

**UNIVERSITY OF KWAZULU-NATAL**

**An evaluation of leadership and management influence on audit outcomes:**

**A case study of uMshwathi Municipality**

**by**

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**degree of**

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## DECLARATION

I, **Thulile Theoreen MATHENJWA**, declare that:

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- (ii) This dissertation has not been submitted for any degree or examination at any other university.
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Date: 2026/03/30

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## ABSTRACT

The study aimed to examine challenges facing leadership in municipalities in KwaZulu-Natal that negatively impact the audit outcomes, with a specific focus on the uMshwathi Municipality. It further provided a comparison of audit outcomes for the past three financial years, (2018/19; 2019/20 and 2020/21) and a provincial outlook, highlighting the root causes and recommendations to improve the situation. In addition, the study examined whether there is a need to amend legislation to address some of the root causes and outlined the type of leadership needed to change the situation. This study utilised qualitative research since it permits in-depth engagement with municipal leadership to comprehend their concerns and how they may secure favourable audit outcomes. Due to the qualitative nature of the study, appropriate data collection techniques such as interviews, focus groups, and observation were used. The data was gathered through semi-structured interviews. The data was analysed using the thematic analysis approach. The study's key findings are structured around leadership skills, audit regression factors, leadership impacts, financial management, governance effects, and improvement strategies. Deficiencies in strategic planning suited to ecological shifts, financial acumen and accountability, and political leadership's disengagement from fiduciary consciousness emerged. On the other hand, an appetite for participative envisioning emerged. The study recommended that leadership nurture suggested participative planning, control digitisation, communication democratisation policies suiting ecological uncertainty, household mobility yearnings, and social transparency. There is also a willingness to adopt participative planning, fiscal visualisation, specialised skills fusion, and scaled control digitalisation. Thereafter, clean audits manifest co-accountability and require embedding collaborative social contracts fulfilling household aspirations. Tailored competency acceleration also holds potential alongside communication democratisation for turning clean audits into embedded social contracts fulfilling intergenerational mobility aspirations if leaders urgently champion suggested policies. Further research is recommended to investigate participation toolkits, blended administrator-community exchanges, and interface democratisation techniques that dissolve psychological distances.

Keywords: audit outcomes, leadership, skills, impact, governance, political office bearers, and bureaucrats.

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## **LIST OF ACRONYMS**

ABC:	Abantu Botho Congress
AGSA:	Auditor General South Africa
ANC:	African National Congress
COGTA:	Co-operative Governance and Traditional Affairs
DA:	Democratic Alliance
EFF:	Economic Freedom Fighters
IFP:	Inkatha Freedom Party
KZN:	KwaZulu-Natal
MFMA	Municipal Finance Management Act
PA:	Patriotic Alliance
ULM:	uMshwathi Local Municipality

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# **CHAPTER 1**

## **INTRODUCTION AND OVERVIEW OF THE STUDY**

### **1.1 Introduction**

This chapter covers the introductory segment of the dissertation. The background to the study problem is given in the first section, followed by the problem statement and the research objectives. The research questions follow these and, finally, the significance of the study.

### **1.2 Background of the study**

The “audit outcomes” opinion has drawn much attention recently due to South African municipalities’ ongoing failures. (Cooperative Governance and Traditional Affairs 2009a). The National Treasury, the Ministry of Cooperative Governance and Traditional Affairs (COGTA), and the Office of the Auditor General South Africa (AGSA) have all emphasised the significance of obtaining a “clean audit” as a crucial sign of the accomplishment of a clean administration (Sambo, 2019). The “outbreak” of failures to meet audit outcome opinions has been attributed to several difficulties experienced by local government, including bad management, weak leadership, and poor governance.

Local governments in South Africa are not the only ones experiencing difficulties (Mbandlwa & Dorasamy, 2020). Research by Mkhize (2022) show that it is particularly bad in South Africa and globally in developing public sectors. AGSA, MFMA 2022 report shows the difficulties of insufficient leadership. Financial management and governance have been at the heart of the debate in a review of the variables impeding the progress of South African local government entities towards reaching improved audit outcomes.

Motubase (2016) asserts that resilient local government can grow under competent leadership. However, it appears that many South African local municipalities lack effective political and administrative management and leadership, which has led to the appointment of untrained staff as public finance managers, with disastrous results (Mandlwa et al., 2020).

Municipalities in South Africa have struggled to achieve audit results due to poor governance, insufficient financial management, and weak leadership. According to academic studies, effective governance has the potential to improve service delivery, which is severely lacking in the public sector (Motubase, 2016).

One of the primary criteria used to evaluate the quality of the audit and the integrity of the underlying business processes is obtaining a clean audit opinion (Sambo, 2019). South African local governments rely heavily on their governance initiatives, financial sustainability efforts, and sustainable service delivery programmes to help them progress towards obtaining the desired audit opinion (Lebodi, 2021).

The South African Cabinet recognised these three focal areas as essential to its all-inclusive Local Government Turnaround Strategy (Lebodi, 2021). Local government is seen as an accountability mechanism tasked with implementing national service delivery plans and enhancing the welfare of those it serves (Dikmen & Cicek, 2023). Effective leadership, efficient financial management, and effective governance processes are necessary to demonstrate public sector accountability. Still, these remain elusive goals in South Africa (Institute of Directors Southern Africa, 2016).

Due to poor governance and the inability to publish credible financial accounts, uMshwathi Municipality has yet to attain universal clean audit outcomes. Again, it has been noted that ineffective governance by the local government, bad financial management, and weak political and administrative leadership of uMshwathi Municipality have inhibited effective service delivery and weakened the goal of the drive for clean audit outcomes. Therefore, leadership, financial management, and governance are crucial business factors affecting improved audit quality (AGSA, MFMA ,2022).

### **1.3 Problem Statement**

According to some academics, the quality of political and administrative leadership and management directly affects the audit challenges that local governments worldwide confront (Hofstetter et al., 2020; Moghadam et al., 2018; Motubatse, 2016). All governments in South Africa have set this as their goal: by the conclusion of the 2021-2022 financial year, all municipalities must have received clean audit results (Matlala & Uwizeyimana, 2020). The aim, nevertheless, has long been a problem for the uMshwathi Municipality. This is presumably a result of bad financial management and inadequate political and administrative leadership. This is consistent with what AGSA has consistently reported as the main challenges to achieving audit outcomes since the goal was established in 2009.

Widyastuti (2023) conducted related research that concentrated on South African methods to evaluate audit judgments from “disclaimer” through “adverse” and “qualified” and “unqualified” to “clean audit.”

Research has also been done on the influence of governance on audit quality (Gajevsky, 2014), the significance of leadership on audit quality (KPMG, 2014b), and the connection between financial management and audit quality (Rahimi & Amini, 2015). However, the combined impact of these two independent factors (management and leadership influence) on audit results (the dependent variable) at uMshwathi Municipality has not been extensively examined.

This inquiry has become crucial because AGSA (2022) identified three main factors (leadership, financial management, and governance) that contribute to better audit outcomes. In addition, a review of the effectiveness of these factors in achieving audit outcomes is necessary in light of the widespread failure of municipalities to showcase leadership qualities. To the best of the researcher's knowledge, no research has empirically examined the degree to which these factors, separately or in combination, influence South Africa's progress toward achieving “clean audit outcomes” status. Given that the goal of achieving universal “clean audit” status by 2014 has not been met, it is important to consider how these factors have affected the process thus far. Thus, this study fills a perceived gap in the literature on the influence of management and leadership on audit outcomes and, in so doing, satisfies the call made by Thanh Tung Do (2020) for pertinent empirical studies to solve community problems.

#### **1.4 Aim of the study**

The aim of the study was to examine challenges facing leadership at uMshwathi Municipality, that negatively impact audit outcomes. It also provided a comparison of audit outcomes for the past three financial years (2018/19; 2019/20; 2020/21) and a provincial outlook, highlighting the root causes and recommendations to improve the situation. The roles and responsibilities of leaders in municipalities, that is, municipal councils and Heads of Administration / Accounting Officers, as referred to in the legislation, were examined to assess whether these have effectively performed their duties. In addition to examining the challenges, the study explores the need to amend legislation to eliminate some root causes. It outlines the type of leadership needed to change the situation in municipalities.

## **1.5 Objectives of the study**

The objectives of the study were to:

- Evaluate the management and leadership impact on audit outcomes at uMshwathi Municipality;
- Establish whether uMshwathi Municipality's political leadership and administrative management have the necessary skills and expertise to perform the duties as outlined in the legislation;
- Evaluate the effects of the uMshwathi Municipality's political and administrative leadership and management on audit outcomes; and
- Propose a guidance framework for achieving sustainable audit outcomes at the uMshwathi Municipality.

## **1.6 Significance of the study**

It is evident that the uMshwathi Municipality and other municipalities in South Africa must comprehend the impact of political and administrative leadership and management on audit results. Having this understanding makes it possible for municipalities and other public sector organisations to achieve sustainable results (Matlala et al, 2020). Leaders, financial managers, and government governance structures would benefit most from this study since it should help them understand their jobs and how the changing requirements of the people, they serve affect audit outcomes. Regarding the knowledge gap, no research has been done to determine how leadership, management, and politics of the uMshwathi Municipality affect audit results.

The study findings are expected to add to the body of knowledge that informs planners, policymakers, local authorities, and academics about the leadership and management requirements in the public sector. Identifying leadership and management's impact on audit outcomes requires an in-depth understanding of local government and municipalities. A thorough grasp of the local challenges forms the foundation for creating effective interventions to address specific difficulties in ways relevant to the local conditions.

The study looks for strategically sound and scientific solutions that can improve uMshwathi Municipality's audit results over the long term. It is envisaged that it will serve as a starting point and a resource for industry professionals and scholars in law and management studies.

## **1.7 Research questions**

### **1.7.1 Main research question**

How does uMshwathi Municipality's political and administrative leadership and management impact its audit outcomes?

### **1.7.2 Secondary questions**

The study attempted to answer the following key questions:

- To what extent does uMshwathi Municipality's political and administrative leadership and management performs their duties as outlined in the legislation?
- How do uMshwathi Municipality's political and administrative leadership and management affect its audit outcomes?
- How does uMshwathi Municipality's financial management and governance affect its audit outcomes?
- What possible guidance framework can be developed to accelerate the achievement of audit outcomes at uMshwathi Municipality?

## **1.8 Research methodology**

### **1.8.1 Introduction**

The study's research methodology is described in this chapter. The study methodology demonstrates the process used for data collection, data analysis, and data presentation. The study approach also covers other areas, including sample, data collection, data analysis, and ethical issues.

### **1.8.2 Research design**

The research design refers to the methodology, method, and framework that drives and guides the collection and analysis of data (Creswell & Creswell, 2017). These authors indicate that a research design enables researchers to logically and consistently link empirical data to both their research questions or objectives and, subsequently, their findings. Similarly, Bell (2014) described research design as a strategy used to collect pertinent data to facilitate the achievement of study objectives.

In other words, the research design is a strategy that leads the process of collecting and analysing data by giving a framework that specifies the data to be gathered, its sources, the data collection technique, and how the data will be analysed and presented to achieve a study purpose.

As a consequence, the research strategy for this study included identifying the research problem, studying and investigating the identified research problem using data from annual reports of municipalities, analysing the data and presenting results, drawing conclusions, and offering suggestions. An experimental design centred on uncovering new ideas or knowledge (Eriksson & Kovalainen, 2015) was used to achieve this. The goal was to reveal underlying leadership flaws that are leading to poor audit results.

### **1.8.3 Research paradigm**

Philosophical presumptions behind research are made by researchers at the outset of a study. These philosophical assumptions promote qualitative, quantitative, or combined types of research. Creswell (2018) defines the qualitative approach as a strategy for investigating and comprehending the meaning people or groups attribute to a social or human situation. It aims to investigate and comprehend meanings and experiences.

This method employs emergent questions and methods, data collection in the participant environment, data analysis that builds inductively from particulars to broad themes, and the researcher's interpretation of the data's significance. The premise of this investigation is that it promotes and honours an inductive method, focuses on individual meaning, and recognises the significance of expressing the situation's complexity.

In the research continuum, qualitative and quantitative researchers maintain that theories play distinct roles (Bell, 2014). The research may be undertaken within the context of positive (deductive) or interpretive (inductive) epistemology theory (Creswell & Creswell, 2017). This study's aims lend themselves well to an inductive method. Qualitative research was used since it permits in-depth engagement with municipal leadership to comprehend their concerns and how they may secure favourable audit outcomes.

## **1.9 Research assumptions**

Research respondents and participants are believed to be truthful and honest when reporting how leadership and management at the uMshwathi Municipality influenced audit results. Even though the researcher is fluent in the local tongue, there is a chance that information will be lost during translation and data processing. Presumably, the translations will be correct and present no danger to the research.

## **1.10 Limitations of the Study**

This study applies the qualitative method with limitations, such as a lack of generalisation to the broader population. Subjective responses will be received from participants, reducing the chance of generalising the outcome to the general public (Neuman, 2011).

Though extensive information will be obtained, the fact that few participants will be sampled and interviewed increases the study's limitations.

To mitigate this, the researcher will probe for further clarification. While the participants' responses, newspapers, AGSA reports, and other published online reports will be used to close the gap for substantial findings, it is recognised that the study results are generalised only to the participants sampled and interviewed.

## **1.11 Delimitation**

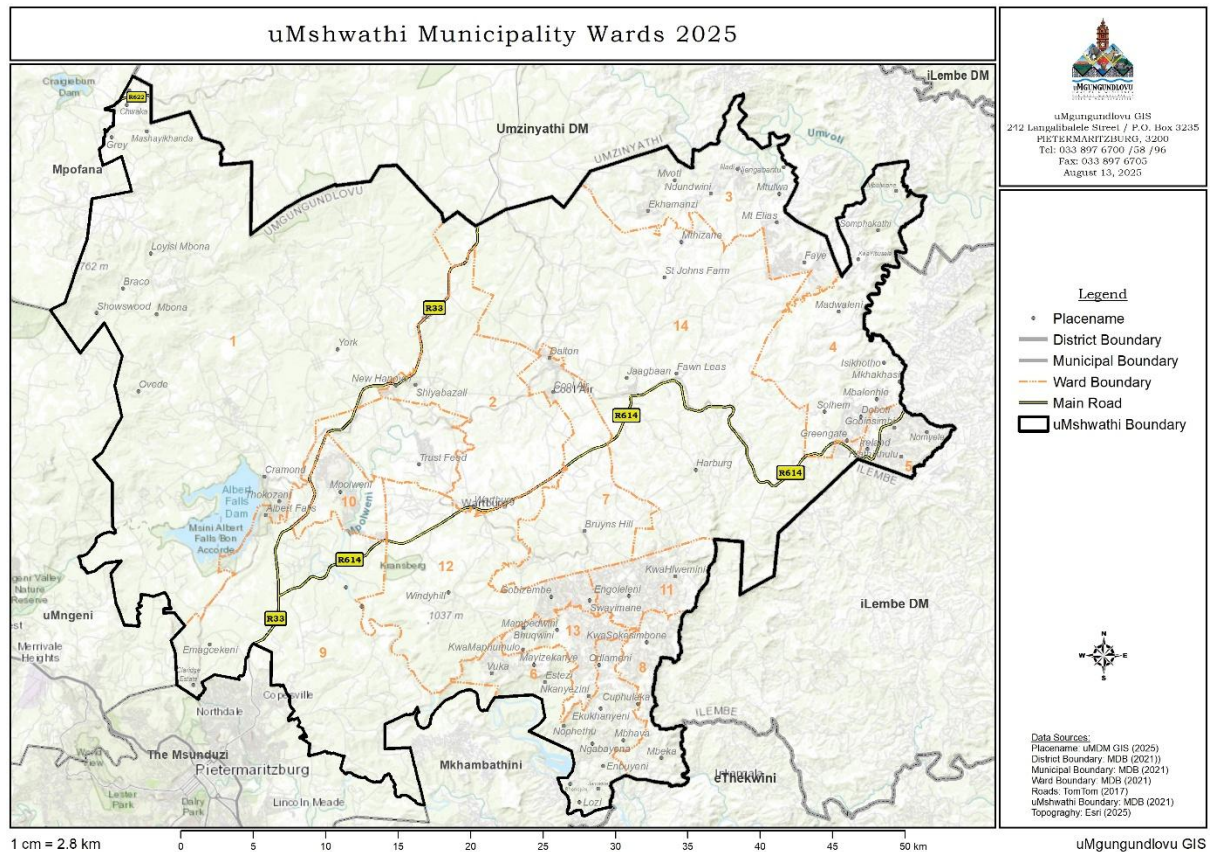
Delimitation in research is the process of implementing boundaries for or fixing the limitations of something. The study focuses only on the uMshwathi Municipality and the influence of political leadership and management on audit outcomes.

## **1.12 Study site**

To the north of Msunduzi Municipality, in the uMgungundlovu District Municipality, is the strategically placed uMshwathi Municipality (UML). According to the Community Survey 2016, 111 645 people live in around 29 083 houses in the uMshwathi Municipality, with a land area of about 1867.9 km<sup>2</sup>. The municipality has 27 Councillors, including 13 Proportional Representatives (PRs) and 14 ward councillors. The council is made up of 27 members: sixteen from the African National Congress (ANC), four from the Inkatha Freedom Party (IFP), three from the Economic Freedom Fighters (EFF), two from the Democratic Alliance (DA), and one each from Abantu Botho Congress (ABC) and the Patriotic Alliance (PA).

Municipal governments provide government-run services for households and address basic needs in the case of recreation, sport, health, and education. Municipal councils make significant decisions on behalf of the communities they represent. Both political leadership and administrative management are accountable for providing thorough financial management and governance to deliver essential services for the welfare of communities.

Figure 1.1 below shows a map of the uMshwathi Local Municipality.



**Figure 1.1: uMshwathi Municipality map: Study site**

**Structure of the dissertation**

**Chapter One:** The introduction to the study and the problem statement were included in this chapter, which serves as the research’s introductory section. It includes the study’s objectives, research questions, limitations, delimitations, and study site.

**Chapter Two** includes a literature review on municipal administration and leadership, specifically how these factors affect audit results. This chapter presented the research gap that this study covers and the theoretical framework that directs the investigation.

**Chapter Three:** The research methodology, approach, design, and strategy that was applied in the study are presented in this chapter. The research's chosen sample, study, and target population, data analysis techniques, and data quality control were included.

**Chapter Four:** This chapter elucidates the findings and analysis from the participants. The chapter scrutinised the views of the recipients of uMshwathi municipality on the influence of management and leadership on audit outcomes.

**Chapter Five:** The study was concluded in this chapter, which also offers recommendations on the findings' contributions and any gaps that have been identified. Subject areas for additional study were also suggested in this chapter.

### **1.13 Conclusion**

The introduction, background of the study, and problem statement are included in this chapter, which serves as the research's introductory section. It outlines the study's objectives, research questions, limitations, delimitations, and study site. The chapter ends with an overview of the structure of the dissertation.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The operation of the municipalities is a vital part of local government, touching numerous areas of communal life. Leadership within these towns is vital in determining administrative results, financial integrity, and public trust. The audit findings reflect the overall health of municipal leadership and management practices. This literature review synthesises current research and conversations surrounding leadership problems in municipalities, skills necessary for municipal leadership, and the effect of political, administrative, and financial management and governance on audit results. Strategies for leadership to favourably affect these outcomes are also discussed.

It is generally accepted that a prerequisite for improved public-service delivery is reliable financial Statements and trustworthy reporting on government institution activity (AGSA 2019; MacMaster 2019). It has been demonstrated that the persistently bad audit results of South African municipalities are unrelated to any particular district municipality or province; rather, it appears to be a long-standing national issue (Oberholzer 2012; AGSA 2019). Local governments in South Africa have experienced leadership challenges in the democratic South Africa. Poor leadership ethics have badly contributed to the leadership challenges in the South African local government system. South African local government has many challenges. The biggest challenge affecting public service delivery is the lack of effective leadership ethics (MacMaster, 2019).

Local governments in South Africa have not yet achieved universal clean audit results (AGSA, 2020), which shows a lack of clean governance and an inability to publish credible financial accounts (Geiger, et al. 2014). Again, it has been determined that ineffective leadership, bad financial management, and inadequate governance in local government have impeded effective service delivery (AGSA, 2019) and undercut the purpose of the clean audits programme. As a result, leadership and governance are acknowledged as key business elements with the potential to influence the achievement of an improved audit quality (Webb, 2015; Rahimi & Amini, 2015).

The Auditor-General of South Africa's (AGSA) consolidated general report on local government audit outcomes for the consecutive periods 2017–2018, 2018-2019, 2019-2020 highlight gross failure by municipalities to ensure reliable financial Statements. In particular, the 2017–2018 reveals that only 18 of 257 municipalities were able to 'publish quality financial statements and performance reports and to comply with key legislation applicable to' them, while the audit outcomes of 63 municipalities declined since the previous fiscal year (AGSA 2019: 8). In addition, the AGSA estimates that around 74% of municipalities failed to effectively investigate previously reported claims of irregularities, mismanagement, and fraud, resulting in an ongoing decline in audit outcomes.

Notable in the 2019 AGSA report is the unambiguous identification of prospective success factors for the few high-performing towns, as well as the issues leading to the bulk of municipalities' underperformance. The KwaZulu- Natal (KZN) provincial overview for the 2018/19 financial year indicated that, there were little change in outcomes, failures in key controls and accountability were not adequately practiced and enforced by leadership. AG emphasised that there are no incremental and permanent adjustments necessary to prevent accountability failures or to address them correctly when they do occur. The Auditor General (2020) argues that if we are to make a difference, the leadership must accept their responsibilities to promote change,

*“We thus call on provincial authorities to keep local governments accountable. In KwaZulu-Natal, audit outcomes have stalled due to a lack of effective accountability, which has led to inconsistent implementation of consequence management. The province is urged to intensify the execution of preventive controls and establish consistent consequence management,” (AG, 2020:3).*

The government of South Africa has tried to lay more emphasis on local government economic development, despite the challenges. UMshwathi Municipality in KZN is a typical example of a municipality fitting the majority of the failure criteria cited by the AGSA. This municipality did not receive clean audit opinions from the AGSA for a number of consecutive years (AGSA 2020:107), despite the commitment made by the leadership of the Municipality to the then Auditor-Generals to deliver a clean audit outcome. The perplexing question that must be answered is, what is the impact of leadership on audit outcomes and how can leadership make sense of this gloomy situation involving the municipality's failure to fulfil its obligations?

## 2.2 Theoretical framework

Two main theories underpin the current study: Agency Theory and Stewardship Theory.

**Agency Theory:** The Agency Theory aims to explain the distinction between ownership and control of an organisation by postulating a connection between two parties: the principle (the owner of a firm or the inhabitants of a nation) and the agent (the management of a company or a government institution) (Ackers, 2014). In this arrangement, the principal delegates certain responsibilities to an agent. This theory suggests that due to information asymmetries and self-interest, principals have no reason to trust their agents and will seek to alleviate these concerns by implementing mechanisms to align the interests of agents with those of principals and to reduce the scope for information asymmetries and opportunistic behaviour (Waseem, Sana & Bushra 2016).

According to Kroukamp (2016), agency theory is a valuable economic theory of accountability that helps to explain the evolution of auditing. The auditor is responsible for determining whether the reports generated by the management comply with applicable laws and accounting standards (IFAC, 2014). It was discovered that agency theory contributes to understanding auditing (Ackers, 2014) since it aims to explain how managers are supposed to act as agents for their principals. Such a significant role is played by auditing in this principal-agent relationship (Van Puyvelde et al., 2012).

In applying agency theory to auditing, auditing exists to monitor the actions of management and attest to management's performance for the benefit of those entrusted with governance (IFAC, 2014). Given the frequent disparity in information flow between owners and managers, auditing is required to maintain a harmonious relationship between owners and managers. Thus, agency theory helps explain the interactions among preparers of financial statements (managers and agents), independent evaluators (auditors – also agents), and the principal.

**Stewardship Theory:** The Stewardship Theory is a relatively modern version of Agency Theory. Unlike the agency theory, which posits that agents have a low level of connection with an organisation (such as the state or a government sector), the stewardship theory asserts that agents have a strong affiliation with the mission of the organisation (Van

Puyvelde et al., 2012). The philosophy of stewardship is concerned with the management of resources by accountable individuals on behalf of their owners (Ackers, 2014). Stewardship idea has a long history, and because churches were not government-funded in the nineteenth century, stewardship was widely applied in the context of managing church affairs (Waters, 2013). Modern stewardship philosophy derives from governance (Waters, 2013; Lindqvist & Mijovski, 2012).

It is important that the behaviour of managers correspond with the interests of principals (Lindqvist & Mijovski, 2012). A significant portion of this study explores the issues of leadership necessitating consideration of the impact of stewardship philosophy on these tasks. These theoretical ideas may expand the literature on public accountability and the social compact in the discipline of Public Administration (Waseem, et al., 2016). The key tenet of stewardship theory is that managers always operate in a manner that maximises the organization's interests and ensures ethical leadership (Kroukamp 2016). The stewardship hypothesis investigates the connections in which local government administrators are motivated by the job they perform for their respective communities (Waters, 2013).

Therefore, the significance of the stewardship idea resides in its awareness of the "responsibility to deliver services in an effective and efficient way that fulfil the requirements of South African people (the principals and beneficiaries) without exception" (Nzimakwe & Mpehle, 2012).

It should now be clear that the idea of stewardship is identical to that of responsibility. The accountability of elected councillors, people, administrative employees, and public-private partnerships for the successful and efficient operation of local government is a stewardship ideal. In the public sector, a combination of the principal-agent and stewardship relationships take the form of the local community within its boundaries as principal and the municipal administration under the direction of the municipal manager, senior managers, and the political leadership (hence the mayor and councillors) as agent (Kwaza 2017: 50; AGSA 2019: 35). In the principal-agent relationship, the function of the auditor is crucial in holding responsible these agents to their respective principals (Pilcher et al. 2013).

The combined application of the agency and stewardship theories is not only useful for comprehending public accountability; it also contributes to a deeper understanding of the role of audits in strengthening accountability, reinforcing trust in the financial reporting process, and empowering the agent to improve its audit outcomes (Institute of Chartered Accountants, 2018). Therefore, these theories were chosen for this study because of their utility in facilitating comprehension of the activities and interactions of the key role-players.

## **2.3 Legislative Framework**

### **2.3.1 Constitution of the republic of South Africa**

According to Section 152, local governments must sustainably provide communities with fundamental services, a democratic and accountable form of local government. Also, it stimulates the participation of communities and community organisations in local government development activities and supports social and economic development. The Constitution initiated a notion of developmental local government (Jitsing et.al. 2019).

As a result, the Constitution specifies the developmental obligations of all municipalities in South Africa, including organising and administering its administration, budgeting and planning procedures to give community's fundamental requirements priority while fostering the community's social and economic development. It also elevated local government to a separate government sector, firmly establishing local government authority. Also, it sets forth the authorities and their duties that must be carried out. The established local government structures oversee each municipality's functioning and the entire sphere of government (Magagula et.al. 2019). Chapter seven of the Constitution stipulates the following status for municipalities:

- The municipalities are the unit of local governance, and they must be developed across the nation.
- A municipality's municipal council oversees both the executive and legislative branches.

- By the provisions of the Constitution, a municipality has the power to control the local government issues of its community on its initiative.
- The ability or right of a municipality to exercise its rights or fulfil its duties may not be compromised or interfered with by the national or provincial government.

### **2.3.1 Municipal Finance Management Act 56 of 2003**

The act aims to ensure sound and sustainable financial management in municipalities and further deepen the budgeting process in municipalities. It is crucial to the act to ensure that municipalities adhere to and follow proper guidelines and procedures when handling their finances and repository thereof to various government structures. Also, the act aims to modernise budget, accounting and financial management practices by placing government finances on a sustainable footing to maximise other municipalities' capacity to deliver services to communities. The need for and importance of MFMA are to avoid waste and ensure efficient and transparent governance. The MFMA enforces public consultation regarding budgeting in the local sphere of government. Section 34 call for cooperation in all spheres of government and indicates that upon reaching an agreement, provincial and national governments must assist in building the capacity of municipalities to ensure that financial management in municipalities is effective, efficient and transparent.

### **2.3.2 Municipal Structures Act 1998 (Act No. 117 of 1998)**

According to Baaitjies (2008), the overriding of the act mandates that the municipalities make provisions for establishing municipalities under statutory requirements relating to the types and categories of a municipality. A municipality has duties, and authority outlines in sections 156 and 239 of the Constitution, according to section 83 of the act. The broad legislative and executive powers of a municipality concerning local government subjects stated in Schedule 5 and 6 part B are covered by section 156 of the Constitution. Section 229 concerns a municipality's power to impose rates, fees, taxes and other duties. The act is based on the Constitutional recognition of local government as a distinctive sphere of government that is interdependent and interrelated with national and provincial government spheres.

### **2.3.3 Municipal Systems Act (Act 32 of 2000)**

The preamble of the act refers to the involvement of communities in local government affairs because it is a crucial component that drives interactions between government and people. This relates to performance management, service delivery and planning (Mabaso 2019). The legislation outlines the concepts, procedures and mechanisms to support local communities social and economic growth to provide developmental local government. It also establishes a framework for planning, performance management, resource mobilization and organizational change while guaranteeing everyone access to affordable services. Section 21 outlines the importance of developing values for community participation mechanisms and procedures concerning community participation, public notice of all council meetings and communication between council and the local community.

## **2.4 Definition of concepts**

### **2.4.1 Audit Outcomes**

Audit outcomes which include (internal) auditors' reports (to users, governance, management, and regulators), audit committee reports, information provided by regulators on individual audits, transparency reports, annual reports, and the results of the audit firm's inspections, are one of the criteria used to evaluate audit quality (IFAC, 2014). There are several outcomes that can be expected from an audit such as:

Qualified opinion: the auditor expresses a 'qualified' opinion when they have obtained sufficient appropriate audit evidence and conclude that misstatements, either individually or in the aggregate, are material to the financial statements, but are not pervasive; or, when the auditor is unable to obtain sufficient appropriate audit evidence on which to base their opinion, but concludes that the possible effects on the financial statements of undetected misstatements are not material (SAICA, 2013/14).

Adverse audit opinion: the auditor shall declare an adverse opinion when, after obtaining sufficient suitable audit evidence, the auditor finds that misstatements are both substantial and widespread to the financial statements, (SAICA, 2013/14).

Disclaimer of opinion: the auditor shall disclaim an opinion when the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion and the auditor concludes that the possible effects of undetected misstatements, if any, on the financial statements could be both material and pervasive (SAICA, 2013/14).

Unqualified audit opinion (unmodified): refers to the auditor's conclusion that the financial statements have been produced in compliance with the appropriate financial reporting framework in all important respects (SAICA, 2013/14). According to AGSA (2019:4), an unqualified audit opinion signifies that there are no major misstatements in the financial statements.

Clean audit opinion: signifies that the financial statements are free of major misstatements (i.e., a financially unqualified audit opinion) and that there are no material findings in the entity's reporting on performance objectives or violation with laws (AGSA, 2019). In other words, a clean audit opinion indicates that the municipality exercised competent financial management for the fiscal year in question, that their financial statements were regarded reliable, and that they met with all legal obligations. In other words, everything was correctly accounted for, and all funds were spent and handled appropriately (AGSA, 2019).

#### **2.4.2 Leadership**

The concept of leadership in a municipal environment is complex and encompasses more than mere administrative supervision. It entails the establishment of a vision for the city and the ability to inspire and unite others in pursuit of that goal (Allis, 2018:52).

The task at hand includes the intricacies of managing public sentiments, harmonising the varied requirements of inhabitants, and undertaking challenging choices that have an impact on local amenities, progress, and overall well-being (Akpaprep et al., 2019:12).

One aspect of evaluating successful municipal leadership is gauging the capacity to uphold budgetary prudence, promote economic development, and guarantee the efficient and fair provision of basic services (BWSA, 2017). Leaders within this domain encounter the task of effectively distributing resources in a manner that aligns with the preferences and principles of the community, which are inherently dynamic and subject to deliberation.

This necessitates an inclusive and participatory strategy, including the active participation of people, companies, and other stakeholder groups, in order to establish agreement and support for municipal policies and initiatives (Bush, 2020).

Nonetheless, leadership might face scrutiny in relation to the implementation of policies that, although advantageous in the long run, may encounter disapproval in the immediate term. Leadership is mostly rigorously examined in these areas of disagreement, as the delicate equilibrium between moral correctness and societal approval must be carefully managed with astute political judgment.

According to Bush (2020), effective leaders are often tasked with advocating for these initiatives, all the while navigating public opinion and resistance. There is an increasing need for municipal officials to exhibit dedication to both sustainability and social justice, as highlighted by Alghofaily (2019). This entails incorporating environmental stewardship into the process of planning and operations, resolving historical imbalances, and pursuing a more inclusive community (Ebrahimi, 2016:355).

The attainment of these objectives requires a kind of leadership that is often transformational, challenging the conventional limitations associated with municipal positions and responsibilities. It is essential to note that each form of leadership is not universally applicable, as its effectiveness might vary depending on the specific context. Factors such as cultural, economic, and demographic disparities across different municipalities can significantly impact the success or failure of leadership approaches (Ebrahimi, 2016:355). The ability to respond effectively to the evolving dynamics of a community and to modify plans appropriately is crucial in the context of adaptive leadership. The distinction between stagnation and advancement in municipal government might hinge upon this factor.

In the contemporary era of digital communication and social media, the concept of leadership has expanded to include the manner in which public officials engage in the online public sphere (Akpaprep et al., 2019:2). Transparency, engagement, and responsiveness via these communication channels is significant, as they have the potential to influence public confidence and involvement in local administration (Chaithanapat, 2022:10). In addition, the importance of leadership succession and mentoring within municipal hierarchies cannot be overstated, as they play a crucial role in ensuring a continuous supply of competent individuals who are capable of successfully assuming leadership positions.

This process encompasses not only the identification of prospective leaders but also the provision of suitable chances for their skill and knowledge development in order to achieve success (Choi, 2019:280).

## **2.5 The challenges facing leadership in municipalities that affect audit outcomes**

The role of leadership in municipalities is complex and challenging since it has a significant impact on the results of audits. Audits play a crucial role in promoting openness and accountability, with the outcomes of these audits being greatly influenced by the problems encountered by municipal authorities.

### **2.5.1 Fiscal austerity and financial management**

The implementation of fiscal austerity necessitates that municipal officials effectively manage the allocation of limited financial resources to address the growing requirements of the communities for which they are responsible. Achieving this delicate equilibrium requires not only the implementation of sound fiscal management practices but also the cultivation of innovative approaches to maximise the use of public funds while upholding the standards of service excellence. Leaders are confronted with the challenging responsibility of making difficult decisions on budget reductions and allocations, knowing that each choice will directly affect the well-being of those they represent. According to Akparep et al. (2019:12), these limits provide a significant challenge to leadership, who need to demonstrate its capacity to overcome financial difficulties.

In the face of rigorous financial examination, leaders may encounter an inclination to take part in creative accounting practices or to prioritize initiatives that provide quick political advantages, rather than focusing on long-term benefits.

Choromides (2018) presents an overview of the potential concerns related to the practice of short-termism, whereby auditors may identify instances of cash reallocation that may have been better used for important services. Chandra (2021:138) highlights the potential of these methodologies to provide audit conclusions that focus on the sustainability and integrity of financial choices. The aforementioned scenario serves as a clear indication that engaging in fiscal manipulation for temporary relief is a risky endeavour that has the potential to compromise the financial stability of the local government from the perspective of both auditors and stakeholders.

### **2.5.2 Rapid urbanisation and operational efficiency**

The process of urbanisation necessitates that municipal authorities not only address current difficulties but also adopt a forward-thinking approach by predicting future expansion and establishing the necessary infrastructure to accommodate it.

Holten and Brenner (2015:08) illustrate the dynamic nature of urban growth and its associated challenges, whereby leaders are responsible for possessing the ability to anticipate and engage in strategic planning in order to not only keep pace with but also surpass prevailing circumstances.

According to Govender (2020:430), visionary planning plays a crucial role. However, since municipal responses to urban pressures tend to be reactive, there can be a significant gap between the intended proactive strategy and the current reactionary methods. According to Chic (2018:16), auditors often see a fragmented approach to service delivery when assessing the effectiveness of municipal operations in the context of rising urbanisation. This patchwork of reactive measures not only highlights deficiencies in operational effectiveness but also reveals a deficiency in strategic long-term planning.

The aforementioned discoveries in audit reports highlight the need for municipal leadership to make prudent investments in expandable infrastructure and services that align with the rate of urban expansion. The primary difficulty is the need to transition from a reactive approach toward urban challenges to a more planned approach that effectively manages and promotes the vitality of the urban environment.

### **2.5.3 Legislative complexities and compliance**

In his work, Al Khajeh (2019:05) draws a parallel between legislative compliance and the complex endeavour of manoeuvring a ship over the turbulent waters of evolving rules and regulations. This analogy underscores the need for municipal leaders to possess navigational abilities to successfully navigate this difficulty. Merely comprehending current legislation is insufficient; leaders must also possess the foresight and adaptability to respond to unforeseen legislative changes. Auditor's thorough examinations often bring attention to the deficiencies of towns in keeping up with these developments. This ultimately leads to the production of audit reports that document a range of non-compliance errors.

Instances of non-compliance often arise due to a tendency to react rather than proactively address statutory adherence. Akparep et al. (2019:12) shed light on the challenges faced by an administration that grapples with the legal intricacies resulting from variables such as excessive bureaucracy, limited legal expertise, or a lack of proactive approaches. Demirtas (2020) concurs with this viewpoint, positing that the ramifications of these deficiencies go beyond basic economic effects, possibly resulting in a decline in public trust. Leaders thus need to cultivate a discerning and knowledgeable approach to legal intricacies to avoid the risks associated with non-adherence and the subsequent adverse audit results.

#### **2.5.4 Governance and internal controls**

The efficacy of governance within the municipality is often shown by the robustness of its internal controls, which function as safeguards against maladministration and unethical practices. According to Al Khajeh (2019:05), the presence of a strong governance structure may serve as evidence of the leadership's dedication to ethical management. Nevertheless, auditors with meticulous scrutiny skills can promptly identify deficiencies within governance frameworks, hence exposing vulnerabilities that may result in financial mismanagement or potentially deceitful behaviours.

According to Decuypere (2020:70), it is emphasised that the identification of insufficient controls should not simply be seen as technological deficiencies, but also as indicative of underlying ethical concerns within the municipality. Audit findings of this kind undermine public confidence and raise concerns about the effectiveness of leadership in managing common resources. Akparep et al. (2019:12) argue that the appropriate reaction should not be limited to simple adherence but rather should include the promotion of a culture characterised by honesty, responsibility, and meticulousness. The importance of this cultural transformation lies in the ability to survive the intense scrutiny of audit procedures and maintain the faith of the public, therefore guaranteeing transparent and ethically diligent governance within the municipality.

#### **2.6 Municipal leadership skills to perform the duties as outlined in the legislation**

The job of municipal leadership is not universally applicable to all circumstances. The composite character of abilities in this context is a result of the diverse range of tasks outlined in the legal frameworks. (Alghofaily, 2019).

Every individual skillset plays a crucial role in the broader framework of municipal governance, hence enhancing the overall efficiency and, consequently, leading to favourable audit results that reflect well on the administration of the municipality (Chih, 2018:16).

### **2.6.1 Financial acumen**

Akparep et al. (2019:12) assert that financial knowledge plays a pivotal role in facilitating successful municipal leadership. The acquisition of expertise in municipal finance goes beyond the mere execution of regular duties, such as budgetary equilibrium, and instead encompasses a comprehensive comprehension of the intricate financial structure inherent in local administration. According to Crosby (2018), it is essential that this comprehension aligns with both the current fiscal constraints and the broader strategic goals of the local government. Leadership is the responsibility of skilfully navigating investment decisions and methods for finance and reducing expenditure while ensuring that each option can survive the rigorous examination conducted by auditors.

Within the domain of municipal finance, each decision has the potential to be subject to an audit. According to Cashman (2017), leaders who possess financial acumen play a crucial role in not just managing present budgets but also in designing a long-lasting financial legacy by determining the allocation and management of public finances. The expertise of a leader in fiscal management is shown by their capability to communicate and justify financial policies effectively. This skill enhances their credibility as competent stewards of public funds.

### **2.6.2 Strategic planning abilities**

According to Akparep and his colleagues (2019:12), the importance of strategic planning for municipal leaders cannot be overstated, as it is not only a discretionary ability but also a crucial asset. The capacity to anticipate the future trajectory of a municipality requires a combination of forward-thinking and pragmatic approaches. This pertains to the formulation of a comprehensive plan outlining the progression of the municipality, including several aspects such as economic advancement, the maintenance of community services, and the promotion of environmental conservation. Cashman (2017) proposes that strategic planning is a dynamic procedure that requires the development of comprehensive plans that include the ability to react to unanticipated changes. Crump and Furnham (2015:550) agree that audit reviews often analyse the efficacy of strategic planning in municipalities.

An appropriately formulated strategic plan is expected to be commended in audit evaluations, indicating the leadership's competence in devising a cautious trajectory for the future. Leaders may showcase their dedication to sustainable growth and effective governance by using strategic planning, which is crucial for cultivating trust and attaining favourable audit results.

### **2.6.3 Proficiency in legislative navigation**

The law plays a crucial role in influencing policy and operational choices for municipal leadership (Crosby, 2018). Leadership requires more than mere acquaintance with legal obligations; it demands a nuanced comprehension that empowers individuals to use the law to benefit the municipality. Allis (2018:52) indicates that a more detailed analysis reveals that adeptly interpreting legal frameworks has the potential to facilitate economic expansion and foster empowerment within communities. From this perspective, possessing legislative knowledge serves not only to prevent audit violations but also as a proactive mechanism to promote progress and growth.

According to Cummings (2018:20), there is evidence for the idea that possessing extensive legislative knowledge might serve as a protective measure against receiving adverse audit results. The likelihood of an auditor's investigation revealing deficiencies in a municipality is reduced when it is governed by individuals who not only adhere to legal requirements but also possess a keen ability to perceive and implement them accurately.

The level of comprehension shown may be the determining factor in distinguishing between a typical audit report and one that praises the municipality for its outstanding legislative involvement.

### **2.6.4 Skills for positive audit outcomes**

The incorporation of financial, strategic, and legislative competencies is crucial in achieving favourable results in audits, according to Chaithanapat (2022:10). The aforementioned skill sets are not discrete proficiencies, but rather interrelated components that propel the mechanisms of effective governance. Elrehail (2018:60) agrees, highlighting that the interaction between these talents manifests as strong governance practices in audit reports.

Evans and Pfister (2021) suggest that the repertoire of abilities shown by municipal leaders' catalyses attaining favourable audit results. Financial acumen, for example, acts as a safeguard against the financial risks that auditors often investigate.

Strategic planning exemplifies a proactive approach to governance, while legislative proficiency highlights thorough adherence to and mastery of governance norms. Collectively, these abilities serve the purpose of fulfilling legal duties and enhancing governance standards, as shown by favourable audit report findings.

## **2.7 The effects of the municipality's political and administrative management on its audit outcomes.**

The interplay between the political environment and administrative activities significantly shapes the ecology of a municipality (Cooper, 2015). This interaction has a crucial role in influencing the overall well-being and efficiency of local government administration. As a result, it has a substantial impact on the results of audits (Cummings, 2020:370). A more detailed examination of the constituent elements involved in this dynamic interaction follows.

### **2.7.1 Political stability**

According to Crump and Furnham (2015:550), political stability plays a crucial role in ensuring effective municipal governance. It provides a conducive environment for formulating and implementing policies without disruption, as well as allowing the pursuit of objectives with a focus on long-term goals. Decuyper (2020:70) states that stability plays a crucial role in facilitating the development of strategic initiatives, which, over time, have the potential to provide concrete results. When auditors evaluate a municipality's operation within a stable political environment, they are likely to see the advantages that arise from this stability.

These benefits include the capacity to sustain strategic projects over a longer period, engage in proactive financial planning instead of being reactive to crises, and develop policies with a forward-looking perspective.

Political stability has several consequential impacts, such as reduced turnover within governmental institutions and the establishment of a transparent chain of responsibility. These factors are of utmost importance when considering the examination and evaluation of audits.

The presence of well-defined governance roles and consistent procedures facilitates the auditor's ability to monitor and assess the effectiveness and integrity of municipal operations (Elrehail, 2018:60). Stability allows for the evaluation of governance practices over some time, assessing their effectiveness and adherence to established processes, hence increasing the likelihood of obtaining favourable audit outcomes.

### **2.7.2 Constructive elected officials and bureaucrats' relationships**

According to Ebrahimi (2016:355), the collaboration between elected officials and bureaucrats plays a crucial role in ensuring efficient government. The connection between officials and bureaucrats may be characterized as symbiotic since it involves the formulation of policy directives by officials and the subsequent implementation of policies by bureaucrats. Crosby (2018) emphasizes the significance of maintaining a positive connection, as it directly impacts the effectiveness of the implementation of municipal policies. From the auditors' perspective, favourable interaction between these two entities signifies the presence of a smoothly functioning administrative apparatus that can efficiently carry out its designated responsibilities.

The efficacy of municipal government is heavily contingent upon the state of leadership between elected officials and bureaucrats. According to Crump and Furnham (2015:550), establishing a harmonious relationship in this context has been linked to several advantages, including enhanced communication channels, reciprocal respect, and a shared objective of promoting public welfare. Together, these aspects contribute to favourable audit assessments. On the other hand, Alghofaily (2019) observes that adversarial relationships may lead to communication breakdowns and hinder the timely implementation of policies.

These issues are reflected in audit reports as instances of inefficiencies in governance. Auditors often identify internal disagreement as a significant factor contributing to operational malaise, which may have far-reaching implications on governance.

### **2.7.3 Effective administrative structures**

According to Chih (2018:16), a successful municipal governance administrative structure may be characterised by many vital features. These include a clear definition of duties and responsibilities, streamlined procedures that promote efficiency, and recruiting staff based on merit. These components are essential in guaranteeing the seamless execution of council decisions, careful use of resources, and continuous service delivery throughout political changes. Crump and Furnham (2015:550) explain further that the effectiveness of administrative processes is often reflected in the outcomes of audit reports.

When an administration is operating at its peak efficiency, it is often indicated to auditors that the municipality is well-managed and that its governance processes exhibit both accountability and efficiency.

#### **2.7.4 Impact on audit outcomes**

The study by Al Khajeh (2019:05) demonstrates a clear relationship between the effectiveness of administrative frameworks and the favourable results of audits. This encompasses factors such as political stability, the relationship between elected officials and bureaucrats, and the efficacy of the administrative system. The author highlights the significant impact that these factors have on influencing the outcomes of audits. Auditors conduct a comprehensive analysis that extends beyond financials and compliance measures. They evaluate the broader governance framework since it serves as a foundation for the municipality's ability to manage finances, execute projects, and adhere to legal requirements.

Cooper (2015) supports this perspective by emphasizing that the effectiveness of governance has a direct influence on the operational efficiency and strategic achievements of municipalities. According to Hanges et al. (2016), the political-administrative interaction plays a crucial role in shaping the tone of audit reports. The establishment of a synergistic and collaborative connection among leadership within the municipality, as well as between the leaders and administrators, often results in audits that validate the presence of robust governance. On the other hand, a discordant connection between entities leads to concerns among auditors, indicating possible governance problems that may result in more significant discoveries.

The cohesive integration of these parts, therefore, assumes utmost significance, as it not only facilitates the smooth operation of the municipality's daily business but also instils confidence in auditors and, consequently, the general public regarding the municipality's robust governance and dependability.

#### **2.8 The effects of municipalities' financial management outcomes**

The administration of finances plays a crucial role in the governance of municipalities and serves as a critical factor in evaluating the overall well-being of a municipality, as shown by audit reports (Chaithanapat, 2022:10). This research aims to examine the impact of responsible financial practices and adequate financial monitoring systems on the character of audit results.

### **2.8.1 Prudent financial practices**

A key aspect of sound financial practices is the careful and thorough planning and management of a municipality's resources, emphasizing sustainability and the achievement of value for money (Choromides, 2018).

This entails formulating strategic judgments about expenditure, prudent investment practices, and the proactive management of debt and reserves. According to Chandra (2021:138), towns that exhibit such restraint provide a financial atmosphere that auditors acknowledge as being administered about current and future fiscal obligations. When towns demonstrate prudent financial management, they indicate to auditors a strong dedication to ensuring long-term fiscal well-being, perhaps resulting in positive audit results. Cummings (2020:370) explains that the implementation of cautious financial strategies demonstrates a municipality's capacity to manage its current financial responsibilities effectively and to plan for long-term financial sustainability. This methodology provides auditors with assurance about the municipality's adherence to a sustainable trajectory, often leading to favourable commentary in audit reports.

### **2.8.2 Adequate budgeting**

Cooper (2015) asserts that a budget serves as a financial framework for local governments, offering a prognostic blueprint for making budgetary choices. According to Crump and Furnham (2025:550), in order for a budget to be considered sufficient, it is necessary for it to be based on realistic and well-founded estimations of both income and costs. The budget plays a vital role in guiding the municipality's financial trajectory, guaranteeing the presence of a dependable strategy for revenue and expenditures.

When auditors examine the budget of a municipality, their mission is to assess its alignment with the organisation's goals, the presence of well-founded assumptions, and the provision of clear justifications for expenditure choices. According to Govender (2020:430), the implementation of a complete and well-organised budget is more likely to have a beneficial impact on audit outcomes, indicating the municipality's financial expertise and adherence to fiscal discipline. Hence, a well-crafted budget serves not only as a financial obligation but also as a strategic resource that may significantly augment the impression of a municipality's fiscal administration during an audit assessment.

### **2.8.3 Internal controls**

Internal controls are implemented as comprehensive mechanisms to safeguard the integrity of financial information and mitigate instances of fraudulent activities. A wide range of checks and balances is included, consisting of both fundamental protocols and sophisticated automated mechanisms, with the overarching objective of guaranteeing precision and responsibility in financial matters.

According to Fiaz et al. (2017:148), robust internal controls provide a clear indication to auditors that a municipality is committed to safeguarding its assets and ensuring the accuracy of its financial records.

Robust internal controls play a crucial role for auditors in assessing the financial well-being of a business. According to Hanges et al. (2016), auditors focus on identifying evidence pertaining to the accurate processing of financial transactions within a municipality, as well as the presence of effective methods for detecting and addressing any financial irregularities. The municipality's financial operations are frequently seen as reputable and well-managed by auditors due to the implementation of rigorous internal controls.

### **2.8.4 Financial oversight**

Choi (2019:380) indicates that financial supervision refers to the ongoing monitoring and scrutiny of a municipality's financial actions. This entails conducting periodic evaluations and assessments to verify that financial activities adhere to specified norms and protocols. According to Decuypere (2020:70), the presence of supervision is crucial not only for the identification but also for the prompt resolution of financial concerns, thereby ensuring the soundness of the municipality's financial administration.

Supervision methods include a variety of components, which encompass distinct supervision entities such as internal auditors, audit committees, and external regulators. Each of these individuals plays a crucial part in the examination and evaluation of the financial transactions of the municipality, intending to ensure compliance with established financial standards. According to Cummings (2018:20), auditors hold the view that good financial monitoring is indicative of a municipality's commitment to fiscal openness and accountability. The presence of this thorough control is often correlated with favourable audit results, indicating a municipality that is well-administered and demonstrates budgetary responsibility.

### **2.8.5 Impact on audit outcomes**

The financial governance framework of a municipality is established via the interconnectedness of good financial practices, sufficient budgeting, strong internal controls, and rigorous financial supervision (Chic, 2018:16). The existing body of literature and audit reports regularly demonstrate that in cases where these factors are robust, audit results generally exhibit positivity, indicating a solid state of financial well-being and effective management (Cummings, 2018:20).

On the other hand, in cases where these aspects are deficient or insufficient, auditors are more prone to detecting regions of apprehension, which may materialise as qualifications or, in more severe instances, unfavourable views in audit reports (Chih 2018:16).

## **2.9 The effect of a municipality's governance on audit outcomes**

The effective functioning of the city's administration, the enforcement of laws, and the provision of quality services are heavily influenced by governance within the municipal framework. This comprehensive idea encompasses more than just the act of management but also delves into intricate dynamics of interactions with citizens, interest groups, and leaders, the exercise of rights, and the resolution of disputes. The following discussion examines the constituent elements of governance and how they influence audit discoveries.

### **2.9.1 Articulation of interest**

Alghofaily (2019) highlights the significance of inclusion within the context of municipal government, emphasizing the need to consider and value the perspective of all members of the community throughout the decision-making process. This practice guarantees the formulation of well-rounded policies that achieve broader consensus. According to Chandra (2021:138), auditors closely examine the level of a municipality's involvement with its residents and the incorporation of their comments into the governance process.

The presence of proactive and inclusive public participation may have a positive impact on the outcome of an audit. This level of participation reflects the dedication of a municipality to effectively address and embody the needs and ambitions of its constituents.

According to Allis (2018:52), audits indicating a municipality's proactive efforts to solicit and appreciate public opinion might be indicative of a responsible leadership approach, perhaps resulting in more positive audit results.

### **2.9.2 Exercise of legal rights and meeting of obligations**

A crucial aspect of successful governance is the municipality's capacity to uphold and implement the rule of law, hence guaranteeing fairness in the enforcement of rights and responsibilities (Crosby, 2018). Cooper (2015) notes that it is important to emphasize the protection of basic rights and adherence to legal obligations. Audit investigations often include examining whether a municipality complies with legal processes and impartially applies legislation.

According to Harvey (2018:65), the presence of uniform and equal implementation of the law in research results implies the existence of strong governance practices. Positive audit results in this context indicate a municipality's dedication to upholding legal integrity and using power ethically.

### **2.9.3 Mediation of differences**

According to Evans and Pfister (2021), the capacity to navigate and effectively address disputes is essential to the government. Municipal leadership needs to use equitable and unbiased approaches to handle conflicts within the community effectively. Auditors demonstrate a keen interest in the conflict resolution procedures used by a municipality, with a particular focus on how disagreements are resolved, as proposed by Allis (2018:52).

Including well-documented and open processes for resolving conflicts may play a crucial role in assessing audits. Ebrahimi (2016:355) demonstrates a correlation between the ability of municipalities to successfully manage conflict and the favourable results seen in audits. This suggests that a municipality has the necessary capabilities to preserve a state of harmony and order, which serves as an indication of effective leadership.

#### **2.9.4 Accountability and Performance**

Accountability is a crucial aspect of governance, meaning that all individuals holding positions within the government are held accountable for their actions. According to Alghofaily (2019), public authorities must demonstrate accountability towards both the general public and regulatory entities, hence promoting openness and responsibility in the execution of municipal activities. The measuring of performance is of equal importance as it serves as an indicator of the municipality's effectiveness in delivering services and accomplishing its objectives.

Decuypere (2020:70) states that auditors thoroughly scrutinise accountability trials and performance indicators to identify evidence of officials actively monitoring and reviewing their efficacy. The establishment of governance frameworks that enhance accountability and performance assessment increases the likelihood of auditors issuing favourable findings (Demirtas, 2020). Robust governance frameworks are often associated with the effective provision of public services and the responsible allocation of municipal resources, both of which are favourable indications in the context of audits.

#### **2.9.5 Impact on audit findings**

The audit results of a municipality might serve as an indicator of its overall quality of governance, according to Cashman (2017). Demirtas (2020) indicates that there is a favourable relationship between robust governance frameworks and increased accountability and municipal performance. These are the specific factors that auditors assess favourably. According to Crosby (2018), robust governance frameworks provide enhanced resource management, improved service delivery, and responsible administration of public finances. On the other hand, deficient governance may be discerned through audit discoveries that indicate insufficient enforcement of responsibility, breaches in adherence to legal requirements, inadequate handling of resources, and shortcomings in the delivery of services (Decuypere, 2020:70).

These concerns not only have implications for the confidence of the general public and those with a vested interest, but they may also result in concrete adverse effects on the financial and operational well-being of the municipality (Demirtas, 2020).

## **2.10 Strategies for leadership to positively impact audit outcomes.**

According to Akparep et al. (2019:12), achieving favourable audit results involves more than just addressing reported flaws; it also entails proactively cultivating a leadership and management climate that inherently supports audit success. Achieving this objective requires the implementation of a combination of proactive educational initiatives, the adoption of optimal methodologies, and the fostering of a conscientious organisational ethos. The successful implementation of these tactics by leadership is examined in the discussion that follows (Decuypere. 2020:70).

### **2.10.1 Leadership Development Programmes**

The complex terrain of local government necessitates the presence of individuals in leadership positions who possess not just managerial skills but also visionary qualities that enable them to guide communities through a diverse array of obstacles. According to Cummings (2020:370), there is a strong argument in favour of emphasizing leadership development as a crucial factor in equipping these individuals with a combination of practical expertise and long-term planning abilities.

Tailored programmes are offered, including skill-specific workshops as well as comprehensive executive courses, which provide leaders with the necessary skills to lead with flexibility and cultural intelligence effectively. These programmes enable leaders to manage diverse teams effectively, allowing them to address the many difficulties they encounter successfully.

The implementation of programmes that cultivate strategic thinking and improve problem-solving abilities has a direct impact on the quality of municipal leaders. The knowledge acquired from those educational encounters is essential for attaining proficiency in the intricacies of regional administration, responsible management of resources, and promoting sustainable growth within communities. According to Hoang et al. (2021), possessing expertise in these domains is advantageous for a leader, as shown by the favourable connotations of audit reports that acknowledge strategic acumen as a prominent capability.

### **2.10.2 Continuous Professional Education**

In an era characterised by frequent legislative changes, technological breakthroughs, and social transformation, Al Khajeh (2019:05) highlights the need for municipal leaders to participate in ongoing professional development actively. Dedication to continuous learning empowers leaders to maintain flexibility and knowledge, enabling them to negotiate the intricacies of governance with proficiency and assurance effectively. The pursuit of ongoing education facilitates the development of resilient decision-making processes that can withstand scrutiny during audit evaluations. Municipal leaders enhance their understanding of essential domains such as financial reporting, compliance, and risk management, strengthening the municipality's reputation and readiness for audits, a view supported by Hanges et al. (2016).

### **2.10.3 Adoption of Best Practices**

Crosby (2018) emphasizes the significance of using global standards as benchmarks, allowing municipalities to draw insights from the achievements and shortcomings of other entities. Incorporating these optimal methods into the administrative structure has the potential to optimise financial processes, improve the visibility of procurement activities, and foster more efficient public participation. The adoption of best practices serves a dual purpose, including both internal improvement and acting as a signal to auditors, indicating a municipality's commitment to achieving operational excellence.

According to Demirtas (2020), the implementation of established methods by municipal leaders not only enhances governance efficiency but also creates a narrative of dedication and exceptionalism that is acknowledged and valued by auditors.

### **2.10.4 Fostering ethical leadership and accountability**

The development of ethical leadership is a fundamental aspect of establishing effective governance. Leaders who place a high emphasis on ethical decision-making are crucial in cultivating trust and upholding integrity within the community. The leadership strategy advocated by Hanges et al. (2016) emphasizes principles, aiming to guarantee that choices are both strategically smart and ethically justifiable, while also promoting transparency.

Accountability serves as a crucial mechanism that ensures the effective functioning of government in pursuit of the collective welfare. Crosby (2018) outlines a fundamental pillar that is considered non-negotiable within the framework of public service ethics.

The presence of a culture that emphasizes accountability among leaders has been shown to substantially reduce the probability of engaging in fraudulent practices, a phenomenon that is consistent with the evaluative criteria examined by auditors, as explained by Evans and Pfister (2021).

The simultaneous emphasis on ethics and accountability serves as a guiding principle for municipalities, leading them towards ethical governance and favourable audit findings. This approach highlights a leadership that is dedicated to upholding integrity and responsibility.

#### **2.10.5 Foundational impact on audit outcomes**

Anderson (2017:80) notes that the aforementioned tactics play a fundamental role in ensuring favourable audit results by fostering an atmosphere in which good governance is established as the prevailing standard.

According to Cummings (2018:20), the cultivation of leadership skills and the pursuit of ongoing education led to the formation of a group of leaders who possess the necessary competencies and expertise. The use of optimal methodologies guarantees the effective functioning of the municipality, aligning its operations with contemporary standards. A leadership culture that prioritises ethics and accountability have the potential to decrease the occurrence of unethical behaviour and enhance trust, as shown by findings in audit reports (Holten & Brenner, 2015:08).

#### **2.10.6 Implementing a proactive approach**

For leadership to have a substantial influence on audit results, it is essential to adopt a proactive strategy. This entails proactively identifying potential areas of concern that auditors may encounter and resolving them in advance to prevent them from escalating into difficulties. Leadership should adopt a proactive approach by consistently striving to enhance governance and operational practices, rather than only relying on unfavourable audit results as a catalyst for change.

## **2.11 Conclusion**

The role of leadership within municipalities is crucial in determining the results of audits. The existing body of research highlights the complex and diverse nature of obstacles encountered by municipal leaders. It emphasises the essential competencies needed to tackle these challenges effectively. Furthermore, it stresses the significant influence that political-administrative alignment, financial management, and governance have on the outcomes of audit reports. Leaders need to use effective tactics to improve these domains, as they play a crucial role in shaping audit results. These outcomes, in turn, are of utmost importance for ensuring transparency, accountability, and the overall financial well-being of municipalities

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Introduction**

The study's research methodology is described in this chapter. The study methodology demonstrates the process used for data collection, data analysis, and data presentation. The study approach also covers other areas, including sample, data collection, data analysis, and ethical issues.

#### **3.2 Research design**

The research design refers to the methodology, method, and framework that drives and guides the collection and analysis of data (Creswell & Creswell, 2017). These authors indicate that a research design enables researchers to logically and consistently link empirical data to both their research questions or objectives and, subsequently, their findings. Similarly, Bell (2014) described research design as a strategy used to collect pertinent data to facilitate the achievement of study objectives. In other words, the research design is a strategy that leads the process of collecting and analysing data by giving a framework that specifies the data to be gathered, its sources, the data collection technique, and how the data will be analysed and presented to achieve a study purpose.

As a consequence, the research strategy for this study included identifying the research problem, studying and investigating the identified research problem using data from annual reports of municipalities, analysing the data and presenting results, drawing conclusions, and offering suggestions. An experimental design centred on uncovering new ideas or knowledge (Eriksson & Kovalainen, 2015) was used to achieve this. The goal was to reveal underlying leadership flaws that are leading to poor audit results.

#### **3.3 Research paradigm**

Philosophical presumptions behind research are made by researchers at the outset of a study. These philosophical assumptions promote qualitative, quantitative, or combined types of research. Creswell (2018) defines the qualitative approach as a strategy for investigating and comprehending the meaning people or groups attribute to a social or human situation. It aims to investigate and comprehend meanings and experiences.

This method employs emergent questions and methods, data collection in the participant environment, data analysis that builds inductively from particulars to broad themes, and the researcher's interpretation of the data's significance. The premise of this investigation is that it promotes and honours an inductive method, focuses on individual meaning, and recognises the significance of expressing the situation's complexity.

In the research continuum, qualitative and quantitative researchers maintain that theories play distinct roles (Bell, 2014). The research may be undertaken within the context of positive (deductive) or interpretive (inductive) epistemology theory (Creswell & Creswell, 2017). This study's aims lend themselves well to an inductive method. Qualitative research was used since it permits in-depth engagement with municipal leadership to comprehend their concerns and how they may secure favourable audit outcomes.

### **3.4. Population**

A research study's population is any group of individuals who share characteristics of interest to the researcher (Bryman & Bell, 2015). The population selected for the empirical study involved the uMshwathi Municipal Manager, Heads of Departments, and Political Office bearers.

### **3.5 Sampling**

Yin (2018) defines a sample as the studied environment and the research subjects. The subsets of the specified population selected for research constitute the sample. In contrast, sampling is the process of choosing a research sample or subgroup (Hair JR et al., 2015). Eriksson and Kovalainen (2015) contend that sample size influences estimated precision. In general, a high sample size can aid in minimising sampling mistakes and enhancing the generalisation of study results. Yin (2018) contends that sample size affects statistical power by affecting standard errors.

There are two methods for sampling, probability and non-probability. The probability strategy is described as random sampling, suggesting that each unit in the population has an equal chance of being included in the sample selection (Stevens et al., 2014). Often referred to as non-random sampling, this sample selection is subjective for obvious reasons.

It provides researchers with alternative approaches to pick a sample that is best suited for their study and generates accurate responses to their research questions (Hair JR et al., 2015). According to Yin (2018), there are four primary non-probability sampling strategies.

In quota sampling, the sample is picked from fixed and preset items. With purposeful sampling, selection is based on the researcher's unique criteria (Steven et al., 2014).

With volunteer sampling, candidates are invited to participate and willing to concede or offer their service; this can give rise to snowball sampling or self-selection (Stevens et al., 2014). Convenience sampling (Yin, 2018) is characterised by the absence of a preset procedure, with participation contingent on factors such as availability and willingness.

Given that the study technique is qualitative, non-probability sampling is the most appropriate sample strategy. The research employed the quota sampling method. The municipality has twenty-seven councillors and twenty-three Managers including Senior Managers and Municipal Manager as Accounting Officer. The rationale was to include senior management members from different departments to guarantee that it was representative. This helps generate varied insights to address research objectives.

### **3.6 Data collection sources and procedure**

An empirical study design may be employed using qualitative and quantitative approaches. Quantitative research methods collect information through numerical data and are used to measure attitudes, actions, and other characteristics (Yin, 2018). Qualitative research methods collect non-numerical data and utilize it to discover participants' meanings, views, or underlying causes (Yin, 2018). Due to the qualitative nature of the study, qualitative data-gathering techniques such as interviews, focus groups, and observation were preferable. Interviews were used to obtain in-depth information on the underlying motives and thinking of individuals.

The purpose of the interviews was to get an in-depth understanding of the influence of leadership on audit outcomes from an individual's viewpoint. Interviews were administered via online platforms such as Zoom and or MS Teams meetings. Arrangements were made with participants by email before the process. Email contact information was obtained from the municipality's Human Resources office.

Focus group was used to collect data deeper insights on the topic and concepts. The following committees within the municipality were used as focus group, Municipal Public Accounts Committee (MPAC), the Executive Committee (Ecxo) and Audit Committee (AC). The researcher also used observation and gathered data in real-time about the phenomena.

### **3.7 Trustworthiness**

Hoque (2018) considers trustworthiness to be a basic criterion for evaluating the quality, authenticity, and consistency of qualitative research. The degree and extent to which the findings and outcomes are decided by a structured, methodical, and organised procedure, and if the results can be relied upon, is indicative of their trustworthiness (Stevens et al., 2014). The evaluation of credibility, transferability, the dependability of the instruments, and the verifiability of the study's findings will indicate trustworthiness.

- (i) **Credibility:** refers to the amount of trust in the data collected and its appraisal during the research (Hair JR et al., 2015). The research evaluated scholarly works from reputable sources.
- (ii) **Dependability:** refers to the consistency and uniformity of the research's findings and conclusions (Hoque, 2018). To ensure dependability, the study was conducted following the university's ethical rules
- (iii) **Transferability:** is a description of the extent to which the findings, conclusions, and discoveries of this research may be utilized to enrich and improve other settings and scenarios (MacPhail et al., 2016). The research did generate a transferability-facilitating audit trail.
- (iv) **Conformability:** refers to the impartiality and objectivity of the data, as well as the extent to which the data may be confirmed (Bryman & Bell, 2015). The past literature was studied to establish the present study's validity.

#### **3.7.1 Reliability and Validity**

Validity and Reliability are critical components in assessing the quality of research findings. Validity refers to the degree to which a tool measures what it is intended to measure. It is crucial for ensuring that research outcomes are accurate and meaningful. It helps the researcher to draw appropriate conclusions and make informed decision based on the research findings.

In assessing validity in a qualitative study, techniques such as expert reviews, focus groups and content analysis provided insights into the relevance and appropriateness of measures.

There are types of validity:

- i) Internal validity- it is the extent to which results of a study can be attributed the manipulations made by the researcher, rather than other factors.
- ii) External validity- it is extent to which research findings can be generalised beyond the specific conditions of the study.
- iii) Construct validity- is the degree to which a test or instrument measures the theoretical construct it is intended to measure.

Reliability refers to the consistency and stability of a measurement across time, items or raters. A reliable measure yields the same results under consistent conditions. High reliability is essential for ensuring that research findings are replicable and trustworthy.

There are types of reliability:

- i) Test-Retest reliability- it is the stability of test scores over time when the same test is administered to the same group on two different occasions.
- ii) Inter-Rater reliability- it is the degree of agreement or consistency between different raters or observers assessing the same phenomenon.
- iii) Internal consistency- is the extent to which items within a test or instrument consistently measure the same construct.

Validity and reliability are closely linked; a measure can be reliable without being valid, but it cannot be valid if it is not reliable. Both validity and reliability are essential for assessing the overall quality of a research study.

### **3.8 Ethical considerations**

So that invitees could make informed decisions and understand their freedom of choice to not participate as well as the potential benefits of participation, the researcher provided comprehensive information pertinent to the study, permission was obtained, and data collection intentions regarding the study were confirmed, and voluntary participation was confirmed. Each participant needed to sign a consent form provided by the researcher expressing their free will, assent, and permission to engage in the study procedure (Appendix A).

Participation in a safe event requires participants' physical and emotional safety (Stevens et al., 2014). The participant was not pressured to answer the questions, and foul language was strictly banned. The collection of pertinent data, analysis, and presentation of findings in this research (Bryman & Bell, 2025) were unaffected by the participants' identities; hence, participant identities and personal information were unnecessary and were not solicited at any stage of the research. Because the researcher did not possess this information, anonymity was kept, and confidentiality was upheld.

Before initiating the study, it is the responsibility of the researchers to secure the required permission from the authorised authorities (Bryman & Bell, 2015).

Before commencing the investigation, the researcher submitted a letter to the uMshwathi Municipality administration explaining the purpose of the study and requesting permission to perform the research.

### **3.9 Data analysis**

According to Stevens et al. (2014), the basic purpose of data analysis is to extract valuable information from massive volumes of data. This study's primary objective was to collect considerable data that could be utilized to answer the research questions. MacPhail et al. (2016) indicate that many data analysis techniques are utilised to review and examine the data and information required through qualitative research, with content analysis and theme analysis being the most frequently used methodologies. Content analysis is the detection of particular and explicit patterns, messages, pictures, and trends in the data, material, and information included within a given data source or among several sources (Hair JR et al., 2015). This information is then converted into codes and categories, which may be displayed as tables to facilitate analysis and interpretation. Coding and categorising the data into themes based on the identification of frequent and repeating thoughts and impressions expressed by the participants in response to the research interview and questions constitutes the thematic analysis (Hoque, 2018). The data in this study were analysed using the approach of thematic analysis. In this instance, the data's principal themes, subthemes, and codes were classified (MacPhail et al., 2016). The main objective of thematic analysis is to organise interview material.

### **3.10 Limitations of the Study**

According to Bryman and Bell (2015), the limitations of the study may include factors that might harm the study's findings. The researcher does not have direct control over these factors. Despite being assured of confidentiality protections, some participants may have feared victimisation if they contributed freely, constituting one of the study's shortcomings. The sample of 15 individuals was selected on purpose, which may have excluded more key informants from the targeted population. The study's parameters constitute the study's limits (Yin, 2018). The research was confined to the uMshwathi Municipality.

### **3.11 Conclusion**

This chapter describes the research methods used for the study. The procedure utilized for data collection, processing, and presentation is outlined in the research methodology. Other aspects covered by the research strategy include sampling, data collection, data analysis, and ethical considerations.

## CHAPTER FOUR

### PRESENTATION AND ANALYSIS OF RESULTS

#### 4.1 Introduction

This chapter presents the research findings of the thematic analysis of interviews conducted with 13 municipal employees at uMshwathi Municipality. The purpose is to explore perspectives on the influence of political and management leadership on audit outcomes. Key metrics, including response rate and sample demographics, are outlined to orient the reader regarding the qualitative sample. Thereafter, results are structured thematically in alignment with the study objectives, which examined leadership capabilities, drivers of audit regression, leadership impacts, financial management effects, governance factors, and proposed improvement strategies.

Quotations from participants illustrate findings within each theme, followed by a discussion that interprets the results and relates to existing scholarly literature. This enables analysis of whether local leadership possesses the requisite skills, behaviours, and strategic focus needed to accelerate progress toward clean audits. The conclusion summarises the key impediments and recommendations emanating from data that suggest an increased emphasis on accountability and capability-building could positively transform audit performance.

#### 4.2 Response rate

The response rate reflects the proportion of a defined target sample that participates in a study (Castillo, 2020). A higher response rate enhances the reliability and representativeness of qualitative findings, as more perspectives from the intended population are captured (Adamns, 2021). Out of the identified target sample of 15, 13 participated in qualitative interviews to assess leadership and management impacts on audit outcomes. This reflected a response rate of 86.7% (obtained sample/ target x 100%), as outlined in Table 4.1 below.

**Table 4.1 Research Response Rate**

<b>Target Population</b>	<b>Obtained sample</b>	<b>Response Rate</b>
<b>15</b>	<b>13</b>	<b>86.7%</b>

Response rate standards for rigorous, high-quality qualitative research typically recommend a minimum threshold of 60% (Rowley, 2020). Qualitative methodologists argue that studies with at least a 65-70% response rate are more defensible regarding claims of representative target population coverage (Smith, 2021). The achieved proportion of over 85% significantly exceeds these conventional benchmarks and indicates excellent study participation levels.

The response rate metric is important because, firstly, it determines numeric sample adequacy for sufficiently conclusive insights. Out of 15 identified officials and politicians, views from 13 were obtained, comprising effective data saturation from most personnel. Secondly, a very low response rate may raise doubts over potential bias in findings if mostly dissenting voices elect to participate. Other factors, like scheduling logistics, determine response fluctuations (Adashi, 2022). Hence, the rate achieved enables reasonably rigorous qualitative generalisation and decisive, actionable conclusions regarding the municipal leadership skills, focus areas, and accountability mechanisms needed. However, some limitations exist as target population perspectives remain not fully captured.

Of the two non-respondents, the reasons were primarily workload conflicts, though self-selection effects cannot be discounted in voluntary studies (Jorn, 2020). Nevertheless, given that senior planners and managers were well-represented, prevailing departmental views are likely reflected. Overall, the response rate of 86.7% confirms that the obtained qualitative sample furnishes reliable insights to address the research problem with reasonable validity, credibility, and rigour- if interpreted prudently considering scale constraints.

### **4.3 Demographic analysis**

Analysis of sample characteristics provides crucial context for interpreting and assessing qualitative research findings (Hoffman, 2019). Key compositional metrics of the research participants are evaluated below, including age, gender, experience, and educational levels. Understanding sample attributes aids result comprehension in three central ways.

Firstly, it establishes the presence of diverse demographic representation needed for credible insights free of major skews (Andersen, 2020). Secondly, sample composition signals the maturity, articulacy, and organisational understanding participants bring based on age, tenure, and hierarchy (Harrison, 2020). Thirdly, demographic data furnishes transparent discernment of exactly which internal groups' perspectives dominate and where view gaps may persist (Smith, 2012). Hence conscious consideration of who comprised the sample furnishes a grounded lens for prudently examining the results.

The following sub-sections profile the sample's key demographic characteristics with links to representative insight reliability and generalisation where applicable. Table formats are utilized with narrative discussions of attribute spreads. The relatively small qualitative sample scope warrants cautious, indicative interpretations rather than statistically definitive conclusions. Still, the profiles offer a constructively critical fact base for considering lead auditor calls to transform municipal leadership.

#### 4.3.1 Age profile

The age distribution of participants, shown in Table 4.2, reveals a high average sample maturity level as intended by focusing on mid-tier administrators and program managers.

**Table 4.2 Age Distribution**

Age Group	Frequency	Percentage
<30 years	0	0%
31-40 years	2	15.4%
41-50 years	6	46.1%
50-65 years	5	38.5%
<b>Total</b>	<b>13</b>	<b>100%</b>

The majority (46.1%) were aged 41-50 years, followed by 38.5%, 50-64 years old, as the remaining span. None were under 30 years old. The concentration of participants in the 50-65-year bracket indicates opinions substantially informed by management experience and organisational tenure spanning 15 years.

Young and junior-level perceptions were intentionally not targeted, given the complex leadership and audit outcome phenomena requiring mature reflection. The median range of approximately 35 to 45 years signifies perspectives grounded in field realities, not novice hype or dated paradigms. It balances embodied institutional knowledge with avoiding the risk of dated assumptions or inertia brought by more dated veterans (Wang, 2022).

This blend enables insightful diagnosis of current leadership limitations hindering audits, combined with change-ready thinking. However, the sample does lack the lens of the under-30s age group regarding emerging workforce mindsets and technological readiness, which present leadership development opportunities. Overall, the age profile indicates credible senior management voices worth heeding.

#### 4.3.2 Gender representation

Table 4.3 below depicts the gender composition of respondents, indicating a significant gap between male and female views:

**Table 4.3 Gender Distribution**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
Male	8	<b>61.5%</b>
Female	5	<b>38.5%</b>

A potential limitation of many municipal leadership diagnostics is gender bias risk if certain perspectives dominate disproportionately (McKinsey, 2020). The uneven balance between 8 male and 5 female participants does not provide reasonable mitigation. It suggests findings do not represent a crucial diversity of views, and the views presented are skewed. The small sample size warrants prudent interpretation given qualitative variability. Additionally, gender parity at senior management strata often declines further up hierarchies, so senior management sentiments may still lack female insight (Otto, 2018).

The gender distribution in the obtained sample can be considered dependable since the prevailing leadership gaps and developmental areas identified account for both key gender lenses. These results better position remedial measures for multiparty buy-in and tailoring suitability.

While gender representation analysis shows sample skew, incorporating larger groups and stratifying data would offer more conclusive, granular insights in the future (Heidari, 2021).

### 4.3.3 Tenure positioning

Considering leadership impressions are highly informed by organisational tenure, Table 4.4 profiles the work experience distribution:

**Table 4.4 Work Experience Distribution**

Tenure	Frequency	Percentage
< 5 years	3	23%
5-10 years	1	7.7%
11-15 years	5	38.5%
>16 years	4	30.8%
<b>Total</b>	<b>13</b>	<b>100%</b>

A divergence is evident between the less experienced views (under 5 years), comprising 23%, and highly experienced opinions (over 5 years), constituting 77%. The mid-point (11-15 years) contained the largest portion at 38.5%, mirroring the median age group. None possesses less than one year of experience, given the focus on well-embedded mid-tier voices, rather than transient entries. The dominance of well-seasoned 5 + year observations enable authoritative perspectives on evolved leadership strengths and debilities. Junior lenses were also included to investigate potential gaps related to new directions, but they were still grounded in multi-year municipal experience.

Longer-tenured employees bring contextual intuitions, often undocumented yet vital for change navigation (Valle, 2021). They discern leadership reflexes, motivations, and roadmap crawlspaces that audits cannot. Skewing entirely towards shorter-tenured views may thus have missed invaluable insights.

The experience profile achieved indicates perspectives encompassing rear-view critique with pragmatic ideas to progress outcomes. However, supplementing insights with structured large-group surveying would furnish useful viewpoints for comparison. Seasoned tenure dominates yet is refreshingly disrupted by next-generation observation to deliver a well-triangular balance.

#### 4.3.4 Educational attainment

The educational profile of participants depicted in Table 4.5 reveals advanced qualification levels, as targeted, given the complex leadership capacities and political nuances involved:

**Table 4.5 Highest Educational Qualifications**

<b>Qualifications</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Matric</b>	2	15.4%
<b>Diploma</b>	2	15.4%
<b>Bachelor's Degree</b>	4	30.7%
<b>Honours Degree</b>	2	15.4%
<b>Master's Degree</b>	3	23.1%
<b>Total</b>	<b>13</b>	<b>100%</b>

Positively, 84.6% held tertiary qualifications, with 23.1% educated to the Master's level, followed by 30.7% with Bachelor's degrees, 15.4% with Honours degrees, and 15.4% with Diplomas. Two participants possessed only a matric certificate. The post-graduate dominance signifies analytical depth in responses regarding multidimensional leadership behaviour, policy, and social complexities shaping audit outcomes. Education status also correlates closely with cognitive evaluation capabilities (Al Sumarrai, 2020). The senior education levels further mirror extensive workplace advancement.

The presence of non-tertiary voices does, however, imply a minimal, ordinary citizens' lens concerning perceptions of leadership ethics and management accessibility. Additionally, doctoral views were absent as the apex of advanced analytical thinking (Muller, 2018).

Nevertheless, Master-level insights match the strategic diagnosis needed. Supplementing academic frames with philosophical, cultural, and frontline service paradigms would enrich perspective.

Overall, strong educational attainment indicates multi-layered unearthing of leadership limitations obstructing governance excellence. Structured community representation could be incorporated in the future to complete the picture.

In summary, a thoughtful examination of sample characteristics confirms that important demographic diversity was achieved. The five domains profiled reveal a cross-section broadly indicative of the municipal senior management tier overall. Blends of age, gender, experience, and education mitigated significant composition skews while focusing insights at the management level, most directly shaping audit outcomes. This enables well-triangulated findings with none of the key metrics demonstrating anomalies. Hence, amid inherent qualitative constraints, largely representative attributes support result dependability regarding why leadership flounders and capacities require reinforcement.

#### **4.4.1 Leadership skills and capabilities of uMshwathi Municipality's political and administrative leaders**

This section evaluates whether uMshwathi's political and administrative leadership has the necessary abilities and knowledge to effectively carry out their mandated responsibilities, as stated in the first objective. Three essential sub-capabilities were identified as critical but lacking: strategic planning, financial expertise, and legal/regulatory knowledge.

##### **4.4.1.1 Proficiency in strategic planning**

The ability to plan a long-term course of action and coordinate short-term execution accordingly is widely regarded as a crucial leadership skill, however, perceptions at present suggest that it is currently deficient. According to Chaithanaphat (2022), leaders who are capable of envisioning future scenarios and developing flexible strategies are more likely to win in complex situations.

*“Our leadership demonstrates a deficiency in their ability to engage in strategic thinking and long-term planning.” All tasks are completed within a certain time frame, resulting in problems during the auditing process.” (P4)*

*“Leaders face challenges in formulating strategic plans that are in line with the municipality’s vision and limitations, resulting in gaps in their strategic abilities.” (P7).*

The sentiments conveyed indicate significant deficiencies in the ability to formulate strategic visions. The presence of audit regressions caused by financial mismanagement, uncertainty over growth prospects, and demands on service delivery leads to a reactive stance. Leaders acknowledge the difficulties they have in creating adaptable plans that include governance, infrastructure, and economic strategies that are responsive to ecological changes.

Short-sightedness has resulted in a lack of clarity in directives, as evidenced by audit inquiries over the lack of transparency in expenditure, discrepancies in prioritisation, and the social benefits derived from municipal investments. Undoubtedly, there is a strong desire to develop skills in actively analysing future scenarios and devising flexible answers at a systematic level. This implies that instead of being stuck in a state of resistance to change, adopting tools to systematically analyse the needs of multiple stakeholders, creating scenarios to evaluate policy trade-offs, and rigorously evaluating investment strategies could lead to a clear strategic direction that helps avoid unexpected audit problems. Akparep et al. (2019) argue in favour of specialised training designed to prepare municipal leaders for handling intricate strategic dynamics and trade-offs.

#### **4.4.1.2 Proficiency in financial management**

Although the participants seem to have a good understanding of budgeting, they appear to lack a broader understanding of financial concepts such as asset optimisation, balancing expenditures, and investment reasoning. This impedes the precise allocation of resources and the programme sequencing required to meet audit compliance.

*“Budgeting skills are adequate, as the leadership team has received training by Provincial treasury.” (P2). “We strive to carefully adjust the allocation of funds between crucial health, economic, and ecosystem services during our period of expansion,” (P8).*

The insights demonstrate that leaders are struggling to adjust their investment portfolios for the next 2-5 years in a way that effectively balances social, economic, and ecological objectives. This explains the examination of audits on a fragmented infrastructure and unclear justifications for funding. Lack of transparency in governance occurs when a rigid focus on budgeting expertise surpasses the understanding of the broader financial situation.

Leaders think that the key to closing this gap in knowledge and skills is through collaborative peer learning rather than relying solely on individualised training.

Crosby (2018) also argues that in intricate urban settings, financial acumen requires careful assessment of the balance between expenditure for economic stimulation, fairness in social distribution, and responsible fiscal management across various stages of development. Exclusively relying on technical skills without considering the broader context may give the impression that budgets are overly bureaucratic. Therefore, uMshwathi needs to strengthen its financial stability to provide evidence of policy trade-offs to auditors. This involves collaboratively simulating investment scenarios across multiple years to analyse requirements, simulate effects, and rigorously evaluate spending strategies across different groups.

#### **4.4.1.3 Legal and regulatory insight**

To effectively navigate the complex political, ecological, and community dynamics within municipal realms, it is essential to possess a strong understanding of the law to connect one's vision with the practical requirements of compliance. Nevertheless, the findings indicate problems in aligning overarching aspirations with practical measures for regulations.

*“Our leaders have good intentions but struggle to effectively convert ideas into mandated policies, taking into account all the relevant regulations.” (P5).*

The sentiment indicates that the leaders understand the complexities of audit compliance but struggle to integrate their creative vision with practical legislative expertise. Governance misalignment occurs when policies, programmes, and investments fail to adequately consider legal requirements. Audits examine the discrepancy that arises when municipal expansion plans violate existing regulations.

Leaders exhibit a favourable attitude towards incorporating legal constructiveness training in addition to standard ethics norms, rather than just ignoring them. Allis (2018) argues that skilfully interpreting legal frameworks allows for economic growth and empowerment of the community. Hence, boosting contextual legislative literacy enhances leader confidence in moulding policies creatively within code silos that audits still verify.

The system facilitates the transition from outdated audit compliance cultures to fostering social innovation achieved through strategic regulatory alliances.

#### **4.4.2 Factors Influencing Audit Regression**

This section examines factors perceived as driving audit regression at uMshwathi Municipality in recent years, corresponding to Research Question One on key impediments. Three major dimensions emerged: financial constraints, urbanisation pressures, and internal control deficiencies

##### **4.4.2.1 Financial constraints**

The apex factor is spurring audit regression budgetary-operational mismatches as expenditure outpaces municipal revenue growth. This forces a financial trade-off stress that manifests as audit concerns.

*“Demand for services is increasing faster than revenue growth leading to funds misallocation.” (P3).*

*“We are attempting to balance more priorities with less financial latitude which risks decisions appearing questionable.” (P8)*

The sentiments reveal intensifying community pressures as populations and visitor numbers rise amid static or declining budget growth. This widens delivery needs and revenue gaps, compelling harsh financial trade-offs, favouring short-term visible spending rather than long-term resilience. The result is expenditures that seem scattered to auditors, without a coherent multi-year developmental logic.

Positively, leaders believe that bolstering contextual financial wisdom can help better negotiate trade-off corridors. Chandra (2021) advocates prudent yet tough-minded financial balance across social, economic, and environmental investments matched to budget envelopes and population projections. This entails iteratively simulating multi-year spending scenarios with communities. Hence, reinforcing financing ingenuity can make constrained budgets stretch further.

##### **4.4.2.2 Urbanisation pressures**

Rising numbers of new residents and visitors are outpacing urban planning foresight, manifesting in infrastructure strains. As population densities multiply, these fuels mismatched audit expectations of service availability.

*“We are struggling to match our urban planning with the pace new people are arriving and visiting.” (P7).*

*“Infrastructure lagging settlement growth causes audit scrutiny even though funding limitations necessitate prioritisation.” (P5)*

The sentiments reveal reactive, not proactive, investment postures as settler and tourist influxes grow exponentially. Audits expect functional facilities for all. However, leaders' sentiments expose underdeveloped demographic modelling capabilities to map and pace infrastructure rollouts with sufficient granularity. The remedy seems to be a collective commitment to predictive competency building that steers human mobility.

Indeed, Govender (2020) argues that proactive municipal contribution to fluid population flows and tourism is crucial for audit compliance. This requires multidisciplinary foresight to model, map, and phase investments in tune with mobility projections across districts. Hence, the uMshwathi municipality needs to develop future-scanning and simulation capabilities that allow for the urban influx, rather than operate according to ad hoc reaction. This can convert audit scrutiny to positive recognition.

#### **4.4.2.3 Internal control deficiencies**

Beyond external pressures, the accelerated regression also reflects an internal control environment not bolstered in tandem with rising municipal stress. Risk management lacks commensurate maturation.

*“With all new pressures we have not strengthened internal checks, balances, and risk management matched to the pace of change.” (P9).*

The sentiment exposes a key priority inversion where delivery capacity receives disproportionate reinforcement relative to control environments. Operational bandwidth grows without the corresponding rigour in governance to verify efficacy and efficiency. This leaves gaps for errors, misallocation, and mismanagement to emerge before detection lags manifest in audit penalties.

Positively, leadership admits that control deficiencies exist and seeks to learn vigilance-matching abilities. Indeed, Al Khajeh (2019) advocates that control rigour should match the operational scale, with audit scrutiny evaluating this proportionality.

Hence, uMshwathi municipality requires reinforcing control consciousness to match its fast-expanding delivery machinery and risk exposures. This entails embracing advanced automated control systems.

#### **4.4.3. Leadership impact on audit outcomes**

This aspect examines behaviours affecting audit outcomes at the uMshwathi municipality, as stated in Research Question One. Three critical dimensions are evident: financial oversight, governance focus, and accountability orientation

##### **4.4.3.1 Financial oversight**

The political leadership is perceived as not sufficiently prioritising the monitoring of expenditure, enabling misuse and inequitable allocation patterns.

*“The mayor seems to care more about attendance at openings than budget discipline.” (P7)*

*“Councillors don’t interrogate expenditure reports enough during oversight meetings.” (P1)*

*“Weak financial tracking lets administrators bypass protocols as long targets are met.” (P5)*

The sentiments reveal substantive political disengagement from fiduciary due diligence. Councillors seem detached from the level of oversight needed to shape principled organisational financial behaviour. The laxity trickles down, allowing administrative flexibility that auditors query. While time poverty is a factor, sentiment leans towards receptivity if formats of engagement shift. Simons (2013) advocates interactive visual tools to enhance council financial monitoring. Hence, uMshwathi requires leadership to adopt immersive digital interfaces that simplify fiscal vigilance. This may entail creative gamification.

##### **4.4.3.2 Governance focus**

Leaders are perceived as focusing on more immediate, visible service delivery, sidelining governance fundamentals. But audits scrutinise procedural discipline.

*“Our leaders care mostly about what communities see, not boring procedures.” (P8)*

*“There is pressure to deliver at pace, so governance becomes secondary.” (P5)*

*“Things like supply chain management are seen as delaying urgent projects.” (P3)*

The viewpoints reveal that the governance infrastructure is merely receiving superficial support to facilitate the production of noticeable results faster. However, audits assess the extent to which procedures are followed. Leaders find themselves torn between pursuing public approval through dramatic gestures and needing to adhere to established procedures.

There is a widespread feeling of exhaustion and frustration caused by excessive bureaucratic procedures. Indeed, the source of dissatisfaction is mainly the weight of administrative responsibilities, rather than ethical considerations themselves. According to Alghofaily (2019), engaging in a collaborative process of redesigning regulations is recommended to achieve a balance between flexibility and adherence to rules. Therefore, uMshwathi requires collaborative governance innovation initiatives to align social benefits with financial responsibility. The councillors serving in the oversight committees, such as the Municipal Public Accounts Committee (MPAC), also require training in both financial management and governance. They need to understand the terms of reference, so they do not overstep the mark.

#### **4.4.3.3. Accountability orientation**

While leaders show care for communities, instilling responsibility for fiscal and administrative actions appears neglected, enabling deviations.

*“Our leaders focus cared but sidelined action accountability.”* (P5)

*“Governance is lax on applying sanctions for deviations, so it continues.”* (P8)

*“Beyond policy talk, there are sanctions, there are no real consequences for delivery transgressions.”* (P8).

The sentiments point to caring words not matched with the execution of accountability. A well-meaning assurance of governance discipline falls short where sanctions for administrative, financial, and political violations lack visibly consistent application. This fosters latitude that auditors flag as recursive patterns continue amid a verbalised commitment to tighten oversight.

On the positive side, tone-action gaps are recognised. Indeed, Simons (2013) advocates that translating rhetorical accountability into firm implementation is key for audit compliance.

Hence, uMshwathi needs to alleviate the cost of violating public trust through enforced sanctions. However, creative collective engagement in improving rule precision can accelerate buy-in first.

#### **4.4.4 Impact on financial management**

This element investigates the influence of uMshwathi's financial management on audit outcomes, as stated in Research Question Four. Three crucial aspects arise: fiscal restraint, spending management, and openness.

#### **4.4.4.1 Budget discipline**

The process of budget planning and adherence is considered to be reasonably strong, although there are difficulties in effectively balancing and monitoring overall expenditures, which could have ramifications for audits.

*“We adhere to budgets that are aligned with plans, but any inefficiencies in project spending are subject to scrutiny.” (P7).*

*“The emergence of procurement audit issues is a result of gaps in post-budget monitoring, rather than the budgeting process itself.” (P6)*

*“Our budgets remain unchanged; however, financial reports indicate instances where items are circumventing established protocols.” (P2).*

The sentiments conveyed suggest that the budget creation process is deemed satisfactory, yet the subsequent monitoring of the budget exhibits a decline in integrity, thereby facilitating unauthorised expenditures. From the political vantage point, it is evident that the allocation of substantial resources serves to uphold social imperatives. However, upon conducting more meticulous analysis, one can discern occurrences of diversion of funds towards administrative expenditures. From a financial standpoint, it is widely believed among leaders that augmenting the capacity to observe transactions in real time can expedite the process of verifying their authenticity.

As presented in the scholarly literature, attaining commendable audit outcomes necessitates the strategic allocation of political resources and the unwavering exercise of financial oversight by governing authorities (Khan, 2019). Hence, uMshwathi must enhance its expenditure tracking systems, capabilities, and practices to uphold the initial budgetary discipline. The task at hand entails the implementation of sophisticated real-time analytics techniques.

#### **4.4.4.2 Expenditure control**

In addition to addressing planning accuracy, participants identified deficiencies in expenditure control systems, which allow for authorised circumvention and impede audits.

*“Our controls were effective in the past, but they are no longer able to keep up with the increasing complexities of modern systems.” (P5)*

*“Due to lack of consequence management, individuals take advantage of loopholes.” (P3)*

*“The process of authorizing payments lacks cohesion and does not include real-time tracking.”* (P1).

There are signs that the control infrastructure is struggling to handle the increased complexity of its operational structure. As the administration becomes more sophisticated, the level of diligence, management and controls drops, which in turn creates opportunities for evading permissions that are detected during audits. Nevertheless, there is a strong inclination to incorporate more advanced surveillance technology.

McElligott (2020) states that when businesses expand, it becomes crucial for them to possess localised resilience, encompassing the capacity to monitor and forecast possible problems, as indicated by the literature. Hence, uMshwathi has to enhance financial oversight measures by implementing integrated mobility, digital tracking, and exception reporting systems. This facilitates the administration of intricate institutional progressions that enhance community mobility.

#### **4.4.4.3 Financial Transparency**

Although there has been an improvement in communication, audits still criticise the quality, timelines, and accessibility of financial reporting. This indicates a significant absence of transparency.

*“We frequently release a large amount of financial data, but it appears that there is a limited level of comprehension.”* (P8).

*“Public data is available, but it is more symbolic than genuinely to access.”* (P5).

In answer to the question, “Are financial statements presented in a visually appealing and easily understandable format? *Unlikely.* (P6).

The data suggests a rise in numerical values and movements, but there are still deficiencies in general comprehension that audit seeks to address. The reports conform to technical specifications, although they lack inventive and engaging communication. Nevertheless, it is imperative to enhance the tangibility and immersion of fiscal flows. Caperchoine (2019) suggests that the use of creative visualisation and experimental communication channels enhances fiscal transparency in complex enterprises, as supported by the literature. uMshwathi must use unique graphical languages, localised simulations, and collaborative budgeting to comply with rigorous audits.

This facilitates the shift from inflexible reporting to a dynamic process of cooperative learning concerning budgets.

#### **4.4.5 Influence of governance on audit outcomes**

This aspect examines how the uMshwathi governance orientation impacts audit outcomes, aligning with Research Question Five. Four central dimensions emerge: citizen engagement, conflict resolution, legal compliance, and ethical conduct.

##### **4.4.5.1 Citizen engagement**

Public participation platforms provide constructive venues for articulating needs, which audits recognize positively. However, the depth of input integration requires bolstering.

*“Our public participation structure, namely ward committees, bring rich insights but driving change remains slow.”* (P7)

*“Citizens shape priority conversations but not necessarily final decisions.”* (P3)

*“Authority remains top-down, not truly collaborative in budgeting or policies.”* (P5)

Findings indicate a positive increase in public engagement in expressing domestic pressures through direct personal interaction. Nevertheless, the process of understanding how these needs influence particular budgetary decisions and development plans remains unclear. Although there is a basis for holding individuals accountable, effective supervision relies on a more transparent process of incorporating public opinions into distribution methods. Research on governance indicates that just engaging in participatory rituals does not ensure that the perspectives of service users are considered when determining resource allocation (Michener, 2020).

Therefore, in addition to holding input events, uMshwathi requires traceable analytics that label, monitor, and openly record the incorporation of specific community comments into measurable decision criteria. This process transforms subjective consultation into objective co-accountability.

##### **4.4.5.2 Conflict resolution**

While ward committees facilitate the airing of grievances, closure rates remain slow. This risks polarisation of opinions that audits may interpret as stagnation rather than responsive dexterity.

*“We have lots of complaint channels but turning them into remedies is challenging.”* (P8)

*“Backlogs in cases requiring cross-department fixes pile up despite meetings.” (P2)*

*“Quick wins happen but complex infrastructure fixes needing councils to stall.” (P6)*

The research findings indicate that individual cases receive some attention, but concerns involving procedural, political, or resource-intensive issues risk being delayed by councils. This indicates the presence of gaps in the ability to execute the consultation setup. Nevertheless, there is a state of preparedness in technology to enhance the efficiency of routing, tracking, and intermediation support. According to the literature, it is important to address grievances yet simply expressing them without integrating them into a more extensive process might lead to splits (Scott, 2019).

Therefore, after the initial disagreement, uMshwathi needs more effective intervention mechanisms to address requests. This involves the ability to prioritize tasks, coordinate workflows between different departments, and implement solutions to handle server-client issues. Structured interfaces can facilitate the resolution of political deadlocks for councils.

#### **4.4.5.3 Legal compliance**

Regulatory deviance in licensing and procurement emerges as an audit flashpoint. The orientation seems more unwitting as gaps in awareness of the law, rather than as defiance.

*“We try working within codes but complex policy changes trip people up.” (P7)*

*“Teams grapple with regulation detail deluges spanning environment, contracts.” (P5)*

*“Forums help de—jargon rules but keeping updated is tough.” (P1)*

The findings indicate that officials are facing more challenges in navigating intricate and ever-changing compliance landscapes that encompass financial, environmental, and social aspects. Despite efforts to simplify, the level of detail in the rules is still too high and overwhelming. This poses the possibility of unintentional delivery errors. Nevertheless, secure collaboration technology holds great potential. According to Speer (2022), the literature supports the idea that interconnected policy ecosystems lead to greater complexity in municipal governance.

Therefore, in addition to procedural publishing, uMshwathi must strengthen the understanding of regulations through the use of intelligent workflows. Validation checks can identify possible discrepancies as a precautionary measure. Secure communities of practice provide leaders with collaborative and on-demand assistance in interpreting policies to prevent audit offences.

#### **4.4.5.4. Ethical consideration**

Core principles seem sound, but timeout mechanisms against executive administrative ethical drift appear weak. In this area, social digital visibility emerges as an opportunity.

*“Leaders articulate well but self-correction conversations are muted.” (P5)*

*“Both politicians and officials do not declare interest and are sometimes found to be doing business with the municipality and also their spouses.” (P3)*

*“If ethical related policies matched the ground, accountability would be higher.” (P1).*

The findings indicate a solid underlying basis, but leaders lack adequate procedures for self-criticism to identify and address blind spots. Nevertheless, citizens' increased monitoring of digital media promotes a sense of carefulness. Curiously, there is a demand for feedback systems when they are carefully designed. The literature demonstrates that the use of digital media has made institutional behaviour more readily observable to the public (Heek, 2021).

Therefore, exploring this influence as a catalyst for prevention rather than just reaction is still insufficient. Implementing algorithms for anonymized internal feedback on ethical grey zones may show potential. By horizontally crowdsourcing perspectives, it is possible to effectively bring to light, examine, and develop norms that are in line with the true beliefs and values of the community.

#### **4.4.6 Guidance framework for audit improvement**

This closing section examines potential focus areas for a leadership framework to accelerate audit improvement at uMshwathi, as expressed in Objective Three. Four central pillars emerge: strengthening of accountability, capability building, automation advancement, and community participation.

##### **4.4.6.1 Accountability strengthening**

Boosting personal and collective responsibility for fiscal and administrative decisions is seen as a foundation for elevating performance sustainably.

*“We need more bite behind transparency like linking budgets to manager contracts.” (P7)*

*“Open governance only works if backed by accountability teeth through real sanctions.” (P5)*

*“Naming and shaming via performance scorecards can heighten consciousness.” (P3)*

Analysis indicates that although there has been an improvement in the level of control, there is still a lack of connection to the repercussions for instances of misappropriation or variations in service. Nevertheless, there is a demand for carefully designed deterrent systems, which include safeguards for risks that are undertaken with good intentions. The relevant literature supports the idea that, in addition to being transparent, behavioural changes need to have clear consequences and responsibilities (Armstrong, 2019).

Therefore, uMshwathi can enhance positive leadership influence by carefully introducing personal and collective financial responsibility for executive actions. The potential for promising outcomes may arise from establishing gradual connections between budget balances, project outcomes, and both professional and political continuity.

#### **4.4.6.2 Capacity building**

Equipping leadership with specialised financial, regulatory, and community faculties to match the operational scale and pressures is considered critical.

*“Our leaders need tailored training to head increasingly complex systems.” (P8)*

*“Specialist skills are crucial with the pace of technology disruption plugs regulation complexity.” (P2)*

*“We can transform if equipped but need competency upliftment.” (P1)*

Responses indicate that senior officials require advanced functional immersion to manage exponential municipal stresses. Standard training seems inadequate for fluid disruption scenarios. Multi-tasked faculty-building tailored to crisis leadership, navigation of complex policy, and training on human-centric finance offer potential solutions. Literature confirms that specialised technical, humanitarian, and future-scoping skills become indispensable as municipal dynamism amplifies (OECD, 2020). Developing leadership fusion competencies across fiscal, legal, social, and ethical terrains can unlock governance innovation. Hence, uMshwathi requires competency acceleration programmes tailored to its strategic and community needs. These can inspire leadership to transcend audit compliance and move toward trailblazing.

#### **4.4.6.3 Technology Integration**

Harnessing administrative digitisation, surveillance mobility, and community interface technologies is considered crucial for managing scaled operational intricacy.

*“Admin systems need upgraded matching scale and risks like income tracking.”* (P5)

*“Monitoring technology can help inspect far-flung projects otherwise needing big teams.”* (P6)

*“User-centric portals can make policies relatable through experience.”* (P9)

The snippets point to the underleverage of technologies despite mounting administrative complexity. Digital applications (apps) that simplify fiscal oversight, project surveillance, and interactive regulation offer as-yet unexploited potential. Interestingly, enhancing usability and developing human-centric design are equally prioritised. Literature confirms that creatively elevating the technological experience of the community and personnel beyond pure productivity can strengthen accountability and effectiveness (Bason, 2018). Hence, uMshwathi requires injecting sophisticated yet enjoyable oversight, analytics, and engagement apps to help staff and citizens co-govern resources transparently. This can convert audits from unpleasant obligations to springboards for collaborative innovation.

#### **4.4.6.4 Community co-production**

Cultivating collaborative project and policy development rituals with household representatives is considered vital for demystifying governance and enhancing buy-in.

*“We need street-level planning summits to shape infrastructure plans, not just respond.”* (P7)

*“If people co-created policies like procurement regulations, adherence may organically grow.”* (P2)

*“Watchdogs at every project site could strengthen accountability and coordination.”* (P8)

Inclination suggests an untapped appetite for demystifying through participative doing instead of ceremonious belonging. Hands-on community co-creation in budgets, policies, and delivery offers unexploited potential for enhanced transparency, accountability, and oversight. It can organically bridge civil-government psychological divides.

Governance literature affirms that participatory rituals deepen the sense of collective responsibility (Kakumba, 2021). Hence, uMshwathi should nurture street-level community initiatives in fiscal planning, regulation shaping, and infrastructure monitoring.

Building communal efficacy and interfacing can unlock social audit support beyond formal institutional mechanisms. This can organically blend top-down guides with ground-up guardrails.

#### **4.5 Discussion of findings**

This section provides an analysis and interpretation of the main findings within each major theme identified from the data analysis, drawing connections to the literature.

##### **4.5.1 Proficiency in leadership abilities and competencies**

The study's results regarding skills and competencies are consistent with Chaithanaphat's (2022) assertion that strategic envisioning and addictiveness are crucial leadership qualities for effectively managing complexity. The sentiments expressed a lack of ability to plan for long-term changes in the environment and infrastructural needs. In terms of finances, the ability to manage budgets surpassed the wisdom of allocating resources appropriately for social, economic, and climate investments.

Crosby (2018) strongly supports the use of peer exchange rituals to improve one's ability to make financially sound decisions that are appropriate for specific situations, combining caution with social benefits. Officers displayed a keen interest in using immersive simulation to explore different expenditure scenarios that consider welfare, amenities, and environmental improvements.

Therefore, participative planning offers opportunities for leadership development by combining technical expertise with ethical principles, as advocated by Guay (2013). Subsequently, clean audits demonstrate a trustworthy dedication to contracts that are shaped and authorised by the community themselves.

##### **4.5.2 Factors Influencing Audit Regression**

The findings validate the researchers' assertion that audit regression occurs due to financial limitations, rapid urbanisation surpassing planning, and the degradation of internal controls as operational complexity increases exponentially (Chandra, 2021; Govender, 2020). The sentiments expressed indicate increasing pressures faced by municipalities due to a decreasing budget, which is leading to difficult choices and raising questions during audits. The implementation of infrastructure projects lags behind the surge of migrants, while internal control systems are keeping pace with the risks associated with digital change.

Al Khajeh (2019) suggests that enhancing oversight in proportion to the scale of surveillance could be effective if mobility technologies become widely used.

Officials expressed a strong interest in enhancing financial and project supervision by utilising blockchain technology, geolocation tracking, and drones. Therefore, both intelligent processes and community vigilance require strengthening to enhance collective awareness. Subsequently, clean audits demonstrate not only compliance but also ethical innovation.

#### **4.5.3 The influence of leadership on the performance of audits**

The lack of commitment by political leaders to their fiduciary responsibilities highlights the weaknesses in oversight that Simons (2013) warns about. However, if the formats of learning experiences transition from being rigid and ceremonial to being interactive and game-like, there is potential for increased openness to experiential learning, particularly when it is focused on visualisation. The governance prioritisation patterns suggest that there is a strong focus on delivering results, which is overshadowing the awareness of following established protocols. However, the expressed complaints are mainly related to bureaucratic obstacles rather than a deliberate breakdown of ethical standards. Therefore, engaging in collaborative efforts to revise legislation to achieve a balance between public benefits and financial prudence presents untapped possibilities.

Indeed, as Simons (2013) suggests, it is necessary to raise the level of accountability and enforce sanctions. Officials expressed a strong interest in using feedback tools to collaboratively identify areas where ethical boundaries are unclear.

Therefore, achieving clean audit outcomes requires the use of well-designed deterrent mechanisms and ethical crowdsourcing practices that strengthen conscientiousness. The audit thereafter assesses the achievement of shared goals rather than just adherence to rules.

#### **4.5.4 The impact of financial management approaches**

The fiscal findings validate the scholars' assertion that budget planning must align with oversight systems that monitor the integrity of follow-through actions (Khan, 2019). Additionally, the control infrastructure needs to be scaled up in response to advancements in operational complexity (McElligott, 2020). Furthermore, transparency involves not only providing technical information access but also ensuring that the community comprehends the information through their own experiences (Caperchione, 2019).

Officers displayed a strong interest in using mobile technologies that track expenses in real-time, automated controls, and group learning practices that transform financial activities into tangible and immersive experiences. Subsequently, clean audits serve as catalysts for participatory innovation.

#### **4.5.5 Impact of Governance Factors**

The findings validate Michener's (2019) warning that relying solely on participative community forums does not ensure that household viewpoints are effectively included in budgets or policies without clear dissemination of information. Officials showed a willingness to clarify financial flows through localised simulations but lacked the technological proficiency to transparently trace specific inputs in decision-making. Similarly, enhancing the rates at which grievances are resolved justifies the use of digital capabilities for storing and managing complaints, which would enhance the effectiveness of complaint committees.

#### **4.5.6 The Potential Governance Enhancement Framework**

The results validate the emphasis of Armstrong (2019) and Heeks (2021) on the importance of social transparency systems that effectively balance well-meaning announcements with accountability for actions to drive behavioural shifts.

Officials expressed a strong desire for structured performance evaluations and hands-on training in specialised areas to address the rapid changes happening in the municipality. The OECD's (2020) recommendation for customised competency acceleration shows potential in preparing officials to effectively manage the intricacies of regulation while prioritising human-centred service.

Notably, Bason's (2018) notion of democratising community and personnel interfaces was also prominently highlighted. Officials expressed a strong desire to engage in participative budgeting, collaborating on construction projects, and engaging in rituals for co-creating policies. Research indicates that this can naturally diminish psychological distances. Therefore, clean audits can demonstrate ingrained social customs rather than examining objects. Leadership must promptly foster the development of participative planning and fusion of skills. Subsequently, clean audits would symbolise agreements for upward social mobility between generations.

## **4.6 Chapter Summary**

Chapter Four presented results from interviews with 13 municipal officials on leadership influences on audit outcomes. Key findings were structured around leadership skills, audit regression factors, leadership impacts, financial management, and governance effects as well as improvement strategies. Deficiencies emerged in strategic envisioning suiting ecological shifts, financial acumen alignment investments to social returns, control scaling matching operational complexity, and visible accountability. However, willingness existed to adopt participative simulation in budgeting, mobility technology for surveillance, experiential training in municipal faculties, and democratisation digitisation easing citizen oversight. These present opportunities to dissolve psychological distances between administrators and communities. Leadership should nurture social transparency through participative planning, fiscal visualisation, specialised skills fusion, and scaled control digitalisation. Therefore, clean audits manifest co-accountability around mobility aspirations, balancing growth with sustainability for current and future generations.

## **CHAPTER FIVE**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

Chapter Five presents the key conclusions aligned with the study objectives regarding the influence of political and administrative leadership on audit outcomes at uMshwathi Municipality. Thereafter, recommendations targeted at municipal leadership are outlined, from strengthening strategic envisioning skills, grounding technical faculties in community realities, escalating visibility through digitisation, and nurturing specialised competencies for clean audit preparedness. Areas for further scholarly exploration are also highlighted, centred on participative planning proficiency, blended learning exchanges, and the democratisation of communication channels.

This chapter summarises the predominant findings that clean audits manifest, not from inspected financial artefacts but rather embedded social contracts fulfilling collaborative intergenerational aspirations, balancing shared prosperity with sustainability. Leadership should urgently champion suggested policies prioritising social transparency.

#### **5.2 Summary of Findings**

The study results are briefly recapped below within each major theme.

##### **5.2.1 Leadership skills**

The findings reveal strategic planning deficiencies regarding long-term environmental, infrastructural, and communal policies attuned to ecological shifts. Financial acumen also requires strengthening to align budgetary allocations with social, economic, and climate investments spanning 2-5-year horizons, matching audit timescales. An appetite exists for simulation training and peer learning rituals to enhance situational attuned planning and financial dexterity grounded in communal realities.

##### **5.2.2 Drivers of audit regression**

Constraining budget envelopes, exponential urban migration, and control infrastructure failing to match operational scale complexity were identified as factors spurring audit deviations. Officials demonstrated receptivity towards embedding mobility tracking, geospatial monitoring, and community vigilance to elevate collective consciousness regarding financial

and construction oversight. This suggests that a clean audit requires not just compliance but also creative ethics.

### **5.2.3 Leadership impacts**

Political disengagement from fiduciary duties risks exacerbating administrative oversight gaps while fixation on the delivery of visible outputs sidelines procedural consciousness, leading to audit queries being raised. However, beyond rhetorical pledges, translating accountability into sanctions can reinforce integrity. Sentiment leaned appreciatively towards receptivity for balancing growth and governance through regulation redesign, ethical feedback crowdsourcing, and experiential financial monitoring.

### **5.2.4 Financial Management Influences**

The findings confirm scholarly emphasis on bolstering expenditure tracking, automated controls, and localised simulations to enhance budgetary transparency and discipline. An appetite exists for harnessing analytics to experientially convey financial flows across departments and generations to nurture clean audits that manifest social contracts, not merely inspected artefacts.

### **5.2.5 Governance factors**

While community participation rituals enable constructive dissent, closing loops by tracing feedback integration into budgets and constructions requires reinforcement through mobility tracking. Similarly, the resolution of problems warrants workflow digitisation support. Officials also demonstrated their receptivity towards control pre-emption through regulatory compliance workflows, ethical nudges via digitised visibility, and integrity crowdsourcing. Hence, opportunities abound for clean audits to present embedded social contracts and not inspected artefacts.

### **5.2.6 Potential Governance Enhancement Framework**

The findings validate scholarly advocacy for social transparency mechanisms, balancing virtuous pronouncements with action accountability. Tailored competency also holds promise for equipping officials' oversight faculties and human-centric dexterity amid exponential change. Interestingly, democratising interfaces through participative budgeting, construction collaboration, and policy co-creation presents an unexploited potential for dissolving psychological distances between administrators and communities.

### **5.3 Conclusions**

The key conclusions emanating from the study results are discussed below:

The predominant conclusion is municipal leadership grappling with the pace of ecological, demographic, and technological change, struggling to chart adaptive policies attuned to shifting communal identities, infrastructure appetites, and climate anxieties. Lockstep budgeting that is bereft of collaborative envisioning risks being engulfed by turbulent change. Technical proficiency requires grounding in the lived realities of struggling inhabitants through learning exchange rituals, nurturing response-able policy that is attuned to households' intergenerational hopes. Secondly, control infrastructure advancements lack operational scale expansion, risking audit deviations as complexity multiplies.

Reinforcing real-time mobility tracking, blockchain-permitted tracing, and geospatial monitoring can nurture collective consciousness, preventing irregularities rather than penalising deviations after the fact. Creative digital participation deserves balanced innovation support, not just static publication. Another core conclusion is that substantial political leadership disengagement from fiduciary conscientiousness risks short-changing administrative buy-in of oversight necessities.

The overarching conclusion is that while current audit regimes inspect incrementalism line compliance, clean audits in exponential contexts require the embedding of collaborative social contracts fulfilling intergenerational aspirations, balancing shared prosperity with sustainability. Leadership should urgently nurture suggested participative planning, control digitisation, and communication democratisation policies suiting ecological uncertainty and household mobility yearnings. Thereafter, a clean audit revolves around collaborative advancement, not inspected artefacts.

### **5.4 Recommendations**

The following recommendations targeted at municipal leadership can help strengthen organisational legitimacy:

#### **5.4.1 Embrace foresight capacity building**

Adopt immersive simulation techniques like scenario planning to devise 1-5 years of developmental policies that factor in infrastructure ambitions and ecological uncertainties and are generationally attuned beyond election cycles.

Nurture participation dexterity through creative visioning that dissolves psychological distances between administrators and communities. Study smart city models, balancing growth with sustainability. Thereafter, audits inspect the fulfilment of collaborative contracts, not incrementalism compliance.

#### **5.4.2 Promote situational financial acumen**

Understand and become grounded in the lived realities of struggling families through philosophical meanings of livelihood protection and advancement. Jointly curate expenditure scenarios, toggling welfare, nutrition, healthcare, and climate resilience investments, optimised to household sizes, mobilities, and ecological tasks. Turn budgets into localised social contracts, tracing fund flows across departments and generations, manifesting as accessible infrastructure facilities, not line artefacts. Thereafter, audits inspect communal accountability.

#### **5.4.3 Match controls with scale**

Implement modular, mobile, and blockchain-enabled automated control systems scaling alongside digitisation to trace pan-departmental flows. Use sensors, drones, and community vigilantism to nurture collective consciousness on financial and construction tracking. Ensuring oversight environment maturation matches process intricacy gains. Thereafter, audits do not evaluate stagnant compliance but calibrated innovation risks that creativity policies equally support.

#### **5.4.4 Reinforce social transparency**

Gradually elevate liability for resource allocation decisions by alerting communities through open, digitised monitoring of construction timelines and household mobility spheres. Enable society to mutually hold itself accountable through participative learning. Thereafter, audits co-evaluate promised intergenerational contracts.

#### **5.4.5 Accelerate specialised faculties**

Urgently nurture regulatory, humanitarian, and anticipation faculties, helping leadership dexterously balance social risks amid relentless uncertainty. Attain mastery by fusing operational, technical, and cultural knowledge through peer exchange programmes with trailblazing municipalities globally.

Turn clean audits into collaborative advancement springboards, manifesting in shared infrastructure facilities based on participative planning. Thereafter, audits inspect promise realisation, not line compliance

#### **5.4.6 Democratize community interfaces**

Make transparency intuitive, not burdensome, by democratizing the interface. Turn clean audits into community partnership rituals through creative consultation capabilities, reinforcing conscientious connectivity. Thereafter, audits evaluate immersive participation, balancing growth with sustainability.

### **5.5 Recommendations for future research**

Further research is recommended in the following domains:

#### **5.5.1 Participatory proficiency**

Examine toolkits and techniques for nurturing systems thinking, compassionate communication, and creative consultation capabilities that participative planning proficiency requires to attune policies to ecological uncertainties and household aspirations. Explore case models from trailblazing municipalities globally.

#### **5.5.2 Blended learning exchanges**

Investigate ritual formats and evaluation mechanisms for immersive learning exchanges between administrators and communities through ethnographic observations and co-creation workshops. Assess skill-building outcomes across empathy, humility, technical acuity, and accountability. Explore case models attempting situated financial acumen building from pioneering towns globally.

#### **5.5.3 Interface Democratisation**

Studying channel innovations, design principles, and community partnership models for democratizing communication systems to enhance transparency. Exploring techniques for making policy insights, budget visualisation, and infrastructure access experiential for society. Investigating digitisation pathways balancing growth with sustainability across industrialising towns globally through meta-analysis. Identifying interface democratization essentials for dissolving psychological distances between officials and communities.

## **5.6 Chapter Summary**

The conclusions highlight strategic planning deficiencies amid ecological uncertainty and political leadership's disengagement from fiduciary consciousness. On the other hand, they identify an appetite for participative envisioning, pre-emptive surveillance, and social transparency. Further research should investigate participation toolkits, blended administrator-community exchanges, and interface democratisation techniques for dissolving psychological distances to manifest co-accountability and collaborative social contracts.

## **5.7 Overall Conclusion**

The ultimate conclusion is that clean audits in exponential contexts require embedding COLLABORATIVE social contracts fulfilling household ASPIRATIONS. Leadership should urgently nurture suggested participative planning, control digitisation, and communication democratisation policies manifesting shared infrastructure traced to mobilities. Thereafter, clean audits revolve around promise realisation, not incrementalist compliance. Appetite abounds for situational facilities balancing JOBS with CLIMATE JUSTICE if competencies parallel scale through immersive learning. Hence, embedded social partnerships centred on economic inclusion and ecological sustainability present the pathway for clean audit regimes inspecting mobility compacts, not financial artefacts. Much promise resides in administrative digitisation if urgency permeates visioning, upskilling, and democratising to dissolve psychological distances between officials and communities during turbulent, transformational times.

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## **APPENDICES**

### **APPENDIX A: INTERVIEW GUIDE**

Good morning/afternoon. My name is **THEOREEN THULILE MATHENJWA; 9506416** and I am a student at **UNIVERSITY OF KWAZULU-NATAL** completing my Master's degree program. I am conducting research on the influence of leadership on audit outcomes at uMshwathi Municipality.

Your participation in this interview is completely voluntary and you may withdraw at any time. The information you provide will be kept confidential and your identity will not be linked to the data in any way. The interview should take about 25-30 minutes. Do you have any questions before we begin?

#### **SECTION A: DEMOGRAPHIC INFORMATION**

- What is your age?
- What is your gender?
- How many years of work experience do you have?
- What is your highest level of education?

#### **SECTION B: LEADERSHIP SKILLS AND EXPERTISE**

- In your view, does the current political and administrative leadership have the necessary skills and expertise to perform their duties effectively? Why or why not?
- What critical skills or expertise do you think are lacking?
- How could leadership develop the capabilities needed to perform more effectively?

#### **SECTION C: FACTORS AFFECTING AUDIT REGRESSION**

- What do you see as the key factors leading to the regression in audit outcomes at the Municipality in recent years?
- How can leadership address these factors more effectively?
- To what extent are the regressing audit outcomes attributable to leadership deficiencies rather than external factors?

#### **SECTION D: LEADERSHIP PERFORMANCE OF RESPONSIBILITIES**

- To what degree do you think the political and administrative leadership are effectively performing their legislated duties and responsibilities?
- What are 1-2 biggest gaps you see between actual versus required performance?
- What changes are needed to improve leadership's performance and accountability in this area?

#### **SECTION E: LEADERSHIP NEEDED FOR POSITIVE CHANGE**

- What leadership skills or qualities are most important to drive positive change in audit outcomes in the Municipality?
- What steps should leadership take to shift the culture and performance towards sustainable clean audits?
- What accountability mechanisms need strengthening to support this change?

#### **SECTION F: FINAL THOUGHTS**

- Do you have any other recommendations for the political and administrative leadership in relation to improving audit outcomes?

**THANK YOU FOR YOUR TIME AND INPUT TODAY. I GREATLY APPRECIATE YOU SHARING YOUR VALUABLE INSIGHTS AND EXPERTISE.**

## **APPENDIX B: PERMISSION LETTER**

20 August 2021

**Dear Human Resources Manager**

I am writing to request permission to conduct a research study at your municipality. I am currently pursuing a Master of Commerce in Management at the University of KwaZulu-Natal. My area of research focuses on examining the impact of leadership on audit outcomes, using uMshwathi Municipality as a case study.

I am seeking your consent to interview employees at the municipality to gather data for my research. Participation would be completely voluntary. I would like to interview 8-10 municipal officials including administrators, managers, accountants, and potentially some political office bearers. The information gathered would be anonymized and kept confidential. Interview questions will focus on perspectives regarding the influence of leadership decisions and capabilities on audit findings.

The aim of my study is to identify limitations in strategic planning, financial oversight, governance and accountability based on the insights of experienced personnel. The results can be used to provide recommendations to municipal leadership on areas of improvement needed and strategies to achieve clean audit outcomes in a sustainable way.

I have attached a copy of my research proposal which provides further details. Please let me know if you require any clarification or have additional questions regarding my research goals and methodology. I hope to contribute meaningful insights through this study to inform policy changes for enhancing good governance.

If agreeable, I request written approval to conduct my research at your municipality. Please suggest any requirements or restrictions you recommend. I greatly appreciate your consideration of my request.

Sincerely,

**THEOREEN THULILE MATHENJWA; TTM**

12 September 2024

**University of KwaZulu Natal**

School of Management, Information and Technology & Governance

College of Law & Management Studies

University of KwaZulu-Natal (Pietermaritzburg Campus)

**PERMISSION TO CONDUCT A RESEARCH STUDY AT UMSHWATHI MUNICIPALITY -  
THEOREEN THULILE MATHENJWA, STUDENT NUMBER: 9506416**

This above matter bears reference.

This letter intends to inform the University of KwaZulu-Natal that the Municipality is aware of a request received from the University to grant permission to **Theoreen Thulile Mathenjwa (9506416)** to conduct a research study titled **"An evaluation of leadership and management influence on audit outcomes, a case study of uMshwathi Municipality"**

We are aware that she intends to conduct the study by interviewing political leadership and management of uMshwathi Municipality. The municipality hereby grants permission for her to conduct the study and support the effort and will provide all necessary assistance required in order to enable her to complete the study.

For any further enquiries regarding the matter, please do not hesitate to contact the municipality.

Regards

Mr NM Mabaso

Municipal Manager

VISION

*"To be a liveable, inclusive, self-sustainable and world class agricultural hub by 2040".*

uMshwathi Municipality, Private Bag X29, Wartburg, 3233. Main Road New Hanover, 3440  
Telephone: 033 816 6800, Fax: 033 502 0286

## APPENDIX C: LETTER FROM LANGUAGE EDITOR

Editing Report for Thulile Mathenjwa October 2024

Dissertation for the degree of Master of Commerce, School of Management, IT and Governance,  
UKZN

Supervisor: Prof TI Nzimakwe

An evaluation of leadership and management influence on audit outcomes: A case study of  
uMshwathi Municipality

Style sheet: Harvard. Track changes was used, along with many comments.

1. The editing that is requested and the time that is available only provides for grammatical aspects and logical coherence. There are aspects of layout and spacing that can be indicated in comments, but you will need to consider them (e.g. Check spaces between paragraphs and between a previous section and the new heading. The main idea is for these to be consistent throughout.)
2. Please see the contents of the email sent on 15 October. Below is a summary. The editing that is requested and the time that is available only provides for grammatical aspects and logical coherence.

On receiving your dissertation I noticed:

- some parts in red where I assume you have received feedback and are still working
  - List of Figures, List of Tables and List of Acronyms are currently "placeholders" and incomplete – not in my brief to complete
  - You haven't applied styles for level headings and subheadings, which affects the navigation and Table of Contents. It makes any updates to numbering and layout really difficult and you will need to check these for consistence and update the Table of Contents accordingly. Changes or corrections I make in headings will not show in the ToC.
  - You may have used hyperlinks in the ToC, which will make the Track Changes version that I return to you look as if there is a big problem eith "Broken hyperlink" messages. You can simply "reject changes" in the ToC and continue using the system you prefer.
  - The Bibliography was incomplete with many details missing and I assume you are still working on it. It was not in my brief. I did make some notes related to Harvard referencing in case they would be helpful.
3. I inserted page numbers in the footer, with the front matter using Roman numerals and other numbering beginning at Chapter One.
  4. Sentence case was used for all headings and subheadings as recommended for Harvard style. Consistency is the most important aspect to consider when accepting or rejecting changes.
  5. You have used two spaces after each full stop which is no longer needed. It is possible to "find and replace" all. I suggest you do not do it one by one. You may discussed with your

## APPENDIX D: ETHICAL CLEARANCE LETTER



30 April 2025

Theoreen Thulile Mathenjwa (9506416)  
School of Man Info Tech & Gov  
Pietermaritzburg Campus

Dear TT Mathenjwa,

Protocol reference number: HSSREC/00008522/2025

Project title: An evaluation of leadership and management influence on audit outcomes: A case study of uMshwathi Municipality

Degree: Masters

### Approval Notification – Expedited Application

This letter serves to notify you that your application received on 09 April 2025 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.

Incidents of adverse events and serious adverse events (AEs and SAEs) should be reported in writing to HSSREC, the study sponsors, and any regulatory authority (where appropriate), within 7 working days of the occurrence for local sites and 14 days for all other South African sites.

This approval is valid until 30 April 2026.

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 Health Research Ethics Council (REC-040414-040).

Yours sincerely,

Doctor Shamila Naidoo (Senior Deputy Chair)  
/nng

### Humanities and Social Sciences Research Ethics Committee

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Founding Campuses: ■ Edgewood ■ Howard College ■ Medical School ■ Pietermaritzburg ■ Westville

INSPIRING GREATNESS