pp.144-172.

Mofolo, M.A. and Adonis, V., 2021. Re-engineering imperatives to enhance the effectiveness of municipal public accounts committees in South African municipalities. Africa's Public Service Delivery & Performance Review, 9(1), p.8.

Mohangi, P. and Nyika, F., 2023. Uncovering Themes in the Recent Literature on Performance Management in South African Local Government. Social Sciences, Humanities and Education Journal (SHE Journal), 4(3), pp.481-491.

Mohd, S. and Nohuddin, P.N.E. 2021. A Framework of Procurement Analytics for Fraud Coalition Prediction in Malaysia. 2021 6th IEEE International Conference on Recent Advances and Innovations in Engineering [Preprint]. https://doi.org/10.1109/icraie52900.2021.9704039.

Mojaki, L.M., Tuyikeze, T. and Ndlovu, N.K., 2024. A digital procurement framework for South African public sector: A content analysis approach. South African Journal of Information Management, 26(1), pp.1-9.

Moji, L., Nhede, N. and Masiya, T. 2022. Factors impeding the implementation of oversight mechanisms in South African municipalities. Journal of Local Government Research and Innovation, 3. https://jolgri.org/index.php/jolgri/article/view/94/214.

Molatlhwa, M.B. 2021. An empirical study of fraud and corruption risks in the Frances Baard Local Municipalities in the Northern Cape. https://dspace.nwu.ac.za/handle/10394/37148.

Molnár, P. and Hegedűs, S., 2018. The Analysis of the Accounting Principles of Going Concern through the Hungarian Municipal Companies. Modern Science/Moderni Veda, (1), pp.37-46.

Moloto, K.A. and Lethoko, M.X., 2018, July. Municipal Financial Viability and Sustainability in South Africa: A Case of Molemole Local Municipality, Limpopo Province, South Africa. In The 3rd Annual International Conference on Public Administration and Development Alternatives, 04-06 July 2018, Stellenbosch University, Saldahna Bay, South Africa.

Moloto, P.I. and Makalela, K.I., 2023. The Perpetual Decline of the State of Local Government in South Africa. Journal of US-China Public Administration, 20(4), pp.173-184.

Mongwe, W.T. and Malan, K.M., 2020. A survey of automated financial statement fraud detection with relevance to the South African context. South African Computer Journal, 32(1), pp.74-112.

Monkam, N.F., 2014. Local municipality productive efficiency and its determinants in South Africa. Development Southern Africa, 31(2), pp.275-298.

Moshodi, T., Coetzee, C. and Fourie, K., 2016. Inadequate stakeholder management and its effect on a coherent sinkhole risk management strategy: The case of the Merafong Local Municipality, South Africa. Jàmbá: Journal of Disaster Risk Studies, 8(1), pp.1-8.

Mothupi, A.J., 2018. Examining the organisational management failures resulting in irregular expenditure: a case of Tswaing Local Municipality (Doctoral dissertation, North-West University (South Africa)).

Motsitsi, C., 2024. Political Leadership and Public Financial Management in South Africa. African Journal of Public Administration and Environmental Studies (AJOPAES), 3(2), p.155.

Motubatse, K.N. and Ngwakwe, C., 2020. Factors associated with the risk of irregular expenditure in the public sector. Southern African Journal of Accountability and Auditing Research, 22(1), pp.51-58.

Mpapela, V., 2017. Our Turn to Eat?: An Interrogation of South African Media Discourse on Allocation of Value Through Cadre Deployment (Doctoral dissertation, Nelson Mandela Metropolitan University).

Mpofana, M. and Ruiters, G., 2019. New public management, quick fixes and policy churn in South Africa. Administratio Publica, 27(4), pp.178-196.

Mtisho, G. and Rutenge, M.M., 2024. The Impact of Political Interference in Decision Making on The Performance of Local Government Authorities (LGAS) in Tanzania: Case of Temeke Municipal Council in Tanzania. African Journal of Empirical Research, 5(4), pp.826-835.

Muda, M.R., Sulong, N., Ariffin, A.S. and Charehzehi, A., 2023. An Overview of Procurement Practice in the Ministry of Defence (MINDEF), Malaysia. Journal of Science, Technology and Innovation Policy, 9(1), pp.45-52

Mudalige, P. 2024. Peeling Back the Layers: Understanding the Research Onion

Mudalige, P. 2024. Peeling Back the Layers: Understanding the Research Onion. https://www.linkedin.com/pulse/peeling-back-layers-understanding-research-onion-prabath-mudalige-4tzbc/

Mugari, I., Chigwandaza, G.S. and Obioha, E.E., 2023. Citizens' perspectives on the form, contributory factors and impacts of white-collar crimes on local authorities in Zimbabwe. Cogent Social Sciences, 9(2), p.2248750.

Muna, F., Ferdous, S.M. and Azam, A., 2022. Impact of Political Influence in Recruitment and Selection Practice; Evidence from Maldives Civil Servants. Journal of Positive School Psychology, 6(7), pp.848-859.

Munzhedzi, P.H. and Makwembere, S., 2019. Good governance as a solution to local economic development challenges in South African municipalities. Journal of Public Administration, 54(4-1), pp.659-676.

Munzhedzi, P.H., 2016. Fostering public accountability in South Africa: A reflection on challenges and successes. The Journal for Transdisciplinary Research in Southern Africa, 12(1). https://doi.org/10.4102/td.v12i1.339.

Munzhedzi, P.H., 2016. South African public sector procurement and corruption: Inseparable twins? Journal of Transport and Supply Chain Management, 10(1). https://doi.org/10.4102/jtscm.v10i1.197.

Munzhedzi, P.H., 2020. An evaluation of the application of the new public management principles in the South African municipalities. Journal of Public Affairs, 21(1). https://doi.org/10.1002/pa.2132.

Munzhedzi, P.H., 2021. An evaluation of the application of the new public management principles in the South African municipalities. Journal of Public Affairs, 21(1), p.e2132.

Munzhedzi, P.H., 2021. Analysing the application of governance principles in the management of COVID-19 in South Africa: Lessons for the future. Africa's Public Service Delivery and Performance Review, 9(1). https://doi.org/10.4102/apsdpr.v9i1.490.

Muzata, T.G., 2021. A critical examination of collusion, the pricing behaviour of a multi-product cartel and the cartel enforcement record in South Africa (Doctoral dissertation, Stellenbosch: Stellenbosch University).

Mykhalchenko, N. and Wiegratz, J., 2024. Anti-fraud measures in Southern Africa. In Capitalism and Economic Crime in Africa (pp. 148-166). Routledge.

Nabane, C.D., Klingelhöfer, H.E. and Geyer, J.C., 2024. Mitigating irregular expenditure and enhancing corrective measures at the Department of Water and Sanitation. Africa's Public Service Delivery & Performance Review, 12(1), p.14.

Naidoo, G. and Magakwe, J., 2023. An Analysis of the Effectiveness of Public Procurement Policies in Curbing Corruption in Public Sector Organisations in South Africa. PUBLIC ADMINISTRATION AND DEVELOPMENT ALTERNATIVES (IPADA), p.167.

Naidoo, N., 2016. The role of corporate governance in addressing the factors contributing to commercial crime in large organisations in South Africa. University of Pretoria (South Africa).

NAIDOO, V., ZONDI, S. and REDDY, P., 2023. Corruption and poverty in a local government context: A case study of eThekwini Metropolitan Municipality. The Nexus between Poverty and Corruption: Quo Vadis? p.104.

Nash, J.R. and Pardo, R.I., 2013. Rethinking the principal-agent theory of judging. Iowa L. Rev., 99, p.331.

Ncgobo, P. and Malefane, S.R., 2017. Internal controls, governance and audit outcomes-case of a South African municipality. African Journal of Public Affairs, 9(5), pp.74-89.

Ndasana, M. and Umejesi, I. 2022. Performance management in South Africa's municipalities: A case study of Buffalo City Metro. Africa's Public Service Delivery and Performance Review, 10(1). https://doi.org/10.4102/apsdpr.v10i1.595.

Ndlovu, S.L. and Mutambara, E., 2023. MANIFESTATIONS OF CORRUPTION WITHIN THE KWAZULU-NATAL MUNICIPALITIES: A THORN IN THE FLESH.

Neethling, J.R. and Meyer, D.F., 2019. Formulation and Application of a Local Government Financial Health Index. Administration Publica, 27(4), pp.235-255

Nevhutanda, M. and Mamaile, L.J., 2020. Internal controls underpinning audit outcomes in South African Municipalities. International Conference on Public Administration and Development Alternatives (IPADA).

Nevondwe, L. and Odeku, K., 2012. Challenges of housing delivery in South Africa: Lessons learnt from jurisprudence. African Journal of Business Management, 6(45), p.11327.

Ngcamu, B.S. and Mantzaris, E., 2023. Anatomy and the detection of corruption in' previously disadvantaged South African universities. Journal of Contemporary Management, 20(1), pp.323-349.

Ngcamu, B.S., 2013. Distorted governance: A case of the municipal unit in South Africa. Corporate Board: Role, Duties and Composition, 9(3), pp.32-41.

Ngcobo, P., 2016. Internal controls at the Roodepoort City Theatre (Doctoral dissertation, University of South Africa).

Ngxesha, C., Ncube, O., Mafini, C. and Mugwenhi, S., 2019. Implementation of Public Supply Chain Management: A Case Study of the Nelson Mandela Bay Municipality in South Africa. In Advances in Production, Logistics and Traffic: Proceedings of the 4th Interdisciplinary Conference on Production Logistics and Traffic 2019 4 (pp. 233-245). Springer International Publishing.

Noble, H. and Heale, R., 2019. Triangulation in research, with examples. Evidence-based nursing, 22(3), pp.67-68.

Nortje, J.G.J., 2023. The protection of whistleblowers in South African criminal cases. Journal of Financial Crime, 30(6), pp.1444-1457.

Norziaton, I.K., Aniza, L. and Emmarelda, M.A., 2021. E-Procurement Fraud Intention in the Malaysian Public Sector. Social Business Journal, 2(1), pp.10-22.

Noyes, J., Booth, A., Moore, G., Flemming, K., Tunçalp, Ö., & Shakibazadeh, E. 2019. Synthesising quantitative and qualitative evidence to inform guidelines on complex interventions: clarifying the purposes, designs and outlining some methods. BMJ global health, 4(Suppl 1), e000893.

Nyangiwe, T., Amoah, C. and Mukumba, C.P., 2023. The Emergence of Construction Mafia in South Africa: The Implication on the Construction Industry. International Journal of Architectural and Environmental Engineering, 17(11), pp.422-423.

Nzama, L., 2019. Do poor financial performance indicators affect municipal grants budget allocation in South Africa? Journal of Reviews on Global Economics, 8, pp.1514-1528.

Nzimakwe, T.I. and Biyela, A.C., 2021. Exploring the procurement challenges in the South African public sector. Public procurement, corruption and the crisis of governance in Africa, pp.73-92.

Nzimande, N. and Padayachee, P., 2017. Evaluation of the current procurement planning process in a district municipality. International Journal of Public Policy and Administration Research, 4(1), pp.19-34.

Nzuza, Z.W. and Lekhanya, L.M., 2015. Towards a successful centralisation of municipal procurement: a case of Kwazulu-Natal Province. Virtus Interpress.

Oageng, M.F., 2021. Implications of noncompliance with Public Finance Management Act on the maintenance of Fiscal Policy in the Northwest Province (Doctoral dissertation, North-West University (South Africa)).

Odeku, K.O., 2018. Endemic corruption in supply chain and procurement in the local sphere of government in South Africa. Journal of Distribution Science, 16(9), pp. 43–52. https://doi.org/10.15722/jds.16.9.201809.43.

OECD, C., 2016. OECD Science, Technology and Innovation Outlook 2016 Country Profile. Paris, France: OECD.

Oesterreich, T.D. and Teuteberg, F., 2016. Understanding the implications of digitisation and automation in the context of Industry 4.0: A triangulation approach and elements of a research agenda for the construction industry. Computers in industry, 83, pp.121-139.

Ogunlela, O., Olabode, O. and Robertson, T.B., 2021. Blockchain technology as a panacea for procurement corruption in digital era. International Journal of Research in Business and Social Science, 10(4), pp. 311–320. https://doi.org/10.20525/ijrbs.v10i4.1222.

Okubena, O., 2016. Accountability and Transparency: Procurement issues in selected municipalities in South Africa. Journal of Finance, Accounting and Management, 7(2), p.39.

Olanrewaju, A. S. T., Hossain, M. A., Whiteside, N., & Mercieca, P., 2020. Social media and entrepreneurship research: A literature review. International journal of information management, 50, 90-110.

Olaoye, S.A., Aguguom, T.A., Safiriyu, S.E. and Abiola, T., 2019. Independence of statutory auditor and reliability of financial statements: Evidence from Listed Manufacturing Companies in Nigerian. International Journal of Asian Social Science, 9(8), pp.436-449.

Olasunkanmi, O., Olawole, O. and Akin, P.M., 2024. Towards Democratic Consolidation: Exploring the Role of Elections and Political Parties in Achieving Good Governance in Nigeria and Beyond. African Renaissance, 21(3), p.193.

Onwuegbuchulam, S.P.C., 2022. Anatomy of political violence in South Africa: Historical and pedagogical presuppositions of the KZN political killings. Interventions, 24(6), pp.879-896.

Padovani, E., Porcelli, F. and Zanardi, A., 2024. The determinants of the financial distress of Italian municipalities: How much is it due to inadequate resources? International Tax and Public Finance, pp.1-40.

Park, Y.S., Konge, L. and Artino Jr, A.R., 2020. The positivism paradigm of research. Academic medicine, 95(5), pp.690-694.

Pastory, P., 2019. Inter-governmental relations and procurement non-compliance in African local government systems: insights from Tanzania. Journal of public procurement, 19(4), pp.277-294.

Paudel, S., KC Bhandari, A., Gilmour, S., Lee, H.J. and Kanbara, S., 2023. Barriers and facilitating factors to healthcare accessibility among Nepalese migrants during COVID-19 crisis in Japan: an exploratory sequential mixed methods study. BMC Public Health, 23(1), p.1226.

Pauw, J.C, van der Linde, G.J.A, Fourie, D and Visser, C.B. 2014. “Managing Public Money”. Pearson.

Perdana, A. and Hanifuddin, M., 2023. The prevention of political corruption and implementation of the Political Party Integrity System in Partai Kebangkitan Bangsa. Integritas: Jurnal Antikorupsi, 9(1), pp.1-16.

Petersen, A., Bruwer, J.P. and Le Roux, S., 2018. Occupational fraud risk, internal control initiatives and the sustainability of small, medium and micro enterprises in a developing country: A literature review. Acta Universitatis Danubius: Oeconomica, 14(4).

Petrat, P., 2022. What Is a Questionnaire and How Is It Used in Research? https://www.cint.com/blog/what-is-a-questionnaire-and-how-is-it-used-in-research/

Phadi, M. and Vale, P., 2020. Inside the municipality: locating debates on local government. Transformation: Critical Perspectives on Southern Africa, 103(1), pp.1-11.

Phakedi, F.T., 2019. Evaluation of political influence in Public Procurement system, a case study of the Department of Public Works and Roads and the Department of Community Safety and Transport Management in the Northwest Province (Doctoral dissertation, North-West University (South Africa)).

Pheiffer, D.C. and Mphidi, A.J., 2024. The Economic Growth in South Africa Influenced by Corporate Fraud at the Small Enterprise Finance Agency. International Journal of Social Science Research and Review, 7(1), pp.545-555.

Pillay, P. 2016. Ethics and accountability in South African municipalities: the struggle against corruption. African Journal of Public Affairs [Preprint]. https://repository.up.ac.za/handle/2263/58191.

Pillay, P. and Mantzaris, E., 2015, November. Supply chain management and the fight against corruption: A South African case study. In European Conference on Management, Leadership & Governance (p. 323). Academic Conferences International Limited.

Pillay, P. And Mantzaris, E., 2022. Political Leadership, Administrative Priorities, and Corruption. Lessons from Political Leadership in Africa: Towards Inspirational and Transformational Leaders, p.100.

Pillay, P., 2014. The public sociology of ethics, corruption and public administration: a South African case study. African Journal of Public Affairs [Preprint]. https://repository.up.ac.za/handle/2263/58117

Pillay, P., 2017. Public trust and good governance: a comparative study of Brazil and South Africa. African Journal of Public Affairs [Preprint]. https://scholar.sun.ac.za:443/bitstream/10019.1/107546/1/pillay_public_2017.pdf.

Plantinga, H., Voordijk, H. and Dorée, A., 2020. Creating strategic alignment during the development of procurement instruments. Proceedings of the Institution of Civil Engineers-Management, Procurement and Law, 174(1), pp.14-22.

Pokropek, A., Davidov, E. and Schmidt, P., 2019. A Monte Carlo simulation study to assess the appropriateness of traditional and newer approaches to test for measurement invariance. Structural Equation Modelling: A Multidisciplinary Journal, 26(5), pp.724-744.

Pooe, D.R., Mafini, C. and Makhubele, D.T., 2015. Investigating municipal procurement challenges in South Africa: A qualitative study. The International Business & Economics Research Journal (Online), 14(1), p.67.

Qobosheane. J.I., 2022. Extortion or transformation? The construction mafia in South Africa: https://www.google.co.za/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwiB8O7I7YCJAxUhSKQEHfG6PNkQFnoECBwQAQ&url=https%3A%2F%2Fglobalinitiative.net%2Fwp-content%2Fuploads%2F2022%2F06%2FGITOC-Extortion-or-Transformation-The-construction-mafia-in-South Africa.pdf&usg=AOvVaw3wSedGXdO9xvztm4sPKABc&opi=89978449

Quampah, D.K., Salia, H., Fusheini, K. and Adoboe-Mensah, N., 2021. Factors affecting the internal audit effectiveness in local government institutions in Ghana.

Rahmawati, N. and Kassim, A.A.M., 2020. Fraud triangle theory and accounting irregularities. Selangor Business Review, pp.55-64.

Rajah, S., 2016. Collusion, cadres and corruption: a critical study of the procurement sector and corruption in local government: the case of eThekwini Municipality (Doctoral dissertation).

Ramolobe, K.S., 2023. The dynamics of traditional leaders' relationship with municipal councillors and service delivery. Journal of Local Government Research and Innovation, 4, p.95.

Ramutsheli, M.P. and Janse van Rensburg, J.O., 2015. The root causes for local government's failure to achieve objectives. Southern African Journal of Accountability and Auditing Research, 17(2), pp.107-118.

Rangwato, T.E., Mukonza, R. and Molepo, J., 2022. The spending of municipal infrastructure grant at Ba-Phalaborwa municipality. Journal of Local Government Research and Innovation, 3, p.11.

Rena, R. and Mothupi, A.J., 2018. Case Study on the Patterns of Irregular Expenditure in Tswaing Local Municipality of Northwest Province in South Africa. Journal of Applied Economic Sciences, 13(2).

Rendon, J. and Rendon, R.G., 2015. Defense procurement: An analysis of contract management internal controls. Acquisition Research Program.

Rikhardsson, P., Singh, K. and Best, P., 2019. Exploring continuous auditing solutions and internal auditing: A research note. Accounting and Management Information Systems, 18(4), pp.614-639.

Rogerson, C., 2018. Local economic development in the changing world: The experience of Southern Africa. Routledge.

Rustiarini, N.W., Nurkholis, N. and Andayani, W., 2019. Why people commit public procurement fraud? The fraud diamond view. Journal of public procurement, 19(4), pp.345-362.

Sape, J.T., 2019. The efficacy of the Emfuleni local municipality procurement system. https://repository.nwu.ac.za/handle/10394/33287.

Saunders, M., Lewis, P., & Thornhill, A., 2019. Research methods for business students. Pearson education. https://www.pearson.com/nl/en_NL/higher-education/subject-catalogue/business-and-management/Research-methods-for-business-students-8e-saunders.html

Sebola, M.P., Zitha, H.E. and Mamabolo, M.A., 2016. Compliance to procurement processes, deviant behaviour and effects on service delivery in the public sector. Journal of Public Administration and Development Alternatives (JPADA), 1(1), pp.59-76.

Selane, L.S., 2021. The importance of managerial skills in the implementation of the regional bulk infrastructure grant in Mopani District Municipality, Limpopo Province South Africa (Doctoral dissertation).

Selepe, M.M. and Magagula, M.L., 2023. Conceptualization of accountability and municipal finance management within the South African local government environment. International Journal of Social Science Research and Review, 6(8), pp.230-246.

Selepe, M.M., 2022. An overview of poor financial reporting and lack of accountability within the South African local government. International Journal of Social Science Research and Review, 5(12), pp.727-737.

Selepe, M.M., 2023. The factors that impact negatively on municipal service delivery and the mechanisms that must be adopted to enhance the provision of services in South Africa. International Journal of Social Science Research and Review, 6(5), pp.761-773.

Shah, K., Qamhawi, Z. and Makris, G.C., 2023. Longitudinal study: Design, measures, and classic example. In Translational Interventional Radiology (pp. 195-201). Academic Press.

Shai, L., Molefinyana, C. and Quinot, G., 2019. Public Procurement in the context of Broad-Based Black Economic Empowerment (BBBEE) in South Africa—Lessons Learned for Sustainable Public Procurement Sustainability, 11(24), p. 7164. https://doi.org/10.3390/su11247164.

Sharma. 2024. The role of research philosophy in defining methodology. https://medium.com/@DrUrvashi.Sharma/the-role-of-research-philosophy-in-defining-methodology-f5022b36a885

Shava, E. and Chamisa, S.F., 2018. Cadre Deployment Policy and its Effects on Performance Management in South African Local Government: A Critical Review. Politeia (02568845), 37(1).

Shava, E. and Mazenda, A., 2021. Ethics in South African public administration: a critical review. International Journal of Management Practice, 14(3), pp.306-324.

Shava, E. and Mazenda, A., 2021. Ethics in South African public administration: a critical review. International Journal of Management Practice, 14(3), pp.306-324.

Shava, E., 2016. Black economic empowerment in South Africa: Challenges and prospects. Journal of Economics and Behavioural Studies, 8(6 (J)), pp.161-170.

Shongwe, B.R. and Meyer, D.F., 2023. Service Delivery Challenges within Rural Communities: The Case of the Nkomazi Local Municipal Area. Administration Publica, 31(2), pp.136-159.

Shuping, B., 2021. Factors influencing municipal managers' compliance with the Municipal Financial Management Act. University of Johannesburg (South Africa).

Sibanda, M.M., Zindi, B. and Maramura, T.C., 2020. Control and accountability in supply chain management: Evidence from a South African metropolitan municipality; Cogent Business & Management, 7(1), p. 1785105. https://doi.org/10.1080/23311975.2020.1785105.

Sidaeli, J. and Athumani, H., 2020. Effects of ethical practices in public procurement regulatory compliance in Tanzania: a case of Ilala municipal council, Dar es Salaam. International Journal of Economics, Commerce and Management, 8(12), pp.77-89.

Sitishe, N., Ntshangase, B.A., Kloper, R., Lubbe, S. and Msosa, S.K., 2023. An analysis of the financial viability of municipalities in Freestate Province: the case of Mangaung Metro Municipality. Socioeconomic Challenges, 7(3), pp.184-19.

South African Local Government., 2018. Violence in local government. A Study on Damage to Property, Intimidation, Threats, Harm, and Killing of Councillors and Municipal Officials: https://www.google.co.za/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwiWzc647oCJAxV3aqQEHYICM7cQFnoECBMQAQ&url=https%3A%2F%2Fwww.salga.org.za%2FBatch%25201%2520-%2520Latest%2520Knowledge%2520Products%2FSALGA%2520Study%2520on%2520Violence%2520in%2520Local%2520Government.pdf&usg=AOvVaw27fBu1ZrwUt-inVVE48-ME&opi=89978449

Sreekumar, D., 2024. What is Quantitative Research? Definition, Methods, Types, and Examples. https://researcher.life/blog/article/what-is-quantitative-research-types-and-examples/

Stemler, S.E., 2015. Content analysis. Emerging trends in the social and behavioural sciences: An Interdisciplinary, Searchable, and Linkable Resource, pp.1-14.

Suka, S., 2021. Effectiveness of Municipal Public Accounts Committees in fiscal oversight: A case study of Sakhisizwe Municipality (Doctoral dissertation, Stellenbosch: Stellenbosch University).

Sullivan, A. and Calderwood, L., 2017. Surveys: longitudinal, cross-sectional, and trend studies. The BERA/SAGE handbook of educational research, 1, pp.395-415.

Swanepoel, C.F., 2022. The slippery slope to state capture: Cadre deployment as an enabler of corruption and a contributor to blurred party–State lines. Law, Democracy & Development, 25(1), pp.440-462.

Syarif, L.M. and Faisal, F., 2019. Addressing the root of political corruption in Indonesia. Integritas: Jurnal Antikorupsi, 5(2), pp.191-198.

Tabar, T.A.A., 2016. The role of internal audit function in the public sector. Basic Research Journal of Business Management and Accounts, 5(1), pp.1-11.

Taherdoost, H., 2021. Data collection methods and tools for research; a step-by-step guide to choose data collection technique for academic and business research projects. International Journal of Academic Research in Management (IJARM), 10(1), 10-38.

Takalani, H. and Lavhelani, P.N., 2024. The administrative effects of political killings of officials in South African Municipalities. Journal of Local Government Research and Innovation, 5, p.161.

Tanui, M.K., 2016. The Role of Technology on Strategy Implementation in Tier Two Commercial Banks in Kenya (Doctoral dissertation, University of Nairobi).

Tanui, P.J. and Bitange, J.B., 2016. Internal Control System For Financial Management In the Church: A Case Of Protestant Churches In Eldoret Municipality, Kenya.

Taufik, T., 2019. The effect of internal control system implementation in realizing good governance and its impact on fraud prevention. International Journal of Scientific and Technology Research, 8(9), pp.2159-2165.

Terman, J. and Feiock, R., 2015. Third-party federalism: Using local governments (and their contractors) to implement national policy. Publius: The Journal of Federalism, 45(2), pp.322-349

Thakur, S.S. and Nel, A., 2024. Taking a back seat: the politicization of municipal environmental governance in South Africa. South African Geographical Journal= Suid-Afrikaanse Geografiese Tydskrif, 106(2), pp.212-229.

Thebe, T.P., 2017. Political education for good governance in South Africa's local government and communities. African Journal of Public Affairs, 9(5), pp.123-135.

Thomas, L. 2020. Cross-Sectional Study | Definition, Uses & Examples. https://www.scribbr.com/methodology/cross-sectional-study/

Thusi, X. and Mashabela, M., 2023. The role of civil society organizations in promoting public accountability: The perspective of the South African local government. IAHRW International Journal of Social Sciences Review, 11(2), pp.175-180.

Thusi, X. and Selepe, M.M., 2023. The impact of poor governance on public service delivery: A case study of the South African local government. International Journal of Social Science Research and Review, 6(4), pp.688-697

Tian, F., 2023. Case Study and Practice of Ideological and Political Education in the Course. Advances in Educational Technology and Psychology, 7(13), pp.64-71.

Tickle, D., 2018. Country note: 'Irregular' and 'Wasteful' Expenditure, Tax, and Fiscal Citizenship in South Africa. Intertax, 46(3).

Tikoe, P., 2024. Municipal Compliance with the Tender Procurement Process: A Case of Dr Kenneth Kaunda District Municipality (Doctoral dissertation, North-West University (South Africa)).

Tlegray, J. and Selemani, Z., 2022. The Impact of Internal Audit Practices on Financial Management of Local Government Authorities: The Case of Morogoro Municipality in Tanzania. Asian Journal of Economics, Business and Accounting, pp.263-272.

Toral, G., 2021, June. The benefits of patronage: How political appointments can enhance bureaucratic accountability and effectiveness. In Annual Meeting of the American Political Science Association, Boston.

Tshandu, Z., 2010. Mid-term review of municipal performance: Thaba Chweu.

Tshishonga, N., 2014. Cadre deployment and its implications on service delivery in South Africa: A human development capability approach. Journal of Public Administration, 49(3), pp.891-908.

Ugbah, A.A., Kingsley, C.K., Ofor, N.T. and Gerald, A.N., 2023. Testing Financial Statement Fraud: Perspective of the M-Score Model in Nigeria and South Africa. International Journal of Research and Innovation in Social Science, 7(8), pp.1-19.

Usang, O.U.E. and Salim, B., 2015. A conceptual perspective of internal audit quality and local government performance in Nigeria.

Van Bochove, M. and Oldenhof, L., 2018. Institutional work in changing public service organisations: The interplay between professionalisation strategies of Non-Elite Actors, Administration & Society, 52(1), pp. 111–137. https://doi.org/10.1177/0095399718786880.

Van der Aa, H., Leopold, H. and Reijers, H.A., 2015. Detecting inconsistencies between process models and textual descriptions. In Business Process Management: 13th International Conference, BPM 2015, Innsbruck, Austria, August 31--September 3, 2015, Proceedings 13 (pp. 90-105). Springer International Publishing.

van der Waldt, G., Fourie, D. and Malan, C., 2024. Implementing auditor-general annual recommendations in South African municipalities: A situational analysis. Public Money & Management, pp.1-11.

Van Niekerk, T. and Dalton-Brits, E., 2016. Mechanisms to strengthen accountability and oversight within municipalities, with specific reference to the Municipal Public Accounts Committee and the Audit Committee of Mangaung Metropolitan Municipality.

Van Staden, A., Fourie, D.J. and Holtzhausen, N., 2022. Development of an accountability framework in the public procurement system: Case of the emerging market.

Vhumbunu, C.H. and Rudigi, J.R., 2022. Political Party Campaign Financing in South Africa's 2019 Elections: Reflecting on the Trends and Patterns in KwaZulu-Natal Province. African Journal of Democracy and Election Research, 2(1), p.63.

Vilakazi, S.A. and Adetiba, T.C., 2020. Political and administrative dichotomy in South Africa: The principle of separation of powers at local government level. Acta Universitatis Danubius. Administratio, 12(1).

Vilane, N.S., 2019. Assessing the Impact of the Municipal Financial Minimum Competency Programme on Expenditure Management. University of Pretoria (South Africa)

Walia, A. and Chetty, P., 2020. The Economic Theories of Entrepreneurship. Project Guru [online]

Wantchekon, L., Canen, N. and Ch, R., 2022. Political Uncertainty and the Forms of State Capture. Available at SSRN 4057107.

Wardani, D.K., Primastiwi, A. and Hanisah, H., 2021. Fraud Prevention of Government Procurement of Goods and Services in Local Government. Jurnal Akuntansi, 25(2), pp.256-275.

Warkula, Y.Z. and Kusumawati, A., 2022. The Impact of Accounting Implementation, Budget User Behaviour, and Internal Control on Fraud Prevention of Regional Apparatus Organisations in Aru Islands Regency. Utsaha: Journal of Entrepreneurship, pp.16-30.

Watermeyer, R. and Phillips, S., 2020. Public infrastructure delivery and construction sector dynamism in the South African economy. Background Paper. NPC's Economy Series. Pretoria: NPC.

Wissink, H.F., 2015. Professionalisation of the public service in South Africa: a reflection on past and future challenges within the context of a public governance and leadership paradigm. Loyola J Soc Sci, 29(2), pp.125-147.

Wolpe, R., 2023. How Awe-Inspiring It Is: A Galician Maskil Responds to the Revolutions of 1848–1849. European journal of Jewish studies, 17(2), pp.204-225.

Wright, B.E., Hassan, S. and Park, J., 2016. Does A Public Service Ethic Encourage Ethical Behaviour? Public Service Motivation, Ethical Leadership and the Willingness to Report Ethical Problems. Public Administration, 94(3), pp. 647–663. https://doi.org/10.1111/padm.12248.

Yılmaz, O.K. and Karakaya, G., 2020. Research on the internal control compliance action plans created by the municipalities in Turkey in accordance with COSO Model. Süleyman Demirel Universities Vizyoner Dergisi, 11(28), pp.753-769.

Yusuf, I. and Mutereko, S., 2019. Contextual perspectives of election violence in KwaZulu-Natal, South Africa, Afrika, 7(31), pp. 179–194. https://doi.org/10.31920/2075-6534/2019/9n2a9.

Zerihun, M.F. and Mashigo, M.P., 2022. Municipal Services and Financial Performance of Three Metropolitan Municipalities in South Africa. Indian Journal of Finance, 16(12), pp.43-56.

Zindi, B. and Sibanda, M., 2022. Barriers to effective supply chain management: The case of a metropolitan municipality in the Eastern Cape. Journal of Local Government Research and Innovation, 3.

Žukauskas, P., Vveinhardt, J. and Andriukaitienė, R., 2018. Philosophy and paradigm of scientific research. Management culture and corporate social responsibility, 121(13), pp.506-518.

Zulu, P., Yalezo, B. and Mutambara, E., 2022. An assessment of cadre deployment practices in KwaZulu-Natal local government. Academy of Strategic Management Journal, 21, pp.1-22.

Zungu, A., 2018. The managers' perceptions of irregular expenditure In the KwaZulu-Natal Municipalities. https://doi.org/10.29086/10413/22960

Zwane, Z. and Matsiliza, N.S., 2022. Stakeholders' involvement in service delivery at eDumbe Municipality. Journal of Local Government Research and Innovation, 3, p.45.

Zweni, A. and Yan, B., 2022. The Role of Municipal Officials in financial crimes and the effects thereof: A Conceptual Framework to combat financial crimes in South African Municipalities.

Zweni, A., Mahlala, S., Yan, B. and Ndevu, Z., 2023. Effects of Budget Management Training in Public Administration: A Case of Non-financial Managers in Selected Municipalities in South Africa. African Journal of Governance and Development, 12(1), pp.117-137.

APPENDIX 1: QUESTIONNAIRE

STRICTLY CONFIDENTIAL

QUESTIONNAIRE

for

KwaZulu-Natal Municipalities:

Councillors, members of the public, audit committees, consultants, industry experts and others.

Purpose of research/study

The purpose of the research is to examine the prevalence and causes of irregular expenditure in KwaZulu-Natal municipalities. The research further examines the implementation of consequence management for irregular expenditure and related irregularities, as well the appropriate internal controls for the prevention of irregular expenditure. The researcher is affiliated to UKZN. The gatekeeper's letter and informed consent have been attached.

Instructions for the completion of the questionnaire

- You are requested to answer all the questions carefully and honestly.
- Your responses will be treated confidentially and will be valuable to the study.
- Your name should not appear on the questionnaire.
- You are kindly requested to indicate your reply by placing a cross, **X**, in the appropriate box which best represents your view.
- Where written responses are required, space is provided.
- You may write additional comments whenever you wish to do so.

For any enquires regarding the questionnaire, kindly send your queries to AmosZ@dut.ac.za, **Attention: Amos Zungu**.

Thank you very much for your co-operation.

Researcher: Mr. A Zungu ([redacted]) (Student number: 217080176)

Supervisors: Professor Mabutho Sibanda and Professor Bomi Cyril Nomlala (031 260 2160)

Faculty: Accounting, Economics and Finance (UKZN)

Year study conducted: 2022 to 2023

SECTION A (Personal and Company details)

A1: Gender

Male	1	Female	2

A2 Age (years)

Below 25	1
25-30	2
31-40	3
41-50	4
51-60	5
Above 60	6
(Refuse to answer)	7

A3: Race

White	1
Indian	2
African	3
Coloured	4
Other	5

A4: Job level (position)

Councillor	1
Member of the public	2
Audit Committee	3
Consultant	4
Industry expert	5
Other	6

A5: Experience in management position

0 – 5 years	1
6 – 10 years	2
11 – 20 years	3
21 – 30 years	4

31 years and above	5
Not applicable	6

A6: Department

Mayor/executive mayor/speaker	1
Ratepayer	2
Resident	3
Audit committee	4
Consultant	5
Other	6

SECTIONS B, C, D & 1C

IRREGULAR EXPENDITURE

B. Stakeholders' Understanding Irregular Expenditure. The opinion/perception of councillors, members of the public, audit committee, consultants, industry experts and others, about irregular expenditure in municipalities?

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Not Sure
B1: Irregular expenditure is a common problem faced by municipalities	**1**	**2**	**3**	**4**	**5**	**6**
B2: Irregular expenditure involves unauthorised or improper use of public funds	**1**	**2**	**3**	**4**	**5**	**6**
B3: Irregular expenditure negatively impacts the financial stability of municipalities	**1**	**2**	**3**	**4**	**5**	**6**
B4: I am aware of specific instances of irregular expenditure in the municipality	**1**	**2**	**3**	**4**	**5**	**6**
B5: The consequences of irregular expenditure are adequately communicated to stakeholders	**1**	**2**	**3**	**4**	**5**	**6**
B6: The municipality prioritises ethical behaviour, reducing the occurrence of irregular expenditure	**1**	**2**	**3**	**4**	**5**	**6**
B7: Employees and stakeholders can report irregular expenditure without fear of retaliation	**1**	**2**	**3**	**4**	**5**	**6**
B8: The municipality's leadership sets a strong example of financial integrity and accountability	**1**	**2**	**3**	**4**	**5**	**6**
B9: Transparency in financial matters is actively practiced and promoted by the municipality	**1**	**2**	**3**	**4**	**5**	**6**

C. **Stakeholders perspectives of the Causes of Irregular Expenditure**

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Not Sure
C1. Irregular expenditure is caused by corrupt practices by some politicians	1	2	3	4	5	6
C2. Weak internal controls contribute to incidents of irregular expenditure in municipalities	1	2	3	4	5	6
C3. Tender irregularities are not properly investigated	1	2	3	4	5	6
C4. There is a lack of proper oversight and monitoring of financial transactions in the municipality	1	2	3	4	5	6
C5. Irregular expenditure is caused by fraud and corruption by municipal officials	1	2	3	4	5	6
C6. Pressure to achieve short-term financial targets leads to irregular expenditure practices	1	2	3	4	5	6
C7. Irregular expenditure occurs due to collusion among internal and external stakeholders	1	2	3	4	5	6
C8. The complexity of public procurement processes increases the risk of irregular expenditure	1	2	3	4	5	6
C9. Individual employees involved in irregular expenditure are held personally accountable	1	2	3	4	5	6
C10: Municipal officials responsible for financial management bear ultimate responsibility	1	2	3	4	5	6
C11: Councillors play a significant role in preventing irregular expenditure	1	2	3	4	5	6
C12: The consequences for those involved in irregular expenditure are sufficient to deter misconduct	1	2	3	4	5	6
C13: The municipality has effective mechanisms in place to detect irregular expenditure	1	2	3	4	5	6
C14: Reporting irregular expenditure is encouraged and protected within the municipality	1	2	3	4	5	6
C15: The municipality conducts regular internal audits to identify potential irregularities	1	2	3	4	5	6
C16: The public is well-informed about how to report suspected cases of irregular expenditure	1	2	3	4	5	6

C17: There are adequate channels to report irregular expenditure anonymously if needed	1	2	3	4	5	6

D. Stakeholders perspectives of consequence management for irregular expenditure and related irregularities

Questionnaire Items	Strongly Disagree	Disagre e	Neutra l	Agree	Strongly Agree	Not Sure
D1. Consequence management is used against officials who are not aligned with corrupt politicians	1	2	3	4	5	6
D2. Lack of cooperation among councillors hampers consequence management for financial transgressions	1	2	3	4	5	6
D3. Political connections lead to unqualified individuals in senior municipal positions.	1	2	3	4	5	6
D4. Personal wealth accumulation is the primary goal for politically deployed individuals in municipalities.	1	2	3	4	5	6
D5. Consequence management is used for political battles, eroding trust in its accountability function.	1	2	3	4	5	6
D6. Councils protect their political party members, failing to implement consequences for irregularities.	1	2	3	4	5	6
D7. Fear of assassinations hinders consequences for politicians and officials.	1	2	3	4	5	6
D8. Fear of victimisation prevents implementing consequences for irregularities.	1	2	3	4	5	6
D9. Provincial government interventions are politically motivated.	1	2	3	4	5	6
D10. Performance agreements for managers don't effectively drive accountability and consequence management.	1	2	3	4	5	6
D11. Tender irregularities affect financial health and cause high irregular expenditure.	1	2	3	4	5	6
D12. Consequence management involves discipline, firing, arrest, and corrective actions.	1	2	3	4	5	6

IC: Internal controls for the prevention of irregular expenditure

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Not Sure
IC1. Introduction of a robust Code of Conduct for all citizens	**1**	**2**	**3**	4	**5**	**6**
IC2. Development of procurement plans that align with an IDP	**1**	**2**	**3**	4	**5**	**6**
IC3. Premier's office must implement Consequence management	**1**	**2**	**3**	4	**5**	**6**
IC4. Live broadcast of the tender processes	**1**	**2**	**3**	4	**5**	6

ANY OTHER COMMENTS:

____

____

____

____

Thank you very much for your time and assistance in completing this QUESTIONNAIRE.

APPENDIX 2: COUNCILLOR INTERVIEW PROTOCOL

The researcher is working on a topic that interests him, so working on it is exciting and looking forward to all the challenges. The researcher has extensively done literature review on matters of irregular expenditure in local government financial management. In addition, the researcher graduated in master's degree on the research on irregular expenditure in municipalities. The interview questions have been asked in a simple and clear manner and relevant interview questions have been developed based on the current literature review and prior studies by the researcher on irregular expenditure.

Throughout the interview, the researcher will follow a pre-written manual to guide the interview process and to enable to researcher not to forget important points. Important to note is that the interview will be conducted in simple and clear manner to make it easy for councillors to understand. The interviewee will be made aware of the researcher and his brief background to build mutual trust, the study, and its importance, as well the informed consent; the interviewee will be prompted to sign the statement of informed consent. The researcher will address issues of confidentiality with the interviewee. At the end of the interview, the interviewee will be made aware that there might be a need for follow up telephone calls and requests for additional information.

Open-ended questions will be asked to allow the interviewee to speak their mind and to uncover as much information as possible. Closed ended questions only results in "yes" or "no" answers. Open ended questions like those that "Tell me about…" will be used. The interview process will be kick-started by asking simple introductory questions like asking the interviewee about their experience and responsibility as a councillor. Questions have been arranged from less difficult to more engaging questions, the first questions will be asked as follows. "In your view", tell me about the causes of irregular expenditure? The questions have been phrased as "tell me about" to simplify the interview and to enable the interviewee to open and talk.

In between the interview, prompts will be used get at the pre-planned questions that the interviewee is not addressing. A provision for adjustments to the interview questions will made to enhance the design. Should the questions occur to the researcher during the interview, the researcher would ask it. This new question may be incorporated into the interview questions for the interviewees that will follow.

The interview sessions will be arranged in such that each interview takes about 45 minutes to keep interest. Initially, interviews will be asked their opinion on about irregular expenditure, their opinion on the causes of irregular expenditure, their opinion regarding the extent of consequence management for procurement irregularities and internal controls for the prevention of irregular expenditure. to test if my questions make sense and if other people understand them, I will pilot them with a few people I know that are in the municipal environment. These people will also advise me on important information that I need to consider and on the councillor interview protocol. A second shorted interview will be provided for to clear areas where the information from the first interview was not clearly understood. This will also help to incorporate additional questions if need be. A copy of the transcript will be sent to each participant.

Interviews will be recorded for accuracy and completeness of the research information.

Irregular Expenditure Interview Schedule

Section A: The causes the Irregular Expenditure

1. The first question is, in your opinion, could you tell me please more about your own experience with the causes of irregular expenditure in municipalities?
2. What are some of the most common causes of irregular expenditure that you've observed in your experience?
3. In your experience, how do organisational culture and leadership influence the occurrence of irregular expenditure?
4. How do you ensure that all staff members are aware of their responsibilities when it comes to preventing irregular expenditure?
5. Can you provide an example of how external factors, such as economic instability, political factors that can contribute to irregular expenditure?
6. In your opinion, what role do external audits play in preventing irregular expenditure?

Section B: The extent of Consequence Management implementation against those that committed Procurement Irregularities

1. Would you, in your view tell me more about the consequence management, your own experiences in municipality.
2. What kind of consequences do you think are appropriate for individuals that engage in procurement irregularities?
3. In your opinion, what is the most effective way to ensure that consequences for procurement irregularities are consistently applied across all individuals?
4. Yeah. In terms of the Council resolution and council decisions, where Council take decisions, regardless of good governance, simply because there are numbers, how can we avoid that? Including writing off of irregular expenditure.

Section C: Suggestions to prevent Irregular Expenditure

1. What do you recommend is the system that can be put into place to prevent irregular expenditure?
2. What kind of internal controls do you think are necessary to prevent irregular expenditure?
3. In your experience, what are some of the challenges associated with preventing irregular expenditure?
4. In your opinion, what is the most effective way to prevent irregular expenditure in a municipality?
5. In your opinion, what is the most important factor in preventing irregular expenditure in a municipality?

APPENDIX 3: INFORMED CONSENT LETTER 3C

UNIVERSITY OF KWAZULU-NATAL
SCHOOL OF ACCOUNTING, ECONOMICS and FINANCE

Dear Respondent,

PhD Thesis in Accounting
Researcher: Amos Zungu ([redacted])
Supervisors: Professor M Sibanda and Professor BM Nomlala (031 260 2160)
Research Office: Ms M Snyman 031-2608350

I, Amos Zungu a PhD Accounting student, at the School of Accounting, Economics and Finance at the University of KwaZulu Natal. You are invited to participate in a research project entitled the prevalence and causes of irregular expenditure in KwaZulu-Natal municipalities. The study aims to examine the prevalence and causes of irregular expenditure in KZN municipalities and further develop a framework to reduce/eliminate it.

Through your participation, I hope to understand your opinions of irregular expenditure. The results of the focus group are intended to contribute and to provide valuable insights for the municipal councils, municipal public accounts committees, South African Local Government Association (SALGA), KZN Department of Cooperative Governance and Traditional Affairs, KZN Treasury, and KZN Office of the Premier.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this survey/interview. Confidentiality and anonymity of records identifying you as a participant will be maintained by the School of Accounting, Economics and Finance, UKZN.

If you have any questions or concerns about completing the questionnaire, interview or about participating in this study, you may contact me or my supervisors at the numbers listed above.

The survey should take you about 15 minutes to complete and the interview is expected to take about 45 minutes. I hope you will take the time to complete this survey or avail yourself for the interview.

Sincerely

Investigator's signature_____________________________________ Date_________________

This page is to be retained by participant.

UNIVERSITY OF KWAZULU-NATAL
SCHOOL OF ACCOUNTING, ECONOMICS and FINANCE

PhD thesis in Accounting
Researcher: Amos Zungu ([redacted])
Supervisors: Professor M Sibanda and Professor BM Nomlala (031 260 2160)
Research Office: Ms M Snyman 031-2608350

<u>CONSENT</u>

I………………………………………………………………………(full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT DATE

……………………………………………………………………………………………………

This page is to be retained by researcher

APPENDIX 4: PROPORSAL APPROVAL LETTER

UNIVERSITY OF
KWAZULU-NATAL

12th May 2022

College of Law & Management Studies
School of Accounting, Economics and Finance
Higher Degrees and Research Committee
Student Name: Amos Zungu
Student No: 217080176
Registered Qualification: PhD Accountancy

Title of the study: Prevalence and causes of irregular expenditure in KZN municipalities" instead of "Anassessment of irregular expenditurein KZN municipalities

Dear Mr Zungu

This letter confirms that the HDRC has approved your proposal presented on 15 October 2021 after you effected corrections on the proposal as suggested by the HDRC.Therefore, you may now proceed with your research.

Please note the following information to progress smoothly towards your qualification:

1)Please note that you first registered in semester 1, 2021 and you have already spent 2 semesters on this qualification which has a maximum registration period of 8 semesters. Thus, you have 6 semester remaining to complete your studies.

2)You can apply for ethical clearance immediately online after receiving this letter by following instructions at https://ics.ukzn.ac.za/rig-online-help-1/ and follow up with the help desk at RIGEthicsHelp@ukzn.ac.za should you have any queries.

3)You must submit an "intention to submit form" 3 months before your intended date ofsubmission.

4) You must submit your thesis for examination electronically on the date indicated on the"intention to submit form". Failing to submit your dissertation for examination within the remaining semesters will result in your academic exclusion from the University (See rule DR7).

School of Accounting, Economics and Finance
Postal Address: Private Bag X01, Scottsville 3209

Telephone: +27 (0) 3 260-6488 Facsimile: 0866813412 E-mail: [illegible]

Founding Campuses: Edgewood Howard College Medical School Pietermaritzburg **Westville**

APPENDIX 5: REQUEST FOR PERMISSION TO CONDUCT RESEARCH

APPENDIX 3

LETTER REQUESTING PERMISSION – KWAZULU NATAL MUNICIPALITIES

[redacted]
Scottburgh
4180

18 October 2021

Ms Joey Krishnan
Chief Director: Municipal Finance
Department of Co-operative Governance and Traditional Affairs: KZN
330, Langalibalele Street
Pietermaritzburg
3200

Dear Joey

RE: REQUEST FOR PERMISSION TO CONDUCT AN EDUCATIONAL REASERCH

I am registered with the University of KwaZulu-Natal (UKZN) doing a PhD in Accounting.

I hereby request for your authorization to carry out a study for educational purpose. The tittle of my dissertation is an assessment of irregular expenditure in KwaZulu Natal municipalities

I propose to carry out my field work as follows:
Questionnaires will be sent to a sample of key roles players in the KwaZulu-Natal municipalities. The research will be conducted during the months of November and December 2021 and January 2022

Thanking you in advance for your support.

Yours faithfully

Amos Zungu

1

APPENDIX 6: GATEKEEPER LETTER

KWAZULU-NATAL PROVINCE
COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

Private Bag X9123, PIETERMARITZBURG, 3200
Southern Life Plaza, 271 Church Street, Pietermaritzburg, 3200
Tel: 033 395 6612

Enquiries: MRS HB Krishnan

APPROVAL/PERMISSION GRANTED FOR EDUCATIONAL RESEARCH

I Heyjyothi Bhikshu Krishnan (Joey), hereby confirm that permission and approval is granted for Amos Zungu to conduct educational research in KwaZulu-Natal municipalities towards a PhD in Accounting with the title of the dissertation being an assessment of irregular expenditure in KwaZulu Natal municipalities and through the University of KwaZulu-Natal (UKZN). The conditions and clauses are stated below.

CONDITIONS ATTACHED

The following conditions/ clauses accompany this approval and permission:
1) The results of the study will be shared with the KZN Department of Cooperative Governance and Traditional Affairs and in a presentation.
2) It may be requested that the results of the research are presented at specific fora or to stakeholders identified by the Department including to municipalities in the Province of KwaZulu-Natal.

SIGNATURE AND POSITION DATE: 23 October 2021

[redacted]
....
MRS HB KRISHNAN
Chief Director: Municipal Finance

2

APPENDIX 7: EDITOR'S CERTIFICATE

The Dissertation Design Master

Phone: [redacted]
Email: [redacted]
Email: [redacted]
Web: https://thesis-reports-proof-reading-and-editing.business.site/

This is to confirm that the thesis entitled

Prevalence and causes of irregular expenditure in KwaZulu-Natal Municipalities

Authored by

AMOS ZUNGU
Student Number: 217080176

was edited. The student received their thesis with track changes. The thesis will be fit for submission when the student attends to all suggested changes (**that should be reviewed together with the supervisor**) and obtains permission to submit from the supervisor. This certificate does not warranty permission to submit if the supervisor has not agreed with the student.

Report prepared by:

Elizabeth Mnyandu

[redacted]

Signature over printed name

Date: 23 December 2024

Qualified Copy Editor

Contact Number
+27780248617

https://thesis-reports-proof-reading-and-editing.business.site/

APPENDIX 8: LEGISLATIONS FOR MUNICIPAL FINANCIAL MANAGEMENT

Legislation/circular	Purpose
Constitution of The Republic of South Africa: Constitution, section 195(1)(a)	Prescribes that a high standard of professional ethics must be promoted and maintained.
Municipal Systems Act, schedule 2	Describes the code of conduct for municipal staff members.
MFMA section 62(1)(c)(i)	Specifies that the municipal manager is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.
MFMA section 78(1)(a)	States that each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure that the system of financial management and internal control established for the municipality is carried out diligently.
MFMA section 32(2)	Stipulates that a municipality must recover irregular expenditure from the person liable for that expenditure, unless the expenditure; after investigating by a council committee, is certified by the council as irrecoverable and written off by the council.
MFMA section 62(1)(e)	"States that the municipal manager is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that disciplinary or, when appropriate, criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial misconduct or an offence in terms of chapter 15 of the act".
MFMA section 62(1)(c)(ii)	States that the municipal manager is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and

	maintains effective, efficient and transparent systems of internal audit operating in accordance with any prescribed norms and standards.
MFMA section 166(1)	Requires each municipality to have an audit committee.
MFMA section 119(1)	Requires the municipal manager and all other officials of a municipality involved in the implementation of the Supply Chain Management (SCM) policy of the municipality that they must meet the prescribed competency levels.
MFMA section 112(1)	Requires that the SCM policy of a municipality must be fair, equitable, transparent, competitive and cost-effective, and comply with the prescribed regulatory framework for municipal SCM.
MFMA section 117	Explicitly states that councillors are prohibited from serving on municipal tender committees.
MFMA section 118	Prohibits interference with the SCM system, including amending or tampering with any tender, quotation, contract or bid after submission.
MFMA section 112(1)(j)	Requires the compulsory disclosure of any conflicts of interest that prospective contractors may have in specific tenders and the exclusion of such prospective contractors from those tenders.
MFMA Circular No. 62 of 20 August 2012	Provides guidelines on the implementation of demand management and the submission of procurement plans at local government level.
Municipal supply chain management regulation 8	States that the training of officials involved in implementing an SCM policy should be in accordance with any Treasury guidelines on SCM training.
Municipal Supply Chain Management Regulations 12(1)(c), 16(a) and 17(a)	At least three different potential suppliers must submit written price quotes.
Supply chain management	A guide for municipal managers.
Chapter 6 of the Municipal Regulations	Minimum Competency Levels.
MFMA Circular No. 47 of 13 February 2009	Capacity building and training.

Municipal Systems Act, section 76	Mechanisms for the provision of services
SCM regulation 6	Provide the council with an annual report on the SCM policy's implementation and promptly inform them of any significant issues.
SCM regulation 36	Report to council on deviations from, or ratifications of minor breaches of procurement processes
National Treasury MFMA Revised Circular 68	Irregular expenditure
Circular 82 on Cost Containment Regulations (01 July 2019)	Regulations for municipal cost containment, 2019 and go into effect on July 1st, 2019.
MFMA section 116	Extension of services
MFMA section 29	Unexpected and inevitable expenses
MFMA section 127(2)	The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.
MFMA section 62(1)(d) and (f)(iv)	The municipal manager is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that irregular or fruitless and wasteful expenditure and other losses are prevented, and that the municipality has and implements a supply chain management policy in accordance with Chapter 11
MFMA Circular 76	Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings
MFMA Circular 106	Local government framework for infrastructure delivery and procurement management
Local Government: Municipal Demarcation Act, Act No. 27 of 1998	
The Local Government: Municipal Structures Act, Act No. 117 of 1998	
The Local Government: Municipal Systems Act, Act No. 32 of 2000	

Local Government: Municipal Planning and Performance Management Regulations of 2001 issued in terms of the Municipal Systems Act, Act No.32 of 2000
The Public Finance Management Act, Act No. 1 of 1999 as amended by Act No. 29 of 1999
The Preferential Procurement Policy Framework Act, Act No.5 of 2000
The Preferential Procurement Regulations of August 2001 issued in terms of the Preferential Procurement Policy Framework Act, Act No. 5 of 2000 (PPPFA)
The Local Government: Municipal Finance Management Act, Act No. 56 of 2003
The Local Government: Property Rates Act, Act No. 6 of 2004
Intergovernmental Fiscal Relations Act, Act No. 97 of 1997 Division of Revenue Act (the Act number differs from year to year)
Intergovernmental Relations Framework Act, Act No. 13 of 2005
The Public Audit Act, Act No. 25 of 2004
Municipal Fiscal Powers and Functions Act, Act No. 12 of 2007
The Municipal Supply Chain Management Regulations of May 2005 issued in terms of section 177 of the Municipal Finance Management Act, Act No.56 of 2003 (MFMA)
The Municipal Investment Regulations of April 2005 issued in terms of the MFMA
The Municipal PPP Regulations, 1 April 2005
The Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers of August 2006 issued in terms of the Municipal Systems Act, Act No. 32 of 2000, and
The MFMA circulars issued by the National Treasury.

Source: Authors' construction

APPENDIX 9: SCM IMPLEMENTATION CHECKLIST

IMPLEMENTATION CHECKLIST

Supply Chain Management

Completing this checklist will assist municipalities and municipal entities to assess the implementation of supply chain management requirements in terms of the Municipal Finance Management Act (MFMA) and Regulations. This is a self-assessment checklist and should be filled in completely and to the best of your ability.

Instructions:

Please select from the answers provided in the drop-down lists or as otherwise specified. In most cases this is a "yes" or "no". When the answer is "no" please insert a comment indicating progress made and when that requirement will be met, including the anticipated date and the responsible official(s). It is recommended that the Head of the SCM Unit complete the checklist, in consultation with the Municipal Manager (or CEO for an entity). A copy of the SCM Regulations and MFMA Circulars can be found on the NT website www.treasury.gov.za/mfma

Submission to National Treasury:

To assist the National Treasury, monitor SCM implementation you are kindly requested to forward electronically a copy of a completed checklist. Email this to mfma@treasury.gov.za. by no later than 10 days after the end of each quarter. Information provided will be used to target further assistance and training for municipalities, so your cooperation is appreciated. Any questions on the completion of this checklist should be emailed to the MFMA helpline mfma@treasury.gov.za

Question		Answer	Comment on progress	Date for completion	Official(s) responsible
1	Has the Council/Board of Directors adopted a SCM policy in terms of SCM regulation 3?	Yes			

2	How many staff are employed by the SCM Unit? (Show full-time staff equivalent, a person shared with another function or working part-time on SCM is shown as a fraction)		3,00			
	2,1	How many positions are unfilled, i.e. waiting for an appointment? (Full time equivalent)	1			
	2,2	Has a job description been developed for each position within the SCM Unit?	Yes			
3	Has a detailed implementation plan for SCM been developed?		No			
	3,1	If "YES", is progress regularly measured against the implementation plan?	No			
4	Is a report on the implementation of the SCM Policy provided to the mayor (or the board of directors for an entity) within 10 days of the end of each quarter (reg 6(3))		Yes			
5	*SCM Processes:*					
	5,1	Is the necessary needs assessment undertaken before each acquisition?	Yes			

Question			Answer	Comment on progress	Date for completion	Official(s) responsible
	5,2	Are preferential policy objectives identified to be met through each contract?	Yes			
	5,3	Is the performance of vendors regularly monitored?	Yes			
	5,4	Are SCM processes independently monitored to ensure the SCM policy is followed and desired objectives achieved?	Yes			
6	Are the threshold values contained in the SCM Policy aligned with the values stipulated in regulation 12?		Yes			
	6,1	If "NO" are the values contained in the SCM Policy higher than that stipulated in regulation 12?	No			
7	Do municipal bid documents comply with MFMA Circular No 25?		Yes			
8	Do municipal bid documents include evaluation criteria for use by the bid evaluation and adjudication committees?		Yes			
9	*Regulation 46 requires the SCM Policy to establish a code of conduct.*					
	9,1	Is the Code of Conduct issued by NT in MFMA Circular No 22 utilised?	Yes			

	9,2	Are measures in place to ensure all SCM practitioners are aware of the SCM code of conduct?	Yes			
10		Are all delegations in terms of SCM roles and responsibilities in writing (other than delegations contained in the SCM Policy)?	No			
11		Prior to making an award above R30 000 the municipality or municipal entity must check with SARS whether that persons tax matters are in order (reg 43 and MFMA Circular No 29). Is this being complied with?	Yes			
12		*Please confirm if records are kept of the following:*				
	12,1	Petty cash purchases?	Yes			
	12,2	Written or verbal quotations received, and awards made?	Yes			
	12,3	Tenders and all other bids received, and awards made?	Yes			
13		Are all invitations for bids above R30 000 advertised for at least 7 days on the website and official notice board? (reg 18(a))	Yes			
	13,1	In addition, are all invitations for competitive bids publicly advertised in newspapers commonly circulating locally? (reg 22(1))	Yes			
14		Is the "list of accredited prospective providers" required by regulation 14 updated at least quarterly?	Yes			

		Question	Answer	Comment on progress	Date for completion	Official(s) responsible
15		Is there a database established to record redundant and obsolete store items?	Yes			
16		Are debriefing sessions held with unsuccessful bidders?	No			
17		*Training SCM practitioners*				
Question			Answer	Comment on progress	Date for completion	Official(s) responsible
	17,1	Has a training strategy for SCM practitioners been developed?	No			
	17,2	What is the 2010/11 budget for the training of SCM practitioners?	R 0			
	17,3	Has the municipality or entity used an outsourced training provider for SCM, other than SAMDI?	No			
	17,4	If "yes" to 17.3 please list below the names of training provider(s) used to date *(expand this box if necessary)* . .				
	17,5	Indicate the number of officials who have attended the SCM training conducted by SAMDI?	0			
	17,6	Indicate the number of officials who have attended SCM training conducted by training providers other than SAMDI?	0			
18		Has as SCM procedure manual been developed to assist officials implement the SCM policy, consistent with the MFMA, regulations, circulars and the Accounting Officers Guidelines?	Yes			
19		*Bid Committee membership:*				
	19,1	Does the Bid Specification Committee membership comply with regulation 27?	Yes			
	19,2	Does the Bid Evaluation Committee membership comply with regulation 28?	Yes			
	19,3	Does the Bid Adjudication Committee membership comply with regulation 29?	Yes			
	19,4	Has regulation 29(4), which stipulates that a member of a bid evaluation committee or an advisor may not be a member of a bid adjudication committee, been breached?	No			
20		*Procurement of IT related goods and services:*				

	20,1	Are you aware that SITA can assist with the procurement of IT related goods and services (regulation 31)	Yes			
	20,2	Have you utilised this facility before?	No			
21	Does the SCM Policy provide for an effective system of risk management for the identification, consideration and avoidance of potential risks in the SCM system? (reg 41(1))		Yes			

APPENDIX 10: UKZN ETHICS CLEARANCE LETTER

UNIVERSITY OF KWAZULU-NATAL
INYUVESI YAKWAZULU-NATALI

12 December 2022

Amos Zungu (217080176)
School Of Acc Economics & Fin
Westville Campus

Dear A Zungu,

Protocol reference number: HSSREC/00005078/2022
Project title: Prevalence and causes of irregular expenditure in KwaZulu-Natal municipalities
Degree: PhD

Approval Notification – Expedited Application

This letter serves to notify you that your application received on 15 November 2022 in connection with the above, was reviewed by the Humanities and Social Sciences Research Ethics Committee (HSSREC) and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

This approval is valid until 12 December 2023.
To ensure uninterrupted approval of this study beyond the approval expiry date, a progress report must be submitted to the Research Office on the appropriate form 2 - 3 months before the expiry date. A close-out report to be submitted when study is finished.

HSSREC is registered with the South African National Research Ethics Council (REC-040414-040).

Yours sincerely,

[redacted]

Professor Dipane Hlalele (Chair)

/dd

Humanities and Social Sciences Research Ethics Committee
Postal Address: Private Bag X54001, Durban, 4000, South Africa
Telephone: +27 (0)31 260 8350/4557/3587 **Email:** hssrec@ukzn.ac.za **Website:** http://research.ukzn.ac.za/Research-Ethics

Founding Campuses: Edgewood Howard College Medical School Pietermaritzburg Westville

INSPIRING GREATNESS