



**Investigating the impact of the Auditor-General at the Greater
Kokstad Municipality to improve Service Delivery**

by

Thembela Mzolo

219050132

**A Dissertation Submitted in Fulfilment of the Requirements for a Degree for a
Master of Business Administration**

**Graduate School of Business and Leadership
College of Law and Management Studies**

Supervisor: Prof Bibi Z. Chummun

2022

Supervisor's Permission to Submit



UNIVERSITY OF
KWAZULU-NATAL
INYUVESI
YAKWAZULU-NATALI

College of Law and Management Studies

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Name: Thembela Mzolo	No: 219050132	
Title: Investigating the impact of the Auditor-General at Greater Kokstad Municipality to improve Service Delivery		
Qualification: Master of Business Administration (MBA)	School: Graduate School of Business & Leadership (GSB&L)	
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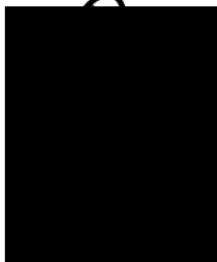
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DECLARATION

I, Thembela Barba Mzolo declare that:

- the research reported in this dissertation, except where otherwise indicated, is my original work.
- this thesis has not been submitted for any degree or examination at any other university.
- this dissertation does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
- this dissertation does not contain other persons' writing, unless specifically acknowledged as being sourced from other researchers. Where other written sources have been quoted, then:
 - a) their words have been re-written but the general information attributed to them has been referenced;
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 - c) this dissertation does not contain text, graphics or tables copied and pasted from the Internet, unless specifically acknowledged, and the source being detailed in the thesis and in the References sections.

Signed:



ACKNOWLEDGEMENT

I write this very important paragraph with deep emotions having been put in inevitably precarious circumstances that placed my psychological state in an extremely imaginable position of incapacity to deliver this dissertation. My wife suffered what was described as the most dangerous variant of COVID-19 to the extent that she was hospitalised for more than a week, during this period whilst she was in hospital my father-in-law (her father) passed on due to COVID-19 related illnesses. Afterwards, my cousin brother was shot to death in Mthatha, Eastern Cape, in front of her pregnant wife and kids in April 2022, in May 2022, my cousin sister succumbed to death to due complications of breast cancer, in June my daughter was run over by a taxi in Chatsworth, Durban and died on the spot. In the midst of these difficult painful times, I shout my praise to the all-mighty, Jesus, the Lord of the prophets (father Masango and Mother Masango) who graced me with amazing strength to rise against all odds and still manage to put something together towards completion of my master's degree.

Distinctly, I wish to thank my wife, Hlonelwa Zantsi-Mzolo who has been a blessing throughout my life, career and academic journey. She has supported me and instilled courage when I had no strength to go on and remain resilient, I personally dedicate this dissertation to her. I also thank my lovely kids Lathitha, Yolani and Rethabile who have supported me with amazing cups of coffee throughout this time.

Lastly, my Supervisor and other advisors who have made it possible for me to submit a decent dissertation.

Abstract

The South African Government constitutes three spheres, namely, National, Provincial and Local government. Local government (through municipalities) is the closest sphere to the communities for which government provides basic services (Statistics South Africa, 2016). Most municipalities in the province of KwaZulu-Natal are confronted with service delivery challenges which, in some instances, culminate into service delivery protests. At the centre of the service delivery challenges experienced by municipalities, amongst other, are the ailing administrative systems of governance and internal controls, instances of non-compliance and sometimes ineffective oversight. The Auditor-general, through the Public Audit Act (2004), is mandated to conduct statutory external audits in municipalities based on the annual financial statements and performance reports prepared annually. This study entailed the investigation of the impact of the Auditor-General in improving service delivery, and was performed at the Greater Kokstad Municipality, in KwaZulu-Natal. The data for the study was collected using quantitative methods through the use of a questionnaire completed physically by 33 participants who comprised of councillors, audit committee, top management, middle management and operational employees of the municipality. The study revealed that in essence the audit process adopted by the auditor-general is participative (though perceived as not completely inclusive) and is relatively construed to constitute a favourable ambient for the auditee. The study further revealed that (to some extent) the external audit performed by the auditor-general has an impact in improving service delivery at the Greater Kokstad Local municipality. However, the study also revealed that the external audit (by auditor-general) does not necessarily add value, and this is influenced by, inter-alia, factors such as the perceived lack of service delivery orientation in the AG audit approach, and the less experienced auditors who lack requisite knowledge of the local government sector. Although physical verification of projects is performed during the audit there is perceived lack of technical skills to qualitatively audit core service delivery programs, coupled with inadequate interpretation and application of legislation on issues of supply chain management and the impact on service delivery. It is also generally perceived that the service delivery paradigm is not at the centre of the audit approach.

Key words: Service delivery, auditor-general, municipality, internal audit, audit outcome.

CHAPTER ONE

INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

The South African Government constitutes three spheres, namely, National, Provincial and Local government. Jili and Masuku (2019) further elucidated that, it is a world-wide phenomenon that local government is recognised as the vanguard for transmitting service delivery to the communities because of its close proximity to communities more than any other sphere of government. Malinga (2021) further asserted that most municipalities in the province of KwaZulu-Natal are confronted with service delivery challenges which, in some instances, culminate into service delivery protests as communities get to a point where they lose patience. Regardless, community development and socio-economic transformation programs are spearheaded by municipalities (Malinga, 2021).

1.1.1 Defining a Municipality

Malinga (2021) described a municipality as a conglomerate of political structures, the administration and the community belonging to its area of jurisdiction. Malinga (2021) further accentuated that the powers and functions of municipalities amongst other, encapsulate the coordination of service delivery planning and review in consultation with communities. Aadnesgaard and Willows (2016) articulated that local government is clustered according to three (3) categories, namely, A, B or C. Municipalities clustered under category A pertain to metropolitan municipalities, cluster B are those sharing powers with district municipalities within which they are located in terms of jurisdiction, and category C are those sharing powers with other municipalities (Aadnesgaard and Willows, 2016).

1.1.2 Oversight Structures in Municipalities

According to Malinga (2021) the governance structures established within municipalities are instituted to oversee the affairs and administration, and for this reason, are envisaged to play a pivotal role in improving the complexion of municipal governance towards improved service delivery. Local government is construed not to have implemented all transformational policies and this has fueled service delivery protests since 2006. Amongst the oversight structures is the audit committee established in terms of the Municipal Finance Management Act, 56 of 2003 (Mqadi, 2020). The functions of the Audit committee encapsulate, amongst other, oversight on governance, internal controls, financial statements, etc (Mqadi, 2020). Dlamini, Mutambara and Assensoh-Kodua (2017:47) emphasised the valuable contribution of Audit Committees towards good governance in municipalities spiraling on service delivery.

1.2 STATEMENT OF THE PROBLEM

Statistics South Africa (2016) argued that affording communities' access to basic services would contribute immensely in transforming the social welfare state of poor households. The nature of audits conducted by the auditor-general express an opinion on the fair presentation of figures contained in the annual financial statement, in this regard a variety of audit opinions regarding the manner in which the municipalities manage their finances and/or run the administration is pronounced by the auditor-general. However, there is a growing concern or dissatisfaction on the part of management in municipalities pertaining to the credibility of audit outcomes. The 2019/20 audit report raised a number of findings ranging from material misstatements in the financial statements of the Greater Kokstad Municipality to issues relating to Supply Chain Management processes which it insinuated were not in line with Supply Chain Regulations leading to incurrance of irregular expenditure. On the other hand, the management of the Greater Kokstad Municipality raised counter arguments elucidating on the context and perspectives surrounding the alleged deviations and non-compliances in supply chain processes and other, but nonetheless, common ground could not be reached with the auditor-general, and issues remained in the final report thereby influencing the audit opinion.

The concern of management is that the outcome of these audits is possibly ill-informed and possibly lacks an understanding of the municipal business, and interpretation and application of legislation in the dynamic municipal environment is likely misplaced. The aforementioned has culminated in a state of doubt whether the “auditor-general” is making any impact on the municipality in a manner that seeks to improve service delivery or there is a growing will to raise findings in the audit report without full comprehension of the legislative environment and business dynamics of municipalities and consideration of management perspectives on issues engulfing the decisions implemented by the municipality.

1.3 CONCEPTUAL FRAMEWORK

The legislated audits conducted by the auditor general are pivotal in evaluating the financial and service delivery impact of municipalities. The dire challenge faced by communities is that services are not effectively provided by municipalities due to factors such as alleged mismanagement of funds, poor governance, fraud and corruption, etc, which compromise service delivery to the demise of communities. The auditor-general is therefore expected to provide findings and recommendations aimed to improve the situation, however, the observation is that these municipal challenges persist and over the years, this has culminated into unprecedented service delivery protests. Year-in-year out, the auditor-general issues audit reports but there continues to be regression in the audit outcomes and continued lack of service delivery leading to community protests. It also appears as though there is lack of accountability and willingness by management to implement auditor-general recommendations. Available research posited that the lack of skilled resources, lack of consequence management, etc, on the part of municipalities, seem to be at the core of this challenge. Other researchers such as Motubase, Ngwakwe and Sebola (2018:154) examined the relationship between audit quality and clean audits, in this research, the audit quality is examined in the context of the audit, i.e. the “quality of leadership, governance and financial management”. Moto and Mokwe (2017) examined the challenges precluding management from impactfully executing their “audit-related” roles to yield a clean audit outcome. The study found that political deployment and poor financial management accountability were some of the challenges experienced

by top management. In the work of Ogochwuku and Prosper (2014) the study focused on impediments encountered by the auditor-general in discharging its oversight role on financial accountability. The research established that the AG has challenges related to staff turnover in technical skills, its political power to prosecute, non-compliance with legislation.

It was therefore important to investigate whether municipalities (with specific reference to the Greater Kokstad municipality) derived value from the audit process, audit findings and recommendations of the auditor-general to cultivate the will to implement recommendations. In this study we applied **quantitative research methods** to respond to the research questions to ensure fulfilment of research objectives. The main variables involved in the study were (Creswell and Creswell, 2018) “**impact of the audit**” (being the independent variable) and “**service delivery**” (being an dependent variable). The study investigated the cause-effect relationship between these two variables. The “ **audit process, findings and recommendations raised** in the auditor general reports” were examined as intervening variables.

1.4 CONTRIBUTION OF THE RESEARCH

The study intended to furnish an understanding with respect to the perceptions of council, audit committee and management (at all levels) and employees regarding the impact of the auditor-general, i.e. whether the regulatory audits help improve service delivery or are merely a compliance and rigid process that lacks a developmental paradigm with no due consideration of the business dynamics and the uniqueness of the Greater Kokstad Municipality’s business and service delivery imperatives.

1.5 JUSTIFICATION OF THE STUDY

Communities are the primary customers of local government and deserve access to services. The study was necessary to identify if there was a cause-effect relationship between the impact of the auditor-general audits and the level of service delivery rendered by the Greater Kokstad Municipality. The study also identified improvements to be explored by the Greater Kokstad Municipality in order to improve service delivery through an audit process.

1.6 RESEARCH OBJECTIVES

The objective of the study is to investigate the impact of the Auditor-General audits on the Greater Kokstad municipality to improve service delivery. In this regard, the following research objectives were pursued:

- 1.6.1 To determine the process followed by the auditor-general when conducting external audits with specific focus to the Greater Kokstad Local Municipality and the perceived impact of the auditor-general on service delivery;
- 1.6.2 To determine the role played by the management and employees of the Greater Kokstad Municipality during the external audits conducted by the auditor-general and the perceived impact of the auditor-general on service delivery;
- 1.6.3 To determine the reporting process to management and the audit committee of the Greater Kokstad Local Municipality and the perceived impact of the auditor-general on service delivery;
- 1.6.4 To identify determine the role of the Audit Committee of the Greater Kokstad Local Municipality during the external audit and the perceived impact of the auditor-general on service delivery;
- 1.6.5 To determine **the overall perceptions of employees, management, the audit committee and council on the audit work and results of the auditor-general with respect to improving service delivery at the Greater Kokstad Municipality.**

1.7 RESEARCH QUESTIONS

According to Creswell and Creswell (2018) mixed methods questions constitute a combination of qualitative and quantitative (or hypothesis) questions to a study. This research endeavored to answer the following questions or hypothesis:

- 1.7.1 What is the process followed by the auditor-general when conducting external audits and what is the perception on the impact of the auditor-general on service delivery?
- 1.7.2 What is the role of employees and management of the Greater Kokstad Local Municipality during the audit conducted by the auditor-general and what is the

perception on the impact of the auditor-general on service delivery?

1.7.3 What is the reporting process followed by the auditor-general in communicating the results of the audit to management of the Greater Kokstad Municipality? and what is the perception on the impact of the auditor-general on service delivery?

1.7.4 What is the role of the Greater Kokstad Local Municipality's Audit Committee during the audit conducted by the auditor-general and what is the perception on the impact of the auditor-general on service delivery?

1.7.5 What are the overall perceptions or views of employees, management, the Audit Committee and council of the Greater Kokstad Local Municipality pertaining to the audit work and results of the auditor-general with respect to the Greater Kokstad Municipality concerning service delivery?

In order to augment the responses from the above, broad narrative **quantitative** questions were formulated to unearth more details in terms of the perceptions and feelings of the respondents/participants with respect to the subject of the investigation.

1.8 RESEARCH METHODOLOGY

Apuke (2017) explicated that research encompasses a process of searching for factual information pertaining to a specific topic or problem, and that the aim of research could either be to improve existing knowledge or reaffirm previous research. As an adopted research methodology, this study followed quantitative method research methodology to collate data, and Bergman (2016:12) articulated that mixed methods encapsulate both quantitative and qualitative methods. These two research methods are elaborated further distinctly to allow better understanding of what they entail in context, including the reasons for adopting a combined/mixed methods approach to conducting this research.

1.8.1 Quantitative Research Methods

According Apuke (2017), quantitative research methods involve a process of collating and analysing numerical information through the aid of statistical tools and techniques. Quantitative research methods mostly utilise techniques such as survey questionnaires to objectively collate numerical data and interpret through statistical methods with the aim of establishing “cause-effect” relationships between variables to a research problem and/or question (Apuke, 2017).

To conduct the research we selected a sample of 50 (fifty) out of a total of 419 participants, 19 (nineteen) councillors, 4 (four) Audit Committee members, to participate in the quantitative research as the primary research method. The selected participants were informed that it is solely their decision to participate in the study, that their identities would be kept confidential should they wish. The participants were inducted on the intention of the study and that the information provided by them shall be kept by the university.

Having elucidated on the two research methodologies, this research adopted a quantitative research method (though it was complemented with a few enquiries where necessary) to augment the results of the quantitative methods), thus implying that a semi-mixed method was utilised. Data was collated using structured questionnaires per research variables targeting sampled participants within the Greater Kokstad Local Municipality. Secondary data related to the variables and constructs being investigated was also harvested and analysed to further augment the data collected through the questionnaires filled physically at the municipality.

1.9 CHAPTER SUMMARY

In this chapter, the research study was introduced wherein the context of the municipal sector was explicated as the vanguard for economic and social transformation in South Africa. To this effect and constitutionally, the “Auditor-General” is classified as the supreme body of auditing in the country charged with a mammoth task of expressing an opinion on the state of the financial governance and administration in public institutions.

The problem statement was defined to give context to the study, including cognisance of previous studies, to inform the justification of this study. The objectives and research questions were also delineated as stemming from the problem statement and conceptual framework of the study. The justification and contribution of the study were also delineated. The Research methodology including data collection methods, i.e. mixed methods was explicated as the ethos for conducting the study. In the next chapter the landscape of available information in the public domain with respect to the work done by prior researchers is discussed in the form of a literature review.

CHAPTER TWO: LITERATURE REVIEW

2.1 INTRODUCTION

In this chapter we performed a literature review to ascertain the views of previous researchers on related research studies. Dhansay (2019) expatiated that the Public Audit Act (2004) delegated the auditor-general to perform regulatory audits of public sector institutions. Dominique and Uwizeyimana (2020) accentuated that the Auditor-General of South Africa (AGSA) is responsible for auditing the annual financial statements of public institutions. Aadnesgaard and Willows (2016) discerned the types of audit opinions, ranging between “adverse and unqualified audit opinions”. Zwane (2021) asserted that, regardless of the many policy and legislative reforms since 2004, the local government is blemished with service delivery challenges almost across the country. This led to the government prioritising clean audits for municipalities. (Arguably, et al., 2017).

2.1.1 The White Paper on Transforming Public Service Delivery of 1997 (The Bato Pele)

Zwane (2021) articulated that the White Paper promulgated in 1997 was aimed at accelerating service delivery focus by municipalities. The White Paper was anchored by the Bato Pele principles aimed at nurturing a culture of customer centricity and service delivery within the public service. Zondi, Nzimakwe and Mbili (2019) explicated the fundamental factors for service delivery per the White Paper as, inter-alia, access to quality and sustainable services.

2.1.2 The Greater Kokstad Municipality

The Greater Kokstad municipality forms part of the “Harry Gwala District Municipality” alongside Nkosazana Dlamini-Zuma, Ubuhlebezwe and Umzimkhulu municipality (Integrated Development Plan, 2022). The municipality is surrounded and boarded by the Kingdom of Lesotho, Umzimkhulu and Umzimvubu municipalities from the North, South, East, etc. In terms of grant funding, the greater Kokstad municipality commendably spent up to 99% of its appropriated funds towards service delivery

(Annual report, 2021), see below:

Financial Overview: 2020/2021			
	R'000		
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	73 740 000	85 908 000	84 858 564
Taxes, Levies and tariffs	307 239 903	306 949 571	275 783 746
Other	25 734 745	17 200 045	20 482 417
Sub Total	406 714 648	410 057 616	381 124 727
Less: Expenditure	420 073 473	438 690 341	411 854 222
Net Total*	(13 358 825)	(28 632 725)	(30 729 495)

Figure 2-1: Appropriated Budget – 2020/2021 – (Source: Annual Report, 2021)

ORGANISATIONAL PERFORMANCE ANALYSIS- GKM - 2020/2021FY					
		2020/2021		2019/2020	
Key		%	No of Targets	%	No of Targets
Number of Targets for the year			131		134
	Achieved	71%	93	68%	91
	Not Achieved	29%	38	32%	43
Total Number of KPIs		100%	131	100%	151

Figure 2-2: Organisational Performance - (Source: Annual Report, 2021)

The Annual report (2021) further elucidated on an unqualified audit opinion for the 2020/2021 financial year, and according to the report the opinion was “unqualified” with material findings related to non-compliance” implying that the municipality did not achieve what is generally termed as “clean audit”. The non-compliance encompassed amongst other matters related to Supply Chain Management non-compliance.

2.1.3 The Role of the Audit Committee

The establishment and appointment of members to serve in the Audit Committee is prescribed in the Municipal Finance Management Act, 56 of 2003 (Mqadi, 2020). Mqadi (2020) further postulated that the functions of the Audit committee are also enshrined in the aforementioned act and encapsulate the following amongst other, the oversight over issues related to good governance of the municipality, internal controls, financial statements, etc. The audit committee in essence (Ngcobo and Malefane (2017:80) is an assurance oversight provider to municipalities and other public sector organisations charged with a responsibility to provide the much needed assurance on issues pertaining to the effectiveness of internal control systems, credibility of financial

reporting and the extent of compliance with prescripts governing the operations of a municipality. Dlamini, Mutambara and Assensoh-Kodua (2017:47) emphasised that the audit committee is indispensable because of the value it brings to local government administration from a good governance perspective, it helps municipalities deliver the services.

In addition, Ngcobo and Malefane (2017:80) further explicated that the audit committee carries a responsibility to harness the relationship between the internal audit and external audit with management of a municipality thus creating a conducive environment for both the internal and external auditor to perform their work impartially. It is further accentuated that the audit committee plays a pivotal role in strengthening the governance system in a municipality (Ngcobo and Malefane (2017).

2.1.4 Supply Chain Management Legislation in South Africa

In their study Bizana, Naude and Ambe (2015:667) explicate that Supply chain management is an interface of demand and supply orchestrated by management to enlist the goods and services to appease the demands of and maximise value-add beneficiation for the customer. The supply management system in South African government is premised on section 217 of the constitution which advocates for a fair, transparent and equitable system of procurement (Legodi, 2017). Setino and Ambe (2016) assert that the following pieces of legislation are construed to be the key anchors regulating the enlisting of goods and services in the public sector:

- *“Public Finance Management Act, 1 of 1999 (Municipal Financial Management Act, 56 of 2003 – provide the overall regulatory framework of SCM*
- *Preferential procurement policy framework, 5 of 2000 – provides directives on how the preferential procurement policies ought to be instituted*
- *Broad Based Black Economic Empowerment, 53 of 2003 – establishes the code of good practice and qualification criteria for dissemination of licenses or selling of SOEs or concluding partnerships with the private sector.*
- *Construction Industry Development Board, 38 of 2000 – Allows the board to promote and implement projects and programs that promote procurement*

reforms and standardisation of practices within the procurement system

- *Preferential procurement framework regulations, 2001 and National Treasury 2005”*

Owing to these legislations Setino and Ambe (2016:383) accentuated that public sector organisations are permitted to develop their own supply chain management policies and procedures within the ambits of the aforesaid legislation to “upstream and downstream” of supply chain management.

2.1.5 Internal Controls Systems – An Integral Part of Service Delivery

The establishment of “internal controls” is a legislative requirement for municipalities in terms of the Municipal Finance Management Act (2003:74) which prescribes mandatory requirements for establishment of an internal control system. Scholtz (2014) defined an internal control as *“any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved”*. Below are principles of internal controls.

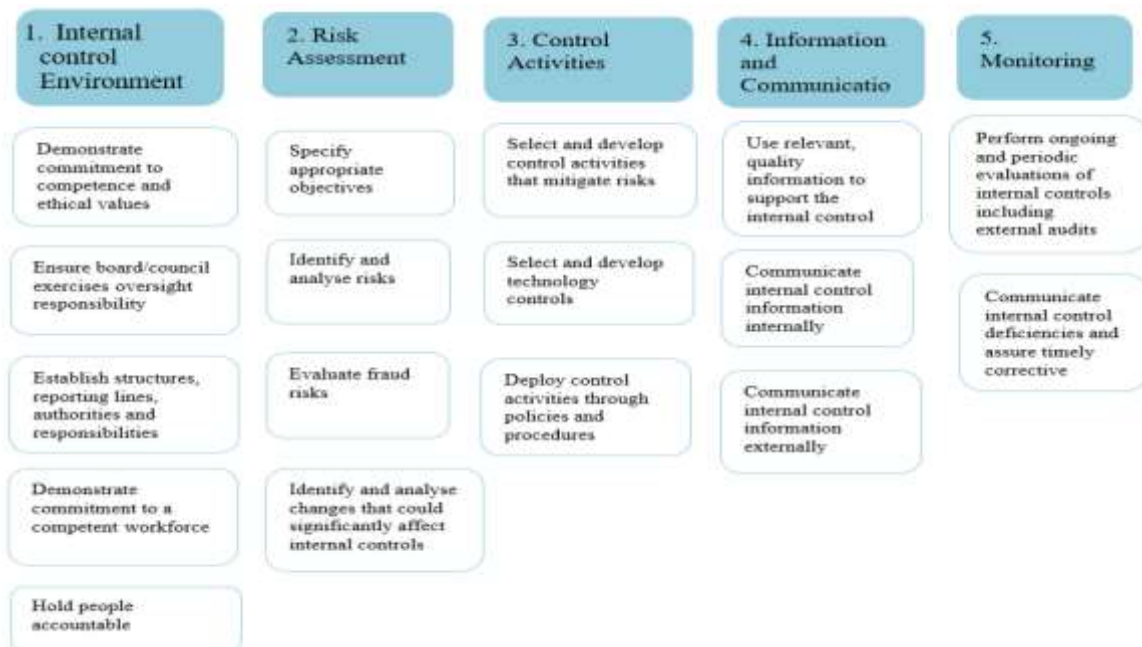


Figure 2-3: Internal Control Principles, Source: Integrity Bulletin, 2016)

The Integrity Bulletin (2016) further elucidated on each of the internal control components in detail to give context and provide guidance and significance when devising systems of internal controls, and this arguably, gives direct effect to the prescripts outlined in the MFMA for municipalities. The indispensability of internal controls is further accentuated by Ngcobo and Malefane (2017:74) where they accentuated that internal controls assist management and staff with an outline of how the assigned responsibilities are to be executed.

2.1.6 Internal audit

The National Treasury Internal Audit Framework (2009) states that the mandate of the Internal Audit function is legislated in the Municipal Finance Management Act, 56 of 2003 ("Section 165"). Gofe (2020:27) defined Internal Audit as *"an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."* Mahdawi, Ayedh and Khairi (2018:1797) further delineated the extent to which the scope of internal audit is versatile in appraising internal controls.

Ultimately, the positive impact of an internal audit activity hinges on the extent of support derived from senior management (Gofe (2020:27) in terms of the requisite resources (financial and non-financial). Ackermann and Marx (2016) alluded that in the "combined assurance model" the internal auditors emerge to be the major role players due to the expertise they possess on risk management, control and governance. Sibanda et al., (2020:6) assert that ineffective implementation of internal audit control system renders it infeasible to avert non-compliances with policies and procedures instituted by management.

2.1.7 External Audit (Auditor-General)

The Auditor-general, in terms of the Public Audit Act (2004), is mandated to conduct statutory external audits in municipalities based on the annual financial statements prepared annually. As the supreme body of audit, the mandate of the auditor-general stems from chapter 9 of the Constitution of South Africa, and is one of the government institutions advocating for constitutional democracy” (A Roadmap for Impact Outcomes, 2022). The “annual financial statement” delineate the manner in which the business unfolded over a period of twelve (12) months, referred to as the financial year. Statistically, the performance of municipalities with respect to audit outcomes has been riddled with fluctuating audit opinions, The Implementation Evaluation of Municipal Audit Strategy by KZN COGTA (2017:3) provided that out of a total of 54 (fifty four) municipalities, only 8 (eight) received clean audits, thus, a balance of 46 (forty six) municipalities received audit opinions ranging between unqualified with matters and disclaimed audit opinion. The auditor-general employs an audit methodology that guides the audit process in conformance to international standards and principles, and these standards and principles encompass the following:

- The International Standard on Quality Control (ISQC 1) and are preparing for the implementation of the enhanced standards ISQM 1 and 2 which will replace ISQC 1
- The International Financial Reporting Standards (IFRS)
- The International Standards on Auditing
- The International Standards of Supreme Audit Institutions (ISSAI)
- The Institute of Internal Auditors’ International standards for the professional practice of internal auditing
- The International Ethics Standards Board for Accountants (IESBA) Code of ethics for professional accountant
- The Intosai Code of ethics.

According to the Local Government Week (2022), the auditor-general raised numerous findings related to dismal financial management such unauthorised expenditure totalling R20,9 billion in the 2020/21, irregular expenditure totalling R21,9

billion and fruitless and wasteful expenditure in the 2020/21 financial year. These results are often construed to have an impact on the extent of service delivery by municipalities. The Consolidated Report on Local Government Outcome (2022) depicted the following outcomes for municipalities between the 2016/17 and 2020/21 financial years:



Figure: 2.4 Source: Consolidated Report on Local Government Outcome, 2022, Auditor-General)

The above pictogram denotes that a large number of municipalities over, according to the auditor-general are lingering in the “Qualified with findings” outcome (56%) whilst only 18% achieved “Unqualified with no findings”. This is serious cause for concern, and lack of improvement despite the annual regulatory audits.

2.1.8 The Service Delivery in a Municipal Context

Hasane and Naidoo (2012) asserted that across the world local government is entrusted with a mammoth task to contribute immensely towards the transformation agenda, South Africa included. According to Molaba (2016), the Integrated Development Plan is a local government service delivery concept that came into effect in 1996 to harness a structured way of planning in local government. Section 152 of the South African Constitution prescribes that local government is vanguard for service delivery, and for this purpose is entrusted with a responsibility to drive socio-economic transformation (Nkomo, 2017:2). Nkomo (2017) stated that 53,75% of South Africans

perceived local government as performing almost dismally in terms of service delivery, specifically on maintaining roads, market places, managing land use, maintaining health standards. This is demonstrated in the figure below:

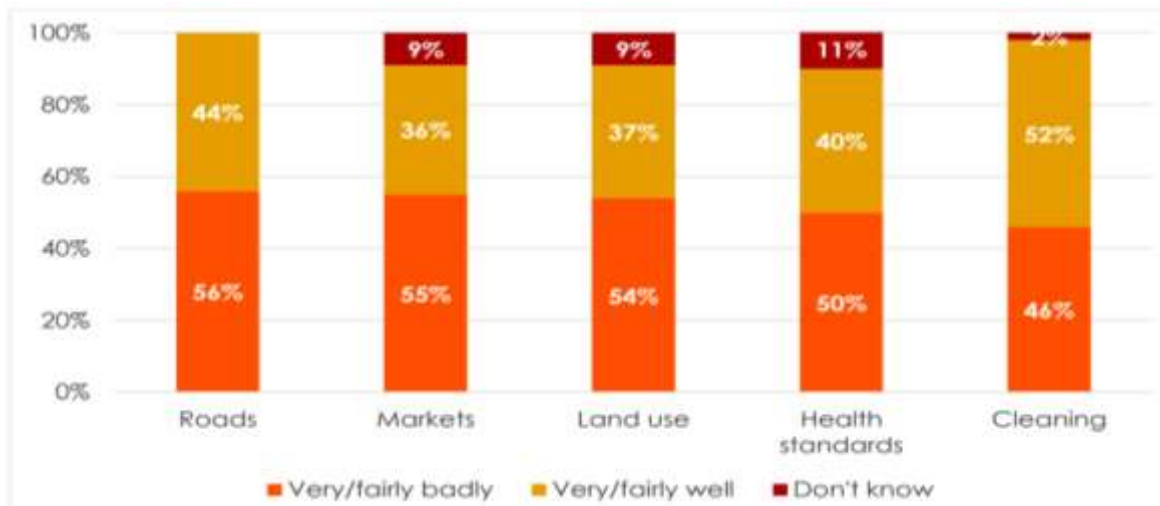


Figure 2.5: Source: 2011 Public service delivery in South Africa Councillors and citizens critical links in overcoming persistent inequities, Nkomo 2017

Masiya, Mazenda and Gwabeni (2021:4) concurred and further explicated the South African context of service delivery planning, in that public participation during the budget process is construed to be an activity wherein the community and the municipality interface in terms of the decisions to allocate limited financial resources across service delivery priorities. A financial plan that is not carefully thought through in the IDP increases the risk of compromised service delivery priorities as it will cause a disconnect between the IDP and the approved budget of a municipality (Molepo and Maleka, 2018). The budget process is depicted in the below diagram as adopted from Molepo and Maleka (2018:762)

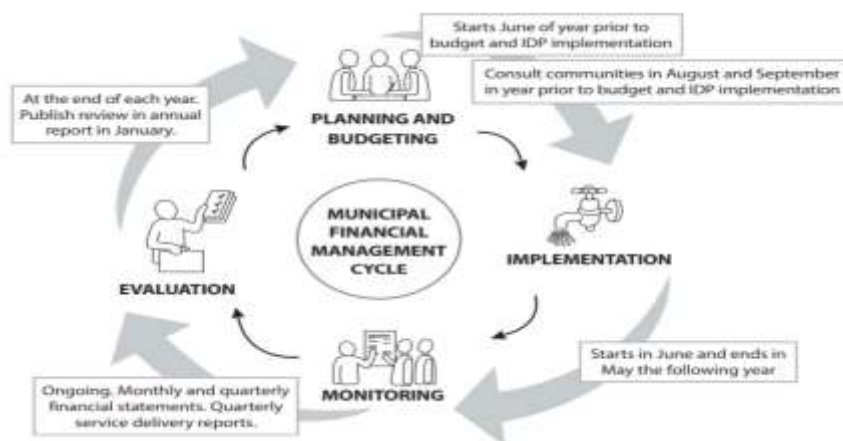


Figure 2.6: Source: Community Participation and Budgetary Process in Local Government: A case of Moses Kotane Local Municipality, Molepo and Maleka, 2018)

Molepo and Maleka (2018), articulated that the budget process begins with the annual review of the IDP followed by the development of the budget based on the needs identified in the IDP, the process is usually completed in May each year wherein the council of a municipality adopts the budget preceding the commencement of the ensuing financial year. The budget of a municipality outlines amongst other, the planned spending on various activities such as the capital expenditure (construction projects) which in the main speaks to inter-alia, service delivery program initiatives of a municipality (Molepo and Maleka, 2018).

2.1.1 Construction Projects and Service Delivery in Local Government

According to Ngwepe, Ayigbavboa and Thwala (2015) the sophistication and the uniqueness of construction project circumstances coupled with the value-chain of interdependences makes it susceptible to unexpected variations. In this study, it is stated that variation orders are unavoidable in construction projects in that, it is increasingly becoming common that all projects have variations warranting variation orders (Ngwepe, Ayigbavboa and Thwala, 2015:). As explicated by Thwala, et al (2015), the most common causes of variation orders encompass relate to, amongst other, change in weather conditions, condition of the projects, etc. It is further postulated by Thwala et.,2015) that projects variations are more intrinsic in developing economies like South Africa than in developed economies, and the repercussions include increased cost, extended timelines, etc.

2.2 CHAPTER SUMMARY

In this chapter, the literature review was accomplished wherein available data in terms of previous research was discussed as explicated by different researchers. The different variables (dependent and independent) informed the literature review as these were considered impactful on the study, the independent variable was service delivery, whilst the dependent variables constituted the value of the audit, internal audit, auditor-general, internal controls, etc. In the ensuing chapter the adopted research methodology including the targeted population, sampling technique and data collection tools (questionnaire) are discussed.

CHAPTER THREE

RESEARCH APPROACH/ METHODOLOGY

3.1 INTRODUCTION

In this chapter the research methodology was outlined as the vanguard for the research to ensure precision in the outcome of the research. Key factors of the research method were delineated in detail.

3.1.1 The research design

The research design constituted a quantitative methods design (Creswell and D Creswell, 2018) to gather data. In this regard, the triangulation technique was used to collect data. i.e. questionnaires targeting councillors, audit committee members, management and employees of the municipality.

3.1.2 Location of the Research

The research was confined to the KwaZulu-Natal province, in particular at the Greater Kokstad Municipality, and the focus was on councillors, audit committee members, management and employees of the municipality.

3.1.3 Target Population

The target population for the study constituted of 419 (four hundred and eighteen), and this comprised 19 (nineteen), 395 (three hundred and ninety five) employees and 4 (four) Audit Committee Members who represented a clustered group of participants with similar characteristics on which the researcher had interest pertaining the study (Creswell and Creswell, 2018). The population was obtained from the website of the Greater Kokstad Municipality, particularly the 2022 to 2027 Integrated Development Plan and 2021/2022 Annual Report.

3.1.4 Sample Size determination

We selected a sample of 50 (fifty) participants, 3 (three) councillors, 4 (four) Audit Committee members, 3 (three) top managers, 12 (twelve) managers and 11 (eleven) operational employees. As part of the sample determination for the study we carefully decided on the sample eligibility criteria (being the sample inclusion/exclusion of participants for the study. The following demographics comprised our eligibility criteria, namely, years of experience, expertise, qualification, department, level of employee, portfolio of deployment, type of operational employee, etc. The study adopted the Yamane method to calculate the reliability of the sample, with a rate of error 95% and precision set 0.05, thus the sample size was set at 209, however we could only secure agreement for a sample of 50.

(Yamane formular $N = 419$, $e = 0.05$, margin of error = 95)

3.1.5 Sampling Design

The research adopted a multi-stage or clustered sampling (Creswell and Creswell, 2018), because the population was clustered according to councillors, audit committee members, management and operational employees of the municipality. In this regard, we selected our sample from each cluster such that it is representative of the population.

3.1.6 Sampling Type

A combination of simple random methods was utilised. Creswell and Creswell (2018) delineated random sampling as a method where each sample item stands an equal chance of being selected. In this regard we randomly selected participants to send questionnaires, i.e. councillors, audit committee, management and operational employees.

3.1.7 Data Collection Instruments

Data collection instruments encompassed the “**explanatory sequential quantitative method design**” where the survey questionnaire (quantitative research method) was used to establish the attitudes and opinions of participants about the auditor-general’s audit approach and quality of the audit output, i.e. audit process, findings and recommendations. To an extremely limited extent, unstructured interviews of participants were conducted to confirm the responses on the questionnaires where necessary (Creswell and Creswell, 2018). These tools were explained and discussed with the participants before commencement of data collection without influence from an ethical perspective.

Data was collected manually wherein the researcher physically visited the municipality and held sessions with participants. The data population questionnaires were expatiated to the participants for ease of completion, and this was followed by the actual population of the questionnaires by the participants. The researcher then collected questionnaires for capturing on the excel tool and analysis.

3.1.8 Data Recording Procedures

Given that we utilised a quantitative research method, data was recorded and uploaded onto an excel spreadsheet to allow processing. The questionnaires did not necessarily reflect the participants’ names but were tagged according to the cluster group of participants for ease of identification. After completion of the questionnaires by participants, these were captured onto an Excel spreadsheet preceding the analysis of data. The IBM SPSS tool was used to calculate reliability and validity.

3.2 ETHICAL CONSIDERATIONS

Creswell and Creswell (2018) accentuated observance of ethical standards “prior to conducting a study, beginning of the study, whilst collecting data, when analysing data, reporting, sharing and storing data”. During the study the following ethical considerations were upheld:

- Obtained approval to conduct the research from the University of KwaZulu-Natal
- Sought prior permission from the Greater Kokstad Municipality to conduct the

research/investigation.

- Declared my conflict of interest, and also requested the participants to do the same, but no one was forced to sign against their will.
- In choosing the research topic I took the participants into cognisance so that they benefit from the research outcomes, i.e. councillors, audit committee, management and operational employees.
- I certainly communicated the purpose of the study to the participants for impetus to decide whether they wanted to participate in the research.
- I ensured that there was no biasness in dealing with participants when collecting data, ensuring that I listened to the needs or preferences of the participants
- Participants who preferred to be anonymous were granted that opportunity whilst participating in the research.
- I committed to keep the information confidential and safe for future reference.
- I did not falsify information, the findings were based on collected data.
- Our reporting was free from bias and conflict of interest, and we adopted simple and straight forward English that is easy to comprehend.
- I avoided plagiarism at all costs by acknowledging all sources of data.

3.3 CHAPTER SUMMARY

In this chapter the research methodology was outlined and explicated as a mixed method study involving largely quantitative research and augmented to a limited extent by qualitative research. The target population, sampling methods and sample sizes were also discussed as the basis for data collection from participants. Ethical considerations of the study were also delineated. The next chapter dealt predominantly with data analysis.

CHAPTER FOUR

PRESENTATION OF DATA ANALYSIS

4.1 INTRODUCTION

The perceptions of councillors, audit committee members, management and operational employees about the approach adopted by the Auditor-general were significant for the study in ascertaining how they viewed the external audit process as contribution to service delivery. The expectation was that the different employees/officials, audit committee members, councillors and top management have independent views about the external audit process and how it impacts on the Greater Kokstad Local Municipality to improve service delivery.

In this chapter the results of the analysis are presented as [views/perceptions](#) of the respondents. The respondents comprised councillors, audit committee members, management (being the Municipal Manager and managers immediately accountable to the municipal manager, middle managers) and operational employees. The data was collected using a quantitative method wherein forms were administered physically with the targeted respondents by allowing them time to complete the questionnaires. The study was explained to the respondents in terms of its objectives and context to the Greater Kokstad Municipality as a service delivery organ of state, and to the respondents being the agents of transformation in the municipal sector environment. The intention was to inculcate an independent conversation in the mind of the respondents to unearth exclusive feelings about the constructs or questions being asked by the questionnaire.

4.2 THE STRUCTURE OF THE DATA COLLECTION TOOL

The data collection tool was structured according to Section A, B, and C. Section A constructs intended to collect data on the demographics of the respondents in terms of the years of experience in the municipality, the qualifications, departments in which they work in, and for middle managers whether they are Managers or Assistant managers or Section heads. Section B constructs measured the perception on the audit process. Section C constructs evaluated the opinions and / or perceptions on the value of the audit. Section D constructs measured the perceived effect of the audit on improved

service delivery as it would be independently viewed by the respondents in view of the municipal mandate and the connotation of them being the agents of service delivery.

4.3 THE DESCRIPTION OF THE SAMPLE

The sample comprised of 50 (fifty) participants (out of a total population of 419), namely, councillors, audit committee members, top management, middle managers and operational employees. Also included in the middle management and operational employee clusters are the internal auditors of the Greater Kokstad Municipality. The impact of the population on the study varies according to the level of interaction with the audit process engaged by the auditor-general. For instance, the councillors are affected to a larger extent by the outcome of the audit as it was anticipated that it informed them as representatives of the constituency about the manner in which the municipality had administered its financial resources and the extent to which services had been advanced to the community. The audit committee is the audit oversight structure of the municipality, thus was concerned with ensuring that the audit process was conducted in a manner that was impartial and cordial between the auditor and the auditee in the following manner, namely; (i) The extent to which the auditors understood the local government environment, and interpreted and applied legislation developmentally in the context of varying municipal business dynamics. (ii) That management was afforded an opportunity to provide explanations and supporting evidence to the audit finding raised by the auditor-general, thus implying an amicable way of finalising the audit outcomes.

Top management was concerned with the manner in which the audit was approached from planning to reporting, and the manner in which it was communicated by the auditor. The competency of the auditors employed to conduct the audit, the manner in which the auditors understood the environment and engaged on financial and non-financial (service delivery) issues impacting the business of the municipality notwithstanding the onerous responsibility of the municipality to comply with the regulatory environment impacting the municipal business. The middle managers were affected directly by the audit as they were in charge of the operational business and were pivotal in the efficient conclusion of the audit process without any limited access to the requisite information pertinent to perform the audit work., Middle were, more often than not, the primary custodians of the information required for the audit and also were also the primary point

of contact for explanations to inform the auditor's conclusion on the matters subjected to audit, Middle managers were also interested in the manner in which the auditors interact cordially and technically with them in the different sectors of the business, including the level of competence and experience of the auditors with respect to the unique municipal sector.

The operational employees were also directly affected by the audit in the same context as the middle managers, they had a subordinate responsibility to the Middle Managers pertaining to the conduct of the audit. Other significant respondents were the internal auditors of the municipality, and the internal auditors are charged with a mammoth task of advising the Municipal Manager regarding matters related to risk management and internal financial and non-financial controls instituted by management to ensure that the business objectives of the municipality (with respect to financial governance and service delivery) were realised efficiently, economically and effectively within the ambits of the regulatory ambience of the local government sector. In order to add value in this manner, the internal auditors ought to appraise every sector of the business (not only financial), as an extended mechanism of management controls throughout the financial year, thus their efforts were ideally instrumental in shaping the business of the municipality.

In conclusion, the perceptions and opinions of the respondents within the ambits of their different involvement in the audit process were pivotal to the study in view of the core mandate of the Greater Kokstad Municipality.

4.4 VALIDITY AND RELIABILITY OF THE QUESTIONNAIRE (CRONBACH'S ALPHA)

The Cronbach's alpha is a popular method utilised to measure the reliability of a study (Bonnet and Wright, 2014). Taber (2018) outlined that the Cronbach's alpha is applied in a study or research regardless of whether a quantitative or qualitative research method is utilised. Tavakol and Dennick (2011:53) accentuated that "validity and reliability" are integral measurement factors of a data collection instrument. According to Taber (2018:1274) "reliability" measures the extent to which the instrument is able to furnish the same results even when used repeatedly. The SPSS was used to calculate the reliability of the study (questionnaire), thus Cronbach's alpha for this study is .681.

To this end, survey questionnaires were used to collect data from participants to ensure relevance in the responses obtained through the instrument, and a “Likert scale agreement” (i.e. 1 = strongly disagree and 5 = strongly disagree)” was used to measure the responses.

The results were interpreted in percentage terms denoting *either strongly agree, agree, neutral, disagree and strongly disagree.*

The research questionnaire was strictly aligned to the objectives and questions of the study by structuring it in a manner that targeted a clustered group of participants, i.e. council, audit committee, top management, middle management and operation employees.

The questionnaire was explained to the participants for comprehension and independence in answering of questions. A total of 33 respondents (out of the 50 selected sample) were physically collected by the researcher at the municipality, and the responses were considered to be reliable for the study and further analysis.

The collected data was analysed through excel and populated onto the IBM SPSS ensure reliability of data results.

4.5 DATA ANALYSIS

This segment provides intricate analysis of collected data having been uploaded onto an excel spreadsheet to depict the responses of the participants. The analysis was clustered according section A, B, C and D. The demographics preceded the core responses to the constructs related to the investigation and research objectives. The analysis is depicted from table 4-1 to table 4-40.

Table 4-1: Demographics of the Respondents/Participants

Sample	Cllr.	AC	TM	MM	OE	Total
	3	4	3	12	11	33
Percentage (%)	9.1	12.1	9.1	36.4	33.3	100

Cllr= Councillors, AC= Audit Committee, TM= Top Management, MM= Middle Management OE= Operational Employee

Table 4-1depicted that 33.3% of the respondents comprised of the operational employees, 36.4% Middle Managers, 12.1% Audit Committee, 9.1% Top management and Council, respectively.

Table 4-2: Qualifications of the Audit Committee members

What is your speciality/expert area as a member of the Audit Committee?						
	CA=1	CIA=2	CISA=3	QPA=4	Legal=5	Total
Audit Committee	2	0	1	1	0	4
Percentage (%)	50	0	25	25	0	100

CA=Chartered Accountant, CIA=Certified Internal Auditor, Certified Information Systems Auditor, QPA=Qualification in Public Administration

Table 4-2 informs that 50% are Chartered Accountants, 0% Certified Internal Auditor and Legal, respectively, 25% are CISA and QPA, respectively. Thus, the audit committee is relatively balanced to oversee the audit processes from a financial and service delivery perspective.

Table 4-3: Work Experience of the Respondents at the Municipality

How many years have you been working as a councillor in this municipality?						
	1=1yr	2=-<2yrs	3=-<3yrs	4=3-4yrs	5=>4yrs	Total
Council	1	0	0	0	2	3
Percentage (%)	33.3	0	0	0	66.7	100
How many years have you been working as a member of the audit committee?						
	1=1yr	2=-<2yrs	3=-<3yrs	4=3-4yrs	5=>4yrs	Total
Audit Committee	1	0	1	1	1	4
Percentage (%)	25	0	25	25	25	100
How many years have you been working as a senior manager in the municipality?						
	1=1yr	2=-<2yrs	3=-<3yrs	4=3-4yrs	5=>4yrs	Total
Top Management	1	1	0	1	0	3
Percentage (%)	33.3	33.3	0	33.3	0	100
How many years have you been working as a middle manager in the municipality?						
	1=1yr	2=-<2yrs	3=-<3yrs	4=3-4yrs	5=>4yrs	Total
Middle Management	0	1	1	1	9	12

Percentage (%)	0	8.33	8.33	8.33	75	100
How many years have you been working as an operational employee in the municipality?						
	1=1yr	2=-<2yrs	3=-<3yrs	4=3-4yrs	5=>4yrs	Total
Operational Employee	0	1	1	3	5	11
Percentage (%)	0	9.1	9.1	27.27	45.45	100
Grand Total (participants)						33

Table 4-4: Portfolios of Councillors

In which portfolio/standing committee are you currently deployed?						
	1=Fin	2=HR	3=Tech	4=Com Serv	5= LED	Total
Councillors	0	0	0	0	0	3
Percentage (%)	0	0	0	0	0	100

Fin=Finance, HR=Human Resource, Tech=Technical Services, Comm Serv=Community Services, LED= Local Economic Development

Table 4.4 indicated that the councillors are not necessarily deployed in any of the portfolios.

Table 4-5: Audit Committee Specialty/Expertise

What is your speciality/expert area as a member of the Audit Committee?						
	1=Fin	2=HR	3=PM	4=IT	5= LGS	Total
Audit Committee (AC)	2	0	1	1	0	4
Percentage (%)	50	0	25	25	0	100

Fin=Finance, HR=Human Resource, PM=Performance Management, IT= Information Technology & LGS= Local Government Specialist

Table 4-5 indicated that 50% of the AC members specialise in finance and 25% in performance management and IT, respectively. 0% in HR and IT. Thus denoting a balance in terms of oversight on finance and service delivery sectors of the business.

Table 4-6: Departments of Top Management

In which department are you currently working as Department Head?						
	1=Fin	2=HR	3=Tech	4=Comm Serv	5= OMM	Total
Top Management	1	0	1	0	1	3
(%)	33.3	0	33.3	0	33.3	100

Fin=Finance, HR=Human Resource, Tech=Technical Services, Comm Serv=Community Services, OMM= Office of the Municipal Manager

Table 4-6 indicated that heads of departments included in the sample are from Finance, Technical and Community service departments. Thus, the sample is finance and service delivery knowledgeable.

Table 4-7: Departments of Middle Managers

In which department are you currently working?						
	1=Fin	2=HR	3=Tech	4=Comm Serv	5= OMM	Total
Middle Management	4	1	3	2	2	12
(%)	33.3	8.3	25	16.7	16.7	100

Fin=Finance, HR=Human Resource, Tech=Technical Services, Comm Serv=Community Services, OMM= Office of the Municipal Manager

Table 4-7 indicated that all departments were represented in the sampled participants, 33% were from finance, 25% Technical and 16.7% from Community and OMM. Thus, balanced to participate in the investigation.

Table 4-8: Departments of Employees

In which department are you currently working?						
	1=Fin	2=HR	3=Tech	4=Comm Serv	5= OMM	Total
Operational Employees	6	0	2	2	1	11
Percentage (%)	55	0	18.1	18.1	9	100

Table 4-8 indicated that 55% were from finance, 18% from Technical and Community Services, respectively, and 9% OMM, thus balanced in terms of finance and service delivery knowledgeability.

SECTION B: Perceptions on the Audit Process

In this section the data collection process entailed the collation of perceptions about the audit process as it concerned the manner in which it was executed by the auditor-general to inform inferences about the perceptions on the impact it has on service delivery.

Table 4-9

The audit process and expected outcomes are adequately explained and discussed with management and the Audit Committee before commencement							
	SA=5	A=4	N=3	D=2	SD	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	
(%)	n/a	n/a	n/a	n/a	n/a		100
Audit Committee	0	2	2	0	0	4	
(%)	0	50	50	0	0		100
Top Management	1	2	0	0	0	3	
(%)	33.33	66.67	0	0	0		100
Middle Management	2	2	3	1	4	12	
(%)	16.67	16.67	25	8.33	33.33		100
Operational Employees	n/a	n/a	n/a	n/a	n/a	11	
(%)	n/a	n/a	n/a	n/a	n/a		100
Total						33	

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-9 indicated that for the audit committee, 50% is neutral and 50% agreed, top management 66.67% agreed and 33.33% strongly agreed that the expected outcomes were explained before commencement of that audit. 16.67% of middle managers equally agreed and strongly agreed. However, 8.33% and 33.33% of middle managers disagreed and strongly disagreed, respectively.

Table 4-10

The Audit Committee is able to amicably resolve any disputes arising from the audit between management and the auditor-general.							
	SA=5	A=4	N=3	D=2	SD	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	
(%)	n/a	n/a	n/a	n/a	n/a		100
Audit Committee	0	2	2	0	0	4	
(%)	0	50	50	0	0		100
Top Management	0	3	0	0	0	3	
(%)	0	100	0	0	0		100
Middle Management	3	7	2	0	0	12	
(%)	25	58.33	16.67	0	0		100
Operational Employee	n/a	n/a	n/a	n/a	n/a	11	
(%)							100
Total						33	

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-10 showed that there was 50% agreement by the audit committee while 50% was neutral. Top management was 100% in agreement, and middle management was 58.33% in agreement and 25% strong agreement while 16.67% was neutral.

Table 4-11

The external audit process is participatory (i.e. employees and management are given an opportunity to contribute and provide inputs to the audit process)							
	SA=5	A=4	N=3	D=2	SD	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	100
%							
Audit Committee	n/a	n/a	n/a	n/a	n/a	4	
%							100
Top Management	1	2	0	0	0	3	
%	33.33	66.67	0	0	0		100
Middle Management	4	7	1	0	0	12	

The external audit process is participatory (i.e. employees and management are given an opportunity to contribute and provide inputs to the audit process)							
	SA=5	A=4	N=3	D=2	SD	Total	%
%	33.33	58.33	8.33	0	0		100
Operational Employee	2	8	0	1	0	11	
%	18.3	72.7	0	9	0		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-11 showed that top management was 66.67% in agreement and 33% strongly agreed. Middle managers were 58.33% in agreement, 33.33% strongly agreed and 8.33% was neutral.

Table 4-12

I am given adequate opportunity to respond to the audit findings raised before the audit report is finalised							
	SA=5	A=4	N=3	D=2	SD	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	100
%							
Audit Committee	n/a	n/a	n/a	n/a	n/a	4	
%							100
Top Management	0	2	1	0	0	3	
%	0	66.67	33.33	0	0		100
Middle Management	4	7	1	0	0	12	
%	33.33	58.33	8.33	0	0		100
Operational Employee	1	7	2	1	0	11	
%	9.1	63.63	18.18	9.1	0		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-12 showed 66.67% agreement by Top management while 33.33% was neutral. Middle managers were 58.33% in agreement, 33.33% strongly agreed, whilst 8.33% were neutral. Operational employees reflected 18.18% neutrality, 63.63% agreement, 9.1% strong agreement, with 9.1% disagreement.

Table 4-13

I am given an opportunity to provide supporting evidence for the responses/explanations given for the findings raised during the audit							
	SA=5	A=4	N=3	D=2	SD	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	100
%							
Audit Committee	n/a	n/a	n/a	n/a	n/a	4	
%							100
Top Management	1	2	0	0	0	3	
%	33.33	66.67	0	0	0		100
Middle Management	5	4	3	0	0	12	
%	41.66	33.33	25	0	0		100
Operational Employee	1	7	3	0	0	11	
%	9.1	63.63	27.27	0	0		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-13 indicated 66.67% agreement and 33.33% strong agreement by management. Middle management demonstrated 33.33% agreement and 41.66 strong agreement. Operational employees indicated 63.63% agreement and 9.1% strong agreement, while 27.27% are neutral.

Table 4-14

I understand my role and what is expected of me during the external audit process as explained by the auditor-general							
	SA=5	A=4	N=3	D=2	SD	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	100
%							
Audit Committee	n/a	n/a	n/a	n/a	n/a	4	
%							100
Top Management	0	2	1	0	0	3	
%	0	66.67	33.33	0			100
Middle Management	1	10	1	0	0	12	

I understand my role and what is expected of me during the external audit process as explained by the auditor-general							
	SA=5	A=4	N=3	D=2	SD	Total	%
%	8.33	83.33	8.33	0	0		100
Operational Employee	3	4	4	0	0	11	
%	27.27	36.36	36.36	0	0		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-14 Top management demonstrated 66.67% agreement while 33.33% is neutral. Middle managers showed 8.33% neutrality, agreement and strong agreement, respectively. Operational employees showed 36.36% agreement, 27.27% strong agreement while 36.36% is neutral.

Table 4-15

The audit process is inclusive in nature with both the auditee and auditor-general engaging developmentally during the audit process.							
	SA=5	A=4	N=3	D=2	SD	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	100
%							
Audit Committee	0	2	2	0	0	4	
%	0	50	50	0	0		100
Top Management	0	3	0	0	0	3	
%	0	100	0	0	0		100
Middle Management	2	8	2	0	0	12	
%	16.66	66.67	16.67	0	0		100
Operational Employee	1	7	3	0	0	11	
%	9.1	63.63	27.27	0	0		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-15 depicted that the audit committee was 50% in agreement and 50% neutral. The top management was 100% in agreement. Middle managers were 66.67% in agreement, 16.66% strongly agreed, while 16.67 were neutral.

Table 4-16

I understand the reporting process / the manner of communicating audit findings							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	100
%							
Audit Committee	n/a	n/a	n/a	n/a	n/a	4	
%							100
Top Management	1	2	0	0	0	3	
%	33.33	66.67	0	0	0		100
Middle Management	4	8	0	0	0	12	
%	33.33	66.67	0	0	0		100
Operational Employee	1	3	5	1	1	11	
%	9.1	27.27	45.45	9.1	9.1		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-16 showed 66.67% agreement and 33.33% strong agreement by Top management. 66.67% agreement and 33.33% strong agreement by Middle management. Operational employees indicated 45.45% neutrality, 27.27% agreement, 9.1% strong agreement, while 9.1% strongly disagreed.

Table 4-17

The findings (in terms of content) are written in a manner that is easily understandable							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	100
%							
Audit Committee	n/a	n/a	n/a	n/a	n/a	4	
%							100

The findings (in terms of content) are written in a manner that is easily understandable							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Top Management	0	1	1	1	0	3	
%	0	33.33	33.33	33.33	0		100
Middle Management	4	5	3	0	0	12	
%	33.33	41.67	25	0	0		100
Operational Employee	1	3	4	2	1	11	
%	9.1	27.27	36.36	18.18	9.1		100
Total						33	

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-17, top management indicated 33.33% disagreement, neutrality and agreement, respectively. Middle management showed 41.67% agreement, 33.33% strong agreement whilst 25% was neutral. Operational employees indicated 36.36% neutrality, 27.27% agreement and 9.1% strong agreement, whilst 9.1% disagreed.

Table 4-18

The findings raised by the AG and explanations given by management are discussed amicably between management and the auditor-general.							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	100
%	n/a	n/a	n/a	n/a	n/a		
Audit Committee	n/a	n/a	n/a	n/a	n/a	4	
%	n/a	n/a	n/a	n/a	n/a		100
Top Management	0	2	0	1	0	3	
%	0	66.67		33.33	0		100
Middle Management	2	7	1	2	0	12	
%	16.67	58.33	8.33	16.67	0		100
Operational Employee	n/a	n/a	n/a	n/a	n/a	11	
%	n/a	n/a	n/a	n/a	n/a		100
Total						33	

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-18 reflected 66.67% agreement and 33.33% disagreement by Top management. Middle managers indicated 58.33% agreement and 16.67% strong agreement and 16.67% disagreement.

Table 4-19

The Audit Committee consults me for explanations with respect to the findings raised							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	100
%							
Audit Committee	n/a	n/a	n/a	n/a	n/a	4	
%							100
Top Management	0	1	1	1	0	3	
%	0	33.33	33.33	33.33	0		100
Middle Management	1	4	5	2	0	12	
%	8.33	33.33	41.67	16.67	0		100
Operational Employee	n/a	n/a	n/a	n/a	n/a	11	
%							100
Total						33	

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-19 Top management reflected 33.33% agreement, 33.33% neutrality and 33.33% disagreement. Middle management indicated 41.67% neutrality, 33.33% agreement and 8.33% strong agreement with 16.67 disagreement.

Table 4-20

The current audit approach employed by the auditor needs to be improved.							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	2	1	0	0	0	3	100
%	66.67	33.37	0	0	0		100
Audit Committee	1	1	2	0	0	4	
%	25	25	50	0	0		100
Top Management	0	3	0	0	0	3	

The current audit approach employed by the auditor needs to be improved.							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
%	0	100	0	0	0		100
Middle Management	0	5	1	4	2	12	
%	0	41.67	8.33	33.33	16.67		100
Operational Employee	1	3	4	2	1	11	
%	9.1	27.27	36.36	18.18	9.1		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-20 indicated 33.37% agreement and 66.67% strong agreement by councillors. 50% of the audit committee was neutral, 25% agreed and 25% strongly agreed. Top management indicated 100% agreement. Middle managers demonstrated 41.67% agreement, 8.33% neutrality, whilst 33.33% in disagreement and 16.67% in strong disagreement. Operational staff, 36.36% is neutral, 18,18% disagreed, 9.1% strong disagreement, 27.27% agreement and 9.1% strong agreement.

Table 4-21

A platform is provided to the municipality to give feedback (e.g. feedback/customer survey) about the manner in which the audit was conducted including the manner of approach in conducting the audit.							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	100
%							
Audit Committee	0	2	1	1	0	4	
%		50	25	25	0		100
Top Management	1	2	0	0	0	3	
%	33.33	66.67	0	0	0		100
Middle Management	6	4	1	1	0	12	
%	50	33.33	8.33	8.33	0		100
Operational Employee	n/a	n/a	n/a	n/a	n/a	11	
%							100

A platform is provided to the municipality to give feedback (e.g. feedback/customer survey) about the manner in which the audit was conducted including the manner of approach in conducting the audit.

	SA=5	A=4	N=3	D=2	SD=1	Total	%
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-21 indicated 50% agreement, 25% neutrality and 25% disagreement by the audit committee. Top management indicated 66.67% agreement and 33.33% strong agreement. Middle management reflected 50% strong agreement, 33.33% agreement and 8.33% neutrality and 8.33% disagreement.

Table 4-22

The information required to perform the audit is requested by the auditors during the audit process.

	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	100
%							
Audit Committee	n/a	n/a	n/a	n/a	n/a	4	
%							100
Top Management	n/a	n/a	n/a	n/a	n/a	3	
%							100
Middle Management	6	6	0	0	0	12	
%	50	50	0	0	0		100
Operational Employee	2	6	2	1	0	11	
%	18.18	54.54	18.18	9.1	0		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-22 indicated that middle management was 50% in agreement and 50% in strong agreement. Operational employees indicated 54.54% agreement and 18.18% strong agreement, 18.18% neutrality and 9.1% disagreement.

Table 4-23

I am provided with an opportunity to give explanations related to the audit queries raised during the audit.							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	100
%							
Audit Committee	n/a	n/a	n/a	n/a	n/a	4	
%							100
Top Management	n/a	n/a	n/a	n/a	n/a	3	
%							100
Middle Management	3	9	0	0	0	12	
%	25	75	0	0	0		100
Operational Employee	2	8	0	1	0	11	
%	18.18	72.72	0	9.1	0		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-23 indicated that middle management was 75% in agreement and 25% in strong agreement. Operational employees were 72.72% in agreement and 18.18% in strong agreement.

Table 4-24

The explanations for any deviations from service delivery project plans provided by staff and/or management of the Greater Kokstad Municipality to the auditors are considered by the audit staff when raising audit findings.							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	100
%							
Audit Committee	n/a	n/a	n/a	n/a	n/a	4	
%							100
Top Management	n/a	n/a	n/a	n/a	n/a	3	
%							100

The explanations for any deviations from service delivery project plans provided by staff and/or management of the Greater Kokstad Municipality to the auditors are considered by the audit staff when raising audit findings.

	SA=5	A=4	N=3	D=2	SD=1	Total	%
Middle Management	0	7	4	1	0	12	
%	0	58.33	33.33	8.33	0		100
Operational Employee	0	2	7	0	2	11	
%	0	18.18	63.64	0	18.18		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-24 Middle managers indicated 58.33% agreement, 33.33% neutrality and 8.33% disagreement. Operational employees reflected 18.18% agreement, 63.64% neutrality and 18.18% strong disagreement.

Section C: Value of the Audit

This section evaluated the opinions/perception of participants regarding the value of the auditor-general audits.

Table 4-25

The audit strategy does not only focus on financial matters but also on service delivery program initiatives of the municipality.							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	
%							100
Audit Committee	2	1	1	0	0	4	
%	50	25	25	0	0		100
Top Management	0	1	0	2	0	3	
%	0	33.33	0	66.67	0		100
Middle Management	0	4	3	3	2	12	
%		33.33	25	25	16.67		100
Operational Employee	1	1	4	4	1	11	
%	9.1	9.1	36.36	36.36	9.1		100

The audit strategy does not only focus on financial matters but also on service delivery program initiatives of the municipality.

	SA=5	A=4	N=3	D=2	SD=1	Total	%
Total						33	

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-25 reflected 50% strong agreement, 25% agreement and 25% neutrality by the audit committee. Top management had 66.67% in disagreement and 33.33% in agreement. Middle managers were 33.33% in agreement, 25% neutral, 25% in disagreement and 16.67% in strong disagreement. Operational employees were 9.1% in agreement and strong agreement, respectively, 36.36% is neutral, 36.36% is in disagreement and 9.1% in strong disagreement.

Table 4-26

The challenging supply chain dynamics (i.e. emergencies versus the cumbersome SCM process, use of/procurement from sole suppliers, motivations for deviations, human capacity issues, SCM skills and competency challenges within the municipality, rate of supplier response to procurement adverts versus service delivery pressures, etc) faced by the municipality when procuring service providers for service delivery implementation are reasonably interpreted and understood during the audit when assessing compliance with SCM legislation (irregular expenditure).

	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	
%							100
Audit Committee	0	2	2	0	0	4	
%		50	50	0	0		100
Top Management	0	1	1	1	0	3	
%	0	33.33	33.33	33.33	0		100
Middle Management	0	8	0	3	1	12	
%	0	66.67	0	25	8.33		100
Operational Employee	4	4	2	0	1	11	
%	36.36	36.36	18.18	0	9.1		100
Total						33	

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-26 indicated 50% agreement and 50% neutrality by the audit committee. Top Management reflected 33.33% agreement, neutrality and disagreement, respectively. Middle management agreed at 66.67% with 25% and 8.33% disagreement. Operational employees indicated 36.36% strong agreement and agreement, respectively, 18.18% neutral and 9.1 strong disagreement.

Table 4-27

The challenges (such as a stone underneath the surface requiring additional works beyond the approved plan and cost for the project, limited funding for projects, community protests, quality of the service providers, document management, rain/natural disasters preventing progress on construction works, etc), faced by the municipality when implementing infrastructure projects (e.g. roads construction, building community halls, building stadiums, connecting electricity, implementing Expanded Public Works Programs etc) are taken into consideration when raising audit findings.							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	
%							100
Audit Committee	0	1	2	1	0	4	
%	0	25	50	25	0		100
Top Management	0	0	3	0	0	3	
%	0	0	100	0	0		100
Middle Management	0	1	3	7	1	12	
%	0	8.33	25	58.33	8.33		100
Operational Employee	5	3	1	1	1	11	
%	45.45	27.27	9.1	9.1	9.1		100
Total						33	

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-27 depicted 50% neutrality and 25% agreement and 25% disagreement by the audit committee. Top management is 100% neutral. Middle managers were 25% neutral and 8.33% in agreement whilst 58.33% in disagreement, 8.33% in strong disagreement.

45.45% of operational employees strongly agreed, agreed by 27.27%, neutral by 9.1% and 9.1% in disagreement and strongly disagreement.

Table 4-28

I am consulted every step of the way during the audit to provide my input, where applicable.							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	100
%	n/a	n/a	n/a	n/a	n/a		
Audit Committee	n/a	n/a	n/a	n/a	n/a	4	
%	n/a	n/a	n/a	n/a	n/a		100
Top Management	1	2	0	0	0	3	
%	33.33	66.67	0	0	0		100
Middle Management	0	1	5	4	2	12	
%	0	8.33	41.67	33.33	16.67		100
Operational Employee	0	5	1	3	2	11	
%	0	45.45	9.1	27.27	18.18		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-28 depicted that Top management were 66.67% in agreement and 33.33% in strong agreement. Middle management was 41.67% neutral, 8.33% in agreement, 33.33% disagreement while 16.67% was in strong disagreement. Operational employees provided 45% agreement, 9.1% disagreement, 27.27% disagreement and 18.18% strong disagreement.

Table 4-29

The auditors physically visit and inspect service delivery projects together with management to verify actual implementation before concluding the audit.							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	100
%							
Audit Committee	n/a	n/a	n/a	n/a	n/a	4	

The auditors physically visit and inspect service delivery projects together with management to verify actual implementation before concluding the audit.

	SA=5	A=4	N=3	D=2	SD=1	Total	%
%							100
Top Management	1	2	0	0	0	3	
%	33.33	66.67	0	0	0		100
Middle Management	0	9	0	3	0	12	
%	0	75	0	25	0		100
Operational Employee	3	4	2	1	1	11	
%	27.27	36.36	18.18	9.1	9.1	33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-29 indicated 66.67% agreement and 33.33% strong agreement by Top management. Middle management indicated 75% agreement others 25% disagreement. Operational employees were 36.36% in agreement and 27.27% in strong agreement, and others demonstrated 9.1% disagreement and strong disagreement, respectively.

Table 4-30

The auditors enquire about any deficiencies identified when auditing/inspecting service projects

	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	100
%							
Audit Committee	n/a	n/a	n/a	n/a	n/a	4	
%							100
Top Management	0	1	2	0	0	3	
%	0	33.33	66.67	0	0		100
Middle Management	0	8	4	0	0	12	
%	0	66.67	33.33	0	0		100
Operational Employee	0	3	4	3	1	11	
%	0	27.27	36.36	27.27	9.1		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-30 Top management indicated agreement 33.33% though 66.67% neutral. Middle management depicted 66.67% agreement and others were 33.33% neutral. Operational employees were 27.27% in agreement, 36.36% neutral, 27.27% disagreement and 9.1% disagreement.

Table 4-31

The recommendations provided by the auditors help the municipality to improve the internal controls with respect to infrastructure projects and service delivery.							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	
%							100
Audit Committee	0	4	0	0	0	4	
%	0	100	0	0	0		100
Top Management	0	2	1	0	0	3	
%	0	66.67	33.33	0	0		100
Middle Management	0	5	4	3	0	12	
%	0	41.67	33.33	25	0		100
Operational Employee	0	3	4	3	1	11	
%	0	27.27	36.36	27.27	9.1		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-31 indicated 100% agreement by the audit committee. The top management showed 66.67% agreement whilst others were 33.33% neutral. Middle managers depicted 41.67% agreement, 33.33% neutral yet others were 25% in disagreement. Operational employees were 36.36% neutral, 27.27% in agreement, while 27.27% in disagreement and 9.1 in strong disagreement.

Table 4-32

The audit recommendations provided by auditors are practical/implementable considering the service delivery project dynamics faced by the municipality.							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	
%							100
Audit Committee	1	3	0	0	0	4	
%	25	75	0	0	0		100
Top Management	0	1	1	1	0	3	
%	0	33.33	33.33	33.33	0		100
Middle Management	0	6	2	3	1	12	
%	0	50	16.67	25	8.33		100
Operational Employee	0	2	4	3	2	11	
%	0	18.18	36.36	27.27	18.18		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-32 indicated that top management was 33.33% in agreement, but 33.33% neutral and 33.33% in disagreement. Middle management was 50% in agreement, others 16.67% neutral, 25% in disagreement and 8.33% strong disagreement. Operational employees 18.18% in agreement, 36.36% neutral, while 27.27% were in disagreement and 18.18% in strong disagreement.

Table 4-33

The findings raised by the Auditor-General are informed by understanding of and correct interpretation of legislation while at the same time taking into consideration service delivery pressures.							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	
%	n/a	n/a	n/a	n/a	n/a		100

The findings raised by the Auditor-General are informed by understanding of and correct interpretation of legislation while at the same time taking into consideration service delivery pressures.

	SA=5	A=4	N=3	D=2	SD=1	Total	%
Audit Committee	1	0	2	1	0	4	
%	25	0	50	25			100
Top Management	0	2	1	0	0	3	
%	0	66.67	33.33	0	0		100
Middle Management	0	5	3	3	1	12	
%	0	41.66	25	25	8.33		100
Operational Employee	0	5	4	1	1	11	
%		45.45	36.36	9.1	9.1		100
Total						33	

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-33 indicated that the audit committee was 50% neutral, 25% in strong agreement and 25% in disagreement. To management reflected 66.67% in agreement and 33.33% neutral. Middle management was 41.66% in agreement, 25% neutral, 25% in disagreement and 8.33% in strong disagreement. Operational employees 45.45% in agreement, 36.36% neutral, 9.1% in disagreement and strong disagreement, respectively.

Table 4-34

The oversight role that the Audit Committee plays during the external audit process, in ensuring that value for money is received from the auditor-general, is effective.

	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	
%	n/a	n/a	n/a	n/a	n/a		100
Audit Committee	1	2	1	0	0	4	
%	25	50	25	0	0		100
Top Management	0	2	1	0	0	3	
%	0	66.67	33.33	0	0		100

The oversight role that the Audit Committee plays during the external audit process, in ensuring that value for money is received from the auditor-general, is effective.

	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	
%	n/a	n/a	n/a	n/a	n/a		100
Middle Management	n/a	n/a	n/a	n/a	n/a	12	
%	n/a	n/a	n/a	n/a	n/a		100
Operational Employee	n/a	n/a	n/a	n/a	n/a	11	
%	n/a	n/a	n/a	n/a	n/a		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-34 indicated 50% agreement, 25% strong agreement and 25% disagreement by the audit committee. The top management was 66.67% in agreement and 33.33% was neutral.

Table 4-35

The AG auditors demonstrate competence and experiential understanding of local government and applicable legislation to ensure that meaningful audit findings are raised.

	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	
%							100
Audit Committee	0	1	1	2	0	4	
%		25	25	50	0		100
Top Management	0	1	0	2	0	3	
%	0	33.33	0	66.67	0		100
Middle Management	0	3	2	5	2	12	
%	0	25	16.67	41.66	16.67		100
Operational Employee	0	2	4	3	2	11	
%	0	18.18	36.36	27.27	18.18		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-35, indicated that 50% disagreement, 25% neutral and 25% agreement by the audit committee. Top management demonstrated 66.67% disagreement and 33.33% agreement, Middle management showed 41.66% disagreement and 16.67% strong disagreement and 25% agreement. Operational employees indicated 36.36% neutrality, 27.27% disagreement, 18.18% strong disagreement with 18.18% agreement.

Table 4-36

Service delivery is at the centre of the auditor-general's audit approach							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	
%							100
Audit Committee	0	1	1	2	0	4	
%	0	25	25	50	0		100
Top Management	0	3	0	0	0	3	
%	0	100	0	0	0		100
Middle Management	0	2	3	6	1	12	
%	0	16.67	25	50	8.33		100
Operational Employee	0	1	2	6	2	11	
%	0	9.1	18.18	54.54	18.18		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-36 indicated 50% disagreement with 25% neutrality and 25% agreement by the audit committee. Top management depicted 100% agreement. The middle managers indicated 50% disagreement and 8.33% strong disagreement, with 25% neutrality and 16.67% agreement. Operational employees demonstrated 54.54% disagreement, 18.18% strong disagreement, with 18.18% neutrality and 9.1% agreement.

Table 4-37

The auditor-general interprets and applies legislation in a constructive manner during the audit of the municipality							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	n/a	n/a	n/a	n/a	n/a	3	
%	n/a	n/a	n/a	n/a	n/a		100
Audit Committee	0	2	2	0	0	4	
%	0	50	50	0	0		100
Top Management	0	2	1	0	0	3	
%	0	66.67	33.33	0	0		100
Middle Management	0	2	3	6	1	12	
%	0	16.67	25	50	8.33		100
Operational Employee	0	1	2	6	2	11	
%	0	9.1	18.18	54.54	18.18		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-37 indicated 50% agreement and 50% neutrality by the audit committee. Top management depicted 66.67% agreement with 33.33% neutrality. Middle managers showed 16.67% agreement, 50% disagreement, 25% neutrality and 8.33% strong disagreement. Operational employees indicated 54.54% disagreement, 18.18% strong disagreement and 18.18% neutrality.

Table 4-38

The service delivery challenges are taken into consideration when conducting the audit							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	0	1	1	0	1	3	
%	0	33.33	33.33	0	33.33		100
Audit Committee	0	1	2	1	0	4	
%	0	25	50	25	0		100
Top Management	0	1	0	2	0	3	

The service delivery challenges are taken into consideration when conducting the audit							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
%	0	33.33	0	66.67	0		100
Middle Management	2	3	2	4	1	12	
%	16.67	25	16.67	33.33	8.33		100
Operational Employee	0	2	6	1	2	11	
%	0	18.18	54.54	9.1	18.18		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-38 depicted 33.33% agreement, 33.33% neutrality and 33.33% strong disagreement by councillors. 50% neutrality, 25% agreement and 25% disagreement by the audit committee. Top Management indicated 66.67% disagreement and 33.33% agreement. Middle management depicted 33.33% disagreement and 8.33 strong disagreement, 16.67% neutrality and 25% agreement and 16.67% strong agreement. Operational employees reflected 54.54% neutrality, 18.18% agreement and 18.18% disagreement.

Table 4-39

The outcome of the audit (audit opinion) is a true reflection of the municipality's service delivery performance.							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	0	1	1	1	0	3	
%	0	33.33	33.33	33.33	0		100
Audit Committee	0	1	2	1	0	4	
%	0	25	50	25	0		100
Top Management	0	2	0	1	0	3	
%	0	66.67	0	33.33	0		100
Middle Management	0	1	3	6	1	12	
%	0	8.33	25	50	8.33		100
Operational Employee	0	1	5	5	0	11	
%	0	9.1	45.45	45.45	0		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-39 indicated 33.33% agreement, 33.33% neutrality and 33.33% disagreement by councillors. The audit committee reflected 50% neutrality, 25% agreement and 25% disagreement. Top management depicted 66.67% agreement with 33.33% disagreement. Middle Management reflected 50% disagreement, 25% neutrality, 8.33% strong disagreement and 8.33% agreement. Operational employees depicted 45.45% neutrality and 45.45% disagreement, with 9.1% agreement.

Section D: Perceived effect of the audit on improved service delivery

This section evaluated the overall perception about the audit and improved service delivery.

Table 4-40

Indicate your agreement that the audit has resulted in an improved service delivery in your municipality.							
	SA=5	A=4	N=3	D=2	SD=1	Total	%
Council	1	2	0	0	0	3	
%	33.33	66.67	0	0	0		100
Audit Committee	0	1	3	0	0	4	
%	0	25	75	0	0		100
Top Management	1	1	0	1	0	3	
%	33.33	33.33	0	33.33	0		100
Middle Management	0	3	1	6	2	12	
%	0	25	8.33	50	16.67		100
Operational Employee	3	2	3	2	1	11	
%	27.27	18.18	27.27	18.18	9.1		100
Total						33	100

SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree

Table 4-40 depicted 66.67% agreement and 33.33% strong agreement by councillors. The audit committee reflected 75% neutrality and 25% agreement. Top management 33.33% agreement, 33.33% strong agreement and 33.33% disagreement. Middle managers reflect 50% disagreement and 16.67% strong disagreement, 8.33% neutrality and 25% agreement. Operational employees reflected 27.27% neutrality, 18.18% agreement, 27.27% strong agreement, with 9.1% strong disagreement.

4.6 FINDINGS OF THE STUDY BASED ON THE DATA ANALYSIS

The data analysis presented the preceding section depicted perceptions from the participants about the audit process and the impact thereof on improving service delivery at the Greater Kokstad Municipality. In this ensuing section we discuss the implications of the results in cognisance of the objectives of the study.

The objective of the study was to investigate the impact of the Auditor-General audits on the Greater Kokstad municipality to improve service delivery. In this regard, the following research objectives were pursued:

- 4.6.1 To determine the process followed by the auditor-general when conducting external audits with specific focus to the Greater Kokstad Local Municipality and the perceived impact of the auditor-general on service delivery;
- 4.6.2 To determine the role played by the management and employees of the Greater Kokstad Municipality during the external audits conducted by the auditor-general and the perceived impact of the auditor-general on service delivery;
- 4.6.3 To determine the reporting process to management and the audit committee of the Greater Kokstad Local Municipality and the perceived impact of the auditor-general on service delivery;
- 4.6.4 To identify the role of the Audit Committee of the Greater Kokstad Local Municipality during the external audit and the perceived impact of the auditor-general on service delivery;
- 4.6.5 To determine the overall perceptions of employees, management, the Audit Committee and council on the audit work and results of the auditor-general with respect to improving service delivery at the Greater Kokstad Municipality.

4.6.5.1 Objective One: To determine the process followed by the auditor-

general when conducting external audits with specific focus to the Greater Kokstad Local Municipality and the perceived impact on service delivery;

4.6.5.1.1 The audit process and expected outcomes are adequately explained and discussed with management and the Audit Committee before commencement.

The audit committee, 50% is neutral and 50% agreed, top management 66.67% agreed and 33.33% strongly agreed that the expected outcomes were explained before commencement of the audit. 16.67% of middle managers equally agreed and strongly agreed. However, 8.33% and 33.33% of middle managers disagreed and strongly disagreed, respectively.

The respondents indicated an average of 41.66% agreement complemented by an average of 25% strong agreement (compared to 50% neutrality) that there was proper engagement before commencement of the audit. The responses of the middle managers may have been informed by the fact that middle managers did not usually participate in pre-audit engagement activities, thus, their responses may not be immaterial factor on this aspect. The IRBA (2019) stated that the auditor-general committed to the principles of the Supreme Audit Institutions which aimed to improve accountability and improving the lives of the citizens. Thus, the importance of communicating the broader outcome of the audit by the auditor-general at commencement of the audit is critically important. Further, the ISA 300 (International Standards in Auditing) (2009) recommended that the auditors could find it just and equitable to engage the auditee on the overall ethos of the audit and delineate the role expectation of the management.

4.6.5.1.2 The Audit Committee is able to amicably resolve any disputes arising from the audit between management and the auditor-general.

There was 50% agreement by the audit committee while 50% was neutral. Top management was 100% in agreement, and middle management was 58.33% in agreement and 25% strong agreement while 16.67% was neutral.

The respondents were in general agreement by an average of 58.33% complemented by 25% strong agreement (compared to the 33.34% neutrality) that the audit committee was well equipped and able to deal with any disputes or disagreements between the auditor and management. Koranteng (2015:9) asserted that the audit committee's overall responsibility is, inter-alia, to oversee the welfare of the audit as its contribution to good governance. Broye and Johannes (2021) accentuated that the audit committee plays a pivotal role in maintaining external audit independence and extinguishing any dislocation between the auditee and external auditor. In this context, audit quality is ensured in terms of focusing the audit towards making an impact on the strategic mandate of municipalities (service delivery).

4.6.5.1.3 The external audit process is participatory (i.e. employees and management are given an opportunity to contribute and provide inputs to the audit process)

The top management was 66.67% in agreement and 33% strongly agreed. Middle managers were 58.33% in agreement, 33.33% strongly agreed and 8.33% was neutral. The respondents exhibited agreement by an average of 63% complemented by an average of 33.33% strong agreement (compared to 8.3% neutrality) that the audit process was participatory.

4.6.5.1.4 I am given adequate opportunity to respond to the audit findings raised before the audit report is finalised.

There was 66.67% agreement by top management while 33.33% was neutral. Middle managers were 58.33% in agreement, 33.33% strongly agreed, whilst 8.33% were neutral. Operational employees reflected 18.18% neutrality, 63.63% agreement, 9.1% strong agreement, with 9.1% disagreement. The respondents displayed agreement at an average of 62.87% and complemented by 21.22% strong agreement (compared to an average of 20.04% neutrality) that audit findings were first discussed with them before they found expression in the audit report.

4.6.5.1.5 I am given an opportunity to provide supporting evidence for the responses/explanations given for the findings raised during the audit.

There was 66.67% agreement and 33.33% strong agreement by management. Middle management demonstrated 33.33% agreement and 41.66% strong agreement. Operational employees indicated 63.63% agreement and 9.1% strong agreement, while 27.27% are neutral. The respondents denoted an average of 55% agreement complemented by an average of 28.03% strong agreement (compared to 27.27% neutrality) that the auditee was given ample opportunity to provide explanations to findings emerging from the audit. It seemed the audit methods by the auditor-general are embraced by the auditee.

4.6.5.1.6 The audit process is inclusive in nature with both the auditee and auditor-general engaging developmentally during the audit process.

50% of audit committee members were in agreement and 50% were neutral. Top management was 100% in agreement. Middle managers were 66.67% in agreement, 16.66% strongly agreed, while 16.67% were neutral. The respondents agreed by an average of 72.22% (compared to an average of 33.34% neutrality) that audit process was inclusive and that the auditor and auditee engaged during the audit process.

The above constructs (4.6.5.1.4 to 4.6.5.1.6) evaluated the perceptions about the relationship between the auditor and the auditee during the audit process. Generally, it sufficed that respondents generally agreed by an average of 58.84% that they were consulted to furnish input and/or elucidate with justification whenever it was warranted. Bunget, Tudor and Sumanaru (2019:248) emphasised that the extent of engagement between the auditor and auditee impacts on the audit quality. The context being that the close and healthy the engagement, increases the auditor's understanding of the business dynamics based on management and employee inputs, thus validating the audit findings and improving the audit quality.

4.6.5.1.7 I understand my role and what is expected of me during the external audit process as explained by the auditor-general

Top management demonstrated 66.67% agreement while 33.33% is neutral. Middle managers showed 8.33% neutrality, agreement and strong agreement, respectively. Operational employees showed 36.36% agreement, 27.27% strong agreement while 36.36% is neutral.

There was general agreement at an average of 37% complemented by 30.3% strong agreement (compared to an average of 26% neutrality) that they comprehended their role and expectations during the audit. Thus, the pre-engagement communication between the auditee and the auditor-general was generally effective to delineate the expectations and respective roles. The roles of the auditee were also explicated in the Auditee's Guide (The Ghanaian Auditee's Guide to Performance Audit Process) that the auditee must afford the auditor unrestricted access to information, further, management was expected to furnish the auditor with responses on audit queries.

4.6.5.1.8 I understand the reporting process / the manner of communicating audit findings

66.67% agreement and 33.33% strong agreement by Top management. 66.67% agreement and 33.33% strong agreement by Middle management. Operational employees indicated 45.45% neutrality, 27.27% agreement, 9.1% strong agreement, while 9.1% strongly disagreed.

The respondents displayed general agreement by an average of 53.53%, complemented by an average of 25.25% strong agreement (compared to those neutral and strongly disagreeing) that they understood the reporting process.

4.6.5.1.9 The findings (in terms of content) are written in a manner that is easily understandable

Top management indicated 33.33% disagreement, neutrality and agreement, respectively. Middle management showed 41.67% agreement, 33.33% strong agreement whilst 25% was neutral. Operational employees indicated 36.36% neutrality, 27.27% agreement and 9.1% strong agreement, whilst 9.1% disagreed. The respondents agreed at an average of 34.09%, and complemented by 21.2% strong agreement (compared to the 31.56% neutral and those in disagreement) that the findings are written in a manner that is easily understandable.

The above constructs (4.6.5.1.8 and 4.6.5.1.9) evaluated the auditee's understanding of the manner in which the auditor-general structured the audit report and communicated audit findings. In this regard, the respondents generally agreed at an average of 43.81% complemented by 23.23% strong agreement). Salehi (2016:70) asserted that an audit report is the outcome of the auditor's examinations, i.e. it contains the scope of work and the findings emerging from the audit, it is a means of communication to the auditee and other interested users. According to Sulaima (2018), the credibility of audit reporting is one of the measures to test audit quality. Goicoechea, et al., (2021) further concurred that the quality of audit reports is of paramount importance for usage by interested stakeholders, and requires continuous improvement for user's confidence in decision-making.

4.6.5.1.10 The findings raised by the AG and explanations given by management are discussed amicably between management and the auditor-general.

66.67% of Top management agreed and 33.33% disagreement by Top management. Middle managers indicated 58.33% agreement and 16.67% strong agreement and 16.67% disagreement. The respondents generally agreed at 62.5% (complemented by 16.67 strong agreement) that findings and explanations are discussed amicably. Aikins (2012) accentuated significance of discussing the draft report with the client for input prior to finalisation and issue. Bakri (2021:2764) also stated that audit quality impacts on the audit satisfaction about the workmanship delivered by the auditor.

4.6.5.1.11 The Audit Committee consults me for explanations with respect to the findings raised

Top management reflected 33.33% agreement, 33.33% neutrality and 33.33% disagreement. Middle management indicated 41.67% neutrality, 33.33% agreement and 8.33% strong agreement with 16.67 disagreement. There were mixed perceptions about the consultation of management by the committee, there was general disagreement at an average of 50.5%, and average agreement by 33.33% on whether they were consulted by the Audit Committee with respect to findings raised. It was posited by Sulaima and Yasim (2022:1571) that the audit committee responsibilities encompass overseeing the performance of external audits and overall financial reporting.

4.6.5.1.12 The current audit approach employed by the auditor needs to be improved.

Indicated that 33.37% agreement and 66.67% strong agreement by councillors. 50% of the audit committee was neutral, 25% agreed and 25% strongly agreed. Top management indicated 100% agreement. Middle managers demonstrated 41.67% agreement, 8.33% neutrality, whilst 33.33% in disagreement and 16.67% in strong disagreement.

The feedback indicated an average of 50.01% agreement and complemented by 45.84% strong agreement (compared to 33.33% disagreement and neutrality, respectively) that the audit approach of the auditor-general requires improvement. Bota-Avram (2012) stated that the “International Standards on Auditing issued by the International Auditing and Assurance Standard Board (IAASB) require external auditors to issue an audit opinion that instils confidence on the users. Motubatse, et al., (2018) further emphasise the need for “audit quality linked to the audit process” in the public sector auditing, and the audit process largely hinges on the understanding of the environment and impacts the audit outcome.

4.6.5.1.13A platform is provided to the municipality to give feedback (e.g. feedback/customer survey) about the manner in which the audit was conducted including the manner of approach in conducting the audit.

The audit committee indicated 50% agreement, 25% neutrality and 25% disagreement. Top management indicated 66.67% agreement and 33.33% strong agreement. Middle management reflected 50% strong agreement, 33.33% agreement and 8.33% neutrality and 8.33% disagreement.

The respondents depicted an average of 50% agreement and complemented by an average 41.67% strong agreement (compared to 8.33% disagreement) that respondents were afforded an opportunity to evaluate the performance of the auditor-general. The performance evaluation of auditors was encouraged by Nehme, et al., (2019) where they asserted that performance evaluation improved auditor performance and behaviour. However, Johansen, Jeppe and Thomas (2017) cautioned against the negative effects of customer-oriented service evaluation in relation to auditors that it has a potential to deteriorate the independence of auditors to argue valid deficiency findings.

4.6.5.1.14 The information required to perform the audit is requested by the auditors during the audit process.

Middle management was 50% in agreement and 50% in strong agreement. Operational employees indicated 54.54% agreement and 18.18% strong agreement, 18.18% neutrality and 9.1% disagreement. The respondents depicted an average of 52.27% agreement and complemented by 34.09% strong agreement (compared to 18.18% neutrality and 9.1% disagreement) that the information require for audit purposes is requested during the audit process.

4.6.5.1.15 I am provided with an opportunity to give explanations related to the audit queries raised during the audit.

Middle management was 75% in agreement and 25% in strong agreement. Operational employees were 72.72% in agreement and 18.18% in strong agreement. The respondents showed an average of 73.86% agreement complemented by 21,49% strong agreement that they are given opportunity to give explanations on raised audit queries.

4.6.5.1.16 The explanations for any deviations from service delivery project plans provided by staff and/or management of the Greater Kokstad Municipality to the auditors are considered by the audit staff when raising audit findings.

Middle management indicated 58.33% agreement, 33.33% neutrality and 8.33% disagreement. Operational employees reflected 18.18% agreement, 63.64% neutrality and 18.18% strong disagreement. There was an average of 48.49% neutrality compared to an average of 38.25% agreement and 13.25% disagreement by the respondents that they are afforded an opportunity provide explanations to the findings or deviations from plans.

The above constructs (4.6.5.1.15 and 4.6.5.2.16) evaluated the reporting process and the extent of auditee consultation. Based on an average of 54.79% agreement complemented by 28,20% strong agreement (compared to an average neutrality and disagreement) the respondents generally expressed satisfaction with the

consultation process during the preparation of the audit report. The consultation process is magnified by Aikins (2012) wherein he accentuated that the draft report ought to be shared with the client for input prior to finalisation and issue.

4.6.5.2 Objective Two: To determine the role played by management and employees of the Greater Kokstad Municipality during the external audits conducted by the auditor-general and the perceived impact on service delivery.

4.6.5.2.1 The audit strategy does not only focus on financial matters but also on service delivery program initiatives of the municipality.

There was 50% strong agreement, 25% agreement and 25% neutrality by the audit committee. Top management was 66.67% in disagreement and 33.33% in agreement. Middle managers were 33.33% in agreement, 25% neutral, 25% in disagreement and 16.67% in strong disagreement. Operational employees were 9.1% in agreement and strong agreement, respectively, 36.36% is neutral, 36.36% was in disagreement and 9.1% in strong disagreement.

Even though there was some agreement, the respondents displayed an average of 42.67% disagreement and complemented by an average 25.25% strong disagreement (compared to the 25.19% agreement and 28.78% neutrality) that the audit strategy of the auditor-general also focused on service delivery. Aadnesgaard and Willows (2016) stated that it is expected that the auditor-general pronounces on both financial and service delivery performance in local government. Sambo (2019) further postulated that when the auditor-general certified a “clean audit” for a municipality in South Africa, the inherent implication was that the municipality achieved its mandate.

4.6.5.2.2 The challenging supply chain dynamics (i.e. emergencies versus the cumbersome SCM process, use of/procurement from sole suppliers, motivations for deviations, human capacity issues, SCM skills and competency challenges within the municipality, rate of supplier response to procurement adverts versus service delivery pressures, etc) faced by the municipality when procuring service providers for service delivery implementation are reasonably interpreted and understood during the audit when assessing compliance with SCM legislation (irregular expenditure).

There was 50% agreement and 50% neutrality by the audit committee. Top Management reflected 33.33% agreement, neutrality and disagreement, respectively. Middle management agreed at 66.67% with 25% and 8.33% disagreement. Operational employees indicated 36.36% strong agreement and agreement, respectively, 18.18% neutral and 9.1 strong disagreement.

The respondents indicated an average 46.59% agreement complemented by 36.36% strong agreement (compared to 33.83% neutrality and 8.76 disagreement) that supply chain dynamics impeding efficient supply chain management (SCM) processes were reasonably interpreted and understood by the auditor-general when evaluating compliance with SCM legislation. The AICPA (2021:210) prescribed that, in the event of detected non-compliance during the audit, the auditor must evaluate the conditions of such non-compliance, and engage the auditee for explanations. IRBA (2019) further emphasised that the audit of compliance aims to determine, based on sufficient evidence, whether the auditee had committed a non-compliance, thus careful consideration of the facts surrounding the non-compliance must be considered.

4.6.5.2.3 The challenges (such as a stone underneath the surface requiring additional works beyond the approved plan and cost for the project, limited funding for projects, community protests, quality of the service providers, document management, rain/natural disasters preventing progress on construction works, etc), faced by the municipality when implementing infrastructure projects (e.g. roads construction, building community halls, building stadiums, connecting electricity, implementing Expanded Public Works Programs etc) are taken into consideration when raising audit findings.

There was 50% neutrality and 25% agreement and 25% disagreement by the audit committee. To Management is 100% neutral. Middle managers were 25% neutral and 8.33% in agreement whilst 58.33% in disagreement, 8.33% in strong disagreement. 45.45% of operational employees strongly agreed, agreed by 27.27%, neutral by 9.1% and 9.1% in disagreement and strongly disagreement.

The respondents depicted an average of 61.36% neutrality (compared to the 26.26% agreement and 30.81% disagreement with 20.96% strong disagreement) that challenges related to construction projects precluding timeous successful completion of projects were considered when raising audit findings.

4.6.5.2.4 The service delivery challenges are taken into consideration when conducting the audit

The councillors were 33.33% in agreement, 33.33% neutrality and 33.33% strong disagreement. There was 50% neutrality, 25% agreement and 25% disagreement by the audit committee. Top Management indicated 66.67% disagreement and 33.33% agreement. Middle management depicted 33.33% disagreement and 8.33% strong disagreement, 16.67% neutrality and 25% agreement and 16.67% strong agreement. Operational employees reflected 54.54% neutrality, 18.18% agreement and 18.18% disagreement.

The respondents showed an average of 38.645 neutrality and 35.80%

disagreement with 19.44% strong disagreement (compared to 33.71% agreement) that service delivery challenges are taken into consideration when conducting an audit.

The above constructs (4.6.5.2.3 and 4.6.5.2.4) measured whether auditor-general took cognisance of the challenges often experienced when implementing construction/service delivery projects when conducting audits or raising audit findings. In this regard, the respondents depicted that they were generally neutral at 57.95% (compared to the level of agreement or disagreement) about the auditor-general considering the challenges encountered by the municipality when conducting audits or raising audit findings. IRBA (2019:6) accentuated the significance of understanding the business dynamics within which public sector is conducted to ensure audit quality. Al-Khaddash, et al., (2013) concurred that the understanding the business environment assist auditors add more value in the conduct of an audit.

4.6.5.2.5 I am consulted every step of the way during the audit to provide my input, where applicable.

Top management were 66.67% in agreement and 33.33% in strong agreement. Middle management was 41.67% neutral, 8.33% in agreement, 33.33% disagreement while 16.67% was in strong disagreement. Operational employees provided 45% agreement, 9.1% disagreement, 27.27% disagreement and 18.18% strong disagreement. The respondents displayed an average of 40% agreement complemented by 33.33% strong agreement (compared to an average 23.33% disagreement with 17.43% strong disagreement) that they were consulted during to provide input where applicable. The discussion of feedback by respondents on this constructs should be read in conjunction with 1.15 and 1.16 above.

4.6.5.2.6 The auditors physically visit and inspect service delivery projects together with management to verify actual implementation before concluding the audit.

The Top management indicated 66.67% agreement and 33.33% strong agreement. Middle management indicated 75% agreement others 25% disagreement. Operational employees were 36.36% in agreement and 27.27% in strong agreement, and others demonstrated 9.1% disagreement and strong disagreement, respectively.

The respondents indicated an average of 59.34% agreement complemented by an average of 30.3% strong agreement (compared to an average of 17.05% and 9.1% strong disagreement) that service delivery projects were visited for service delivery assessment. The Association for Project Auditing (2018) stated that the auditing of projects enables provision of comfort to the investor that the project are effectively implemented. Yin (2019) accentuated the criticality of audit evidence in aiding the auditors formulate conclusions and express and opinion. The Guidance Note (2011), further magnified the verification of completed and/or work-in-progress assets and reconciliation thereof with related records. George (2020) defined project auditing as a way to ascertain the progress of the project for the purposes of reporting performance to senior management. Physical inspections as posited by (Sani and Usman, 2016:6) are construed to be one of the most effective gestures in construction project auditing, including fraud detection.

4.6.5.2.7 The auditors enquire about any deficiencies identified when auditing/inspecting service projects

Top management indicated agreement 33.33% though 66.67% neutral. Middle management depicted 66.67% agreement and others were 33.33% neutral. Operational employees were 27.27% in agreement, 36.36% neutral, 27.27% disagreement and 9.1% disagreement.

The respondents displayed an average of 45.45% neutrality (compared to an average of 42.42% agreement and 18.19% disagreement) concerning whether auditors enquired about the deficiencies related projects. The External Auditor's

Guide (2019) provided that the auditors should compress deviations into findings thereafter consult key management respondents on the “causes” of the deviations to better inform recommendations. Groot (2021) further accentuated on the significance of RCA (root cause analysis) procedures to preclude recurrence of historical deficiencies and better inform correction action.

4.6.5.2.8 The recommendations provided by the auditors help the municipality to improve the internal controls with respect to infrastructure projects and service delivery.

Audit committee indicated 100% agreement. Top management showed 66.67% agreement whilst others were 33.33% neutral. Middle managers depicted 41.67% agreement, 33.33% neutral yet others were 25% in disagreement. Operational employees were 36.36% neutral, 27.27% in agreement, while 27.27% in disagreement and 9.1 in strong disagreement.

The respondents displayed an average of 58.90% agreement (compared to 34.34% neutrality and 26.14% disagreement) that the recommendations help improve the internal controls on service delivery projects.

4.6.5.2.9 The audit recommendations provided by auditors are practical/implementable considering the service delivery project dynamics faced by the municipality.

Top management was 33.33% in agreement, but 33.33% neutral and 33.33% in disagreement. Middle management was 50% in agreement, others 16.67% neutral, 25% in disagreement and 8.33% strong disagreement. Operational employees 18.18% in agreement, 36.36% neutral, while 27.27% were in disagreement and 18.18% in strong disagreement. The respondents exhibited an average of 33.83% agreement (compared 28.78% neutrality, 26.14% disagreement with 13.25% strong disagreement)

The two constructs (4.6.5.2.8 and 4.6.5.2.9) evaluated quality and effect of audit recommendations. Wadesango, et al., (2017:53) cautioned that notwithstanding the non-convincing agreement by management, some recommendations are ambiguous and lack value proposition for management's willingness to implement. On the contrary, if crafted recommendations are based on proper RCA application, Furqan, et., (2020) postulate that, the high precision on the recommendations could culminate into better service delivery including financial accountability in the local sphere of government.

4.6.5.2.10 The findings raised by the Auditor-General are informed by understanding of and correct interpretation of legislation while at the same time taking into consideration service delivery pressures.

The audit committee was 50% neutral, 25% in strong agreement and 25% in disagreement. To management reflected 66.67% in agreement and 33.33% neutral. Middle management was 41.66% in agreement, 25% neutral, 25% in disagreement and 8.33% in strong disagreement. Operational employees 45.45% in agreement, 36.36% neutral, 9.1% in disagreement and strong disagreement, respectively.

The responded depicted an average of 51.26% agreement complemented by 25% strong agreement (compared to 19.7% disagreement with 8.71% strong disagreement and 36.17% neutrality) that the findings raised by the auditor-general are informed by understanding and correct interpretation of legislation.

4.6.5.2.11 The oversight role that the Audit Committee plays during the external audit process, in ensuring that value for money is received from the auditor-general is effective.

50% disagreement, 25% neutral and 25% agreement by the audit committee. Top management demonstrated 66.67% disagreement and 33.33% agreement, Middle management showed 41.66% disagreement and 16.67% strong disagreement and 25% agreement. Operational employees indicated 36.36% neutrality, 27.27% disagreement, 18.18% strong disagreement with 18.18% agreement.

The respondents indicated an average of 44.28% disagreement complemented by 17.43 strong disagreement (compared to an average of 27.77% agreement, 26.14% neutrality) that the audit committee was effective in its oversight role during the external audit process, and that value for money was derived from the auditor-general. Broye and Johannes (2021:2) postulated that the audit committee is anticipated to play a pivotal role over the effectiveness of the auditor-general external audit and ensuring value for money. In concurring, Letsoalo and Motubatse (2019) articulated that audit committee's fundamental goal is to preserve stakeholder benefit, by overseeing the quality of financial reporting and external audit services. Magrane and Multhus (2010) posited that, amongst the oversight responsibilities of the audit committee, is to certify the external audit strategy and fees thereof, in a bid to achieve value for money and preserve stakeholder value.

4.6.5.2.12 The AG auditors demonstrate competence and experiential understanding of local government and applicable legislation to ensure that meaningful audit findings are raised.

50% disagreement, 25% neutral and 25% agreement by the audit committee. Top management demonstrated 66.67% disagreement and 33.33% agreement, Middle management showed 41.66% disagreement and 16.67% strong disagreement and 25% agreement. Operational employees indicated 36.36% neutrality, 27.27% disagreement, 18.18% strong disagreement with 18.18% agreement.

The respondents exhibited an average of 46.4% disagreement complemented by an average of 17.45% strong disagreement (compared to 25.37% agreement and an average 20.68% neutrality) that the AG auditors demonstrated competence and understanding of local government and understanding of legislation for meaningful audit findings.

4.6.5.2.13 The auditor-general interprets and applies legislation in a constructive manner during the audit of the municipality.

There was 50% agreement and 50% neutrality by the audit committee. Top management depicted 66.67% agreement with 33.33% neutrality. Middle managers showed 16.67% agreement, 50% disagreement, 25% neutrality and 8.33% strong disagreement. Operational employees indicated 54.54% disagreement, 18.18% strong disagreement and 18.18% neutrality.

The respondents indicated an average of 52.27% disagreement complemented by 13.26% strong disagreement (compared to an average of 44.45% agreement, and an average of 31.63% neutrality) concerning whether the auditor-general constructively interpretes legislation during the audit process.

Constructs (4.6.5.2.10, 4.6.5.2.12 and 4.6.5.2.13) evaluated the perceptions about the competence and ability to interpret legislation constructively during audits. Suciwati and Swartika (2020:195) posited that a competent auditor is likely to emerge with a quality audit outcome that adds value to the organisation. Aryani (2017:3) further explicated that, the competence of an auditor denotes the capability of the audit team to examine the work done based on experience and knowledge, thus, the output of the audit is impactful. Fourie, et al., (2014) also emphasised the issue of competency and skillfulness of the audit team for the efficient discharge of their duties.

4.6.5.2.14 Service delivery is at the centre of the auditor-general's audit approach

50% disagreement with 25% neutrality and 25% agreement by the audit committee. Top management depicted 100% agreement. The middle managers indicated 50% disagreement and 8.33% strong disagreement, with 25% neutrality and 16.67% agreement. Operational employees demonstrated 54.54% disagreement, 18.18% strong disagreement, with 18.18% neutrality and 9.1% agreement. The respondents displayed an average of 51% disagreement complemented by 13.25% strong disagreement (compared to an average agreement of 37.70 and 22.73 neutrality)

that service delivery is at the centre of the auditor-general's audit approach.

4.6.5.2.15 The outcome of the audit (audit opinion) is a true reflection of the municipality's service delivery performance.

There was 33.33% agreement, 33.33% neutrality and 33.33% disagreement by councillors. The audit committee reflected 50% neutrality, 25% agreement and 25% disagreement. Top management depicted 66.67% agreement with 33.33% disagreement. Middle Management reflected 50% disagreement, 25% neutrality, 8.33% strong disagreement and 8.33% agreement. Operational employees depicted 45.45% neutrality and 45.45% disagreement, with 9.1% agreement.

Construct 4.6.5.2.15 and 4.6.5.2.16 measure the service delivery orientation of the auditor-general's approach. The respondents displayed an average of 38.45% neutrality and an average of 30% disagreement (compared to an average of 28.49% agreement) that the outcome of the audit was a true reflection of the municipality's service delivery performance. This was indicative of the view that the auditor-general was not considered to be impactful as it was always expected to provide the most desired assurance. Most research studies scrutinised evaluated the cause-effect relationship between the audit outcome and service delivery, for instance (Aadnesgaard and Willows, 2016) found a "moderate" relationship between these two variables. Whereas, Saeed, Hamawandy and Omar (2020) elevated the role of auditing in service delivery by positing that internal and external auditors play are construed and trusted to play a pivotal strategic role in the public sector.

Section D: Perceived effect of the audit on improved service delivery.

4.1.1.1.1 Indicate your agreement that the audit has resulted in an improved service delivery in your municipality.

There was 66.67% agreement and 33.33% strong agreement by councillors. The audit committee reflected 75% neutrality and 25% agreement. Top management 33.33% agreement, 33.33% strong agreement and 33.33% disagreement. Middle managers reflect 50% disagreement and 16.67% strong disagreement, 8.33% neutrality and 25% agreement. Operational employees reflected 27.27% neutrality, 18.18% agreement, 27.27% strong agreement, with 9.1% strong disagreement.

The respondents depicted an average of 35.80% agreement complemented by 31.31% strong disagreement (compared to an average of 30.81% disagreement with 12.90% strong disagreement and 11.86 neutrality) that the audit has resulted in an improved service delivery. This implied that the respondents are generally amenable that the audit culminated into an improved service delivery. Scot (2022:45) asserted that the scrutiny of the quality of public services has become a priority to ascertain the veracity thereof from a stakeholder perspective, however, Scot (2022:46) expresses that, in the same token, the auditors were not highly valued by management to the extent that their recommendations were not believed to be that impactful for service delivery improvement.

4.7 CHAPTER SUMMARY

In this chapter, the responses were captured and analysed based on the constructs in section A, B, C and D of the questionnaires. The scores were further analysed and expressed in percentage terms using the “Likert scale agreement” (i.e. 1 = strongly disagree and 5 = strongly disagree)” to determine the perceptions of the participants on the areas investigated in line with the research objectives. The Cronbach’s Alpha of .681 was also calculated to determine the reliability of the study questionnaire. The next chapter focuses on the conclusions and recommendations based on the findings explicated in this chapter.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The previous chapter introduced data collection and the manner in which the data was collated. The questionnaires were physically completed by participants. The data was analysed in four sections, **A = demographics of the respondents, B = perceptions on the audit process, C = Value of the audit, and D = Perceived effect of the audit on improved service delivery**, and ultimately, measured the overall perceptions about the **impact of the audit** on service delivery performance of the municipality. This chapter captured the conclusions and recommendations based on the inferential findings from the preceding chapter.

5.1.1 LIMITATIONS

The topic of the investigation focused on the impact of the auditor-general at Greater Kokstad Municipality to improve service delivery. The research did not extend to other municipalities within the province of KwaZulu-Natal and other provinces in South Africa. The research was also limited to the council, audit committee, management and employees of the Greater Kokstad Municipality. The targeted number of the sample could not be achieved for different reasons, one being resignations, and hectic business schedule at the Greater Kokstad municipality.

5.1.2 CONCLUSIONS Perceptions on the Audit Process (external audit)

An average % was adopted and used in preceding chapter to depicts the different perceptions of the respondents using the “Likert scale agreement” (i.e. 1 = strongly disagree and 5 = strongly disagree)” based on the constructs discussed in the previous chapter.

In view of the above, the study determined that the respondents were in **general agreement** by an average of 82% that the audit process was conducive and participatory in the manner it was carried out by the auditor-general. The guide for

Auditing in the public sector (2019) stipulated certain methodical standards to be upheld by external auditors involved in the public sector. In this regard, IRBA (2019:36) stated that the auditor-general had devised and implemented guidelines to be followed when auditing in the public sector, these include;

- “The audit methodology.
- Guides on visibility and interacting with accounting officers and authorities.
- Procedures on interactions with constitutional stakeholders”.

A research conducted by Chueng and Lai (2022), accentuated that close interaction between the external auditors (auditor-general) and the audit committee is pivotal at pre-engagement stage to improve audit quality.

5.1.3 The Value of the Audit

This section sought to determine perceptions of respondents on whether value was derived from the external audit. Al-Qatamin and Salleh (2020:57-58) elucidated that “audit quality” or value must be embedded in the audit process (including application of auditing standards) as it influences the opinion of the auditee concerning the overall impact of the audit. The context of the **value proposition** was to evaluate and assess the perceived alignment of the audit approach to improving service delivery. It was also intended to ascertain whether (when evaluating compliance with legislation and dealing with deviation and anomalies identified) the auditor-general considered the inherent challenges in the local government sector, which were sometimes inevitable and impacting adversely on service delivery. The idea and anticipation of the research was that the nature of the responses to the empirical questions would inform inferences of whether the external audit approach itself had a connotation of service delivery focus (by implication) and ultimately, the improvement thereof.

The study determined an average of 50.1% neutrality, an average of 48.32% agreement and an average of 46.41% disagreement, that the audit process culminated in **value** for the municipality. The areas of disagreement (cum neutrality) are delineated below:

- The audit strategy was perceived as largely focused on finance matters than service delivery;

- Service delivery challenges were perceived not to be necessarily considered when conducting the audit. These challenges often had an impact on the delivery of services by the municipality;
- Challenges related to service delivery construction projects were not taken into consideration when conducting the audit;
- The auditors may not have fully enquired about the deficiencies identified when auditing/inspecting projects;
- The audit committee was not effective in managing the auditor-general and ensuring value for money is derived;
- The competence and experience of the auditors (from auditor-general) in local government and application of legislation to inform the audit findings was perceived not to be up to standard;
- The auditor-general did not apply legislation in a constructive manner;
- The outcome of the audit (audit opinion) was perceived as not convincingly a true reflection of the municipality's service delivery performance. On this construct, the councillors and audit committee seemed neutral whilst some participants were both in disagreement and others in agreement. The middle managers and operational employees were largely in disagreement.

5.1.4 Perceived effect of the audit on improved service delivery

This section sought to determine the perceptions on whether the audit had an effect on improved service delivery. In this regard the respondents reflected an average of 35.80% **general agreement** compared to an average of 30.8% disagreement that the audit resulted in an improved service delivery.

5.2 RECOMMENDATIONS

The following recommendations were suggested to assist improve the **value of the audit process** (in general) and to some extent, have incremental impact on service delivery:

- 5.2.1 According to Ismail, Nordin and Bakri (2021), the auditors (auditor-general and internal audit) must structure the audit process in such a manner that helps realise the objectives of the auditee, because it is a general perception that

service satisfaction from an auditee perspective implies a value-add audit outcome. “Client satisfaction”.

- 5.2.2 Thus, the opportunity to provide service feedback to the auditor-general should be maximised by the municipality. Sulaiman (2018), asserted that the level of audit costs should correlate to the impact or value-add of the audit derived by the auditee in terms of the audit opinion. Therefore, the feedback process should be taken seriously and must involve all levels of management i.e. top, middle and lower levels.
- 5.2.3 The auditor-general should review the skills mix of the audit team deployed to perform external audits in municipalities. The skills, competence and experience of the auditors are fundamental in ensuring that the audit yields value for the auditee. The Greater Kokstad Local Municipality should contribute towards this process by constantly providing feedback to the auditor-general with respect to the competence displayed by the audit team, this will in turn assist the auditor-general in the evaluation of the skills level at their disposal.
- 5.2.4 Richard (2013) accentuated that the scope of internal auditing should not be confined to the finance function but should be extended to encapsulate service delivery sectors of the municipality, and internal audit should be executed by individuals with intricate comprehension of the business environment (internal and external). From the research work of Saeed, Hamawandy and Omer (2020:1452) it was deduced that internal auditing in general is paramount to enhancing organisation performance, with its versatile role in the review of governance, risk management and controls systems. Izedonmi and Olagbegi (2021:12) alluded that internal audit is an integral part of a system of internal control established by management to provide reasonable assurance that organisational objectives will be achieved.
- 5.2.5 The municipality should seriously consider investing in internal audit processes in terms of resources (financial and non-financial) to maximise the intricate examination of the internal financial and non-financial controls of the municipality’s business geared to preserve service delivery aspirations. This view was shared by Al-matari, et al., (2013:35) who accentuated that internal audit makes immense contribution towards the execution and realisation of an

entity's strategy. Adekola et al., (2018) concurred with other researchers on the broader scope of internal audit which includes investigation and general financial and non-financial internal control evaluation.

Malakia and Angula (2021:18) delineated key success factors for an effective internal audit activity such as "support from management, resourcing the internal audit function with the requisite skills, decent and ethical practices and reporting system by management". Thus, in order to realise this very mammoth task, the Greater Kokstad Municipality should consider the following:

- prioritise the reinforcing of the internal audit department with the requisite number of human capital and financial resources to be able to deliver on its mandate.
- As delineated by Mahdawi, Ayedh and Khairi (2018:1800) that, although auditors review the internal control system, the internal auditor's objective is more value-adding in that, it is geared towards strengthening the internal control environment. The internal audit plan approved by the Audit committee should prioritise the review of the internal controls on the core service delivery programs of the municipality. These may include a qualitative and technical examination of Infrastructure/construction projects, electricity audits, waste collection, Integrated Development Planning, Public Participation, Stakeholder Management, etc, over and above the financial and compliance functions that are audited annually by internal auditors and auditor-general.
- The use of the relevant technical expertise skills such as Engineers and other Specialists during the audit of the above service delivery oriented programmes in order to provide the correct and value-add assurance to the auditee.
- Ensuring full compliance with the Institute of Internal Auditors' Standard for the Professional Practice of Internal Audit (thus a quality assurance improvement program is necessary (Sepuru, 2017).
- Constant evaluation of the Internal Audit department's performance by the Audit committee to determine its level of effectiveness.

- 5.2.6 Saidin (2014:642-643) explicated that, even though there are mixed views by different researchers on whether reliance on internal audit work reduces the fees of external auditors, there is a general view that the scope of the external auditors is reduced tremendously when external auditors rely on internal audit work because duplication of effort is reduced. Sowaiding and Qasim (2010:512) further concurred that reliance by external auditors on internal audit work is possible if the internal auditors are competent in conducting their work.
- 5.2.7 The auditors dealing with the public sector must demonstrate the knowhow and application of the auditing standards and the onerous regulatory environment with due consideration of the peculiar and “unique demands” of the government business (IRBA, 2019:6). The auditor-general should conduct proper root cause analysis (RCA) and refrain from what appears to be predetermined causes for deviations reported in the audit report and / or management letter.
- 5.2.8 The internal auditors should also be included as part of the audit steering committee meetings to provide expertise knowledge and scrutinise the adequacy of root causes and recommendations suggested by the auditor-general. Sepuru (2017) explicated the comprehensive speciality scope of internal audit as *“internal control, accounting procedures practices, risk and risk management, performance management, loss control, and compliance with compliance with legislation”*.

5.3 CHAPTER SUMMARY

This is the last chapter of the research and it provided conclusions and recommendations based on the findings discovered during the data analysis phase. In the main, it can be concluded that (even though not unanimous) the audit conducted by the auditor-general was construed to have had an impact on service delivery, however, there seemed to be significant concerns about the value added by the auditor-general. Recommendations were provided to enhance the value-add in the auditing process from both the external (auditor-general) and internal audit perspectives such that tangible impact is evident on service delivery.

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APPENDIX 1: ETHICAL CLEARANCE



02 June 2022

Thembela Barba Mzolo (219050132)
Grad School Of Bus & Leadership
Westville Campus

Dear TB Mzolo,

Protocol reference number: HSSREC/00004094/2022

Project title: Investigating the impact of the Auditor-General at Greater Kokstad Municipality to improve Service Delivery

Degree: Masters

Approval Notification – Expedited Application

This letter serves to notify you that your application received on 12 April 2022 in connection with the above, was reviewed by the Humanities and Social Sciences Research Ethics Committee (HSSREC) and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

This approval is valid until 02 June 2023.

To ensure uninterrupted approval of this study beyond the approval expiry date, a progress report must be submitted to the Research Office on the appropriate form 2 - 3 months before the expiry date. A close-out report to be submitted when study is finished.

All research conducted during the COVID-19 period must adhere to the national and UKZN guidelines.

HSSREC is registered with the South African National Research Ethics Council (REC-040414-040).

Yours sincerely,



Professor Dipane Hlalele (Chair)

/dd

Humanities and Social Sciences Research Ethics Committee

Postal Address: Private Bag X54001, Durban, 4000, South Africa

Telephone: +27 (0)31 260 8350/4557/3587 Email: hssrec@ukzn.ac.za Website: <http://research.ukzn.ac.za/Research-Ethics>

Founding Campuses: Edgewood Howard College Medical School Pietermaritzburg Westville

INSPIRING GREATNESS

APPENDIX 2: GATEKEEPER APPROVAL LETTER



**GREATER
KOKSTAD
MUNICIPALITY**

REPUBLIC OF KWAZULU-NATAL

75 Hope Street
P O Box 8, Kokstad, 4700
Tel. +27 39 797 6601
Fax. + 27 39 727 5501

Email. imelda.adkins@kokstad.gov.za
www.kokstad.gov.za

OFFICE OF THE MUNICIPAL MANAGER

PERSON DEALING WITH THE MATTER: MR. S. MADIKIZELA

12 September 2021

**DR NGENJANE DENTAL CLINIC INC.
10 BEVIS PLACE
KOKSTAD
4700
CELL: 039 727 4978**

Dear Sir/Madam

**APPROVAL: DISSERTATION: THE IMPACT OF THE AUDITOR-GENERAL AT
GREATER KOKSTAD LOCAL MUNICIPALITY TO IMPROVE SERVICE DELIVERY:
REQUEST FOR APPROVAL OF THE GATEKEEPER LETTER**

This serves to grant approval to Thembela Barba Mzolo, a Master of Business student at the University of KwaZulu-Natal with student number 219050132, to conduct his research with the Greater Kokstad Local Municipality.

We believe that the outcome of the research will help with the development of the body of knowledge in the above-mentioned topic.

Yours faithfully

**MR SR ZWANE
MUNICIPAL MANAGER**

APPENDIX 3: TURNITIN REPORT

Dissertation			
ORIGINALITY REPORT			
9%	9%	2%	0%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS
INTERNET SOURCES			
1	core.ac.uk Internet Source		1 %
2	hdl.handle.net Internet Source		1 %
3	www.researchgate.net Internet Source		1 %
4	repository.nwu.ac.za Internet Source		1 %
5	repository.up.ac.za Internet Source		1 %
6	global.oup.com Internet Source		1 %
7	researchspace.ukzn.ac.za Internet Source		1 %
8	"Brink's Modern Internal Auditing", Wiley, 2012 Publication		<1 %
9	dspace.zu.edu.ly Internet Source		<1 %
10	theses.whiterose.ac.uk Internet Source		<1 %
11	ulspace.ul.ac.za Internet Source		<1 %
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20	Zandile Virtue Dlamini, Emmanuel Mutambara, Akwesi Assensoh-Kodua. "An investigation into the effectiveness of audit		<1 %

APPENDIX 4: RESEARCH INSTRUMENT (QUESTIONNAIRE / INTERVIEW SCHEDULE)

Segment 1 of the sample: Council

For each question, select the ONE response option that best applies to you

Section A: Demographics

1. How many years have you been working as a councillor in this municipality?

Less than 1 year	1 - <2 years	2 - <3 years	3 - 4 years	More than 4 years

2. In which portfolio/standing committee are you currently deployed?

Finance	Human Resource	Technical Services	Community Services	Local Economic Development

Section B: Perceptions on the Auditor-General audit process and the perceived impact on service delivery

1 Indicate your agreement with the following statement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.1 The current audit approach employed by the auditor-general needs to be improved.					

Section C: Value of the Auditor-General audit and the perceived impact on service delivery

2 Indicate your agreement with the following statements:

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
2.1 The service delivery challenges are taken into consideration when conducting the audit					
2.2 The outcome of the audit (audit opinion) is a true reflection of the municipality's service delivery performance.					

Section D: Perceived effect of the audit on improved service delivery

3 Indicate your agreement that the audit has resulted in an improved service delivery in your municipality

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

THANK YOU FOR YOUR TIME

Segment 2 of Sample: Audit Committee

For each question, select the ONE response option that best applies to you

Section A: Demographics

1. How many years have you been working as a member of the audit committee?

Less than 1 year	1 - <2 years	2 - <3 years	3 - 4 years	More than 4 years

2. What is your specialty/expert area as a member of the Audit Committee?

Finance	Human Resource	Performance Management	Information Technology	Local Government Specialist

3. What is your Qualification?

Chartered Accountant	Certified Internal Auditor	Certified Information Systems Auditor	Qualification in Public Administration	Legal

Section B: Perceptions on the auditor-general audit process and the perceived impact on service delivery

1 Indicate your agreement with the following statements.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.1 The audit process and expected outcomes are adequately explained and discussed with management and the Audit Committee before commencement					
1.2 The Audit Committee is able to amicably resolve any disputes arising from the audit between management and the auditor-general.					
1.3 The audit process is inclusive in nature with both the auditee and auditor-general engaging developmentally during the audit process.					
1.4 The current audit approach employed by the auditor needs to be improved.					
1.5 A platform is provided to the municipality to give feedback (e.g. feedback/customer survey) about the manner in which the audit was conducted including the manner of approach in conducting the audit.					

Section C: Value of the audit auditor-general audit process and the perceived impact on service delivery

2 Indicate your agreement with the following statements:

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
2.1 The audit strategy does not only focus on financial matters but also on service delivery program initiatives of the municipality.					

2.2 The challenging supply chain dynamics (i.e. service delivery emergencies versus the cumbersome SCM processes, use of/procurement from sole suppliers, SCM competency levels, human capacity challenges within SCM, motivations for deviations from normal tender procedures, rate of supplier response to procurement adverts versus service delivery pressures, etc) faced by the municipality when procuring service providers for service delivery implementation are reasonably interpreted and understood during the audit when assessing compliance with SCM legislation (irregular expenditure).					
2.3 The challenges (such as a stone underneath the surface requiring additional works beyond the approved plan and cost for the project, limited funding for projects, community protests, violent communities evacuating contractor on site, Eskom power/capacity challenges to supply the grid, izinyoka stealing power cables, rain/natural disasters preventing progress on construction works, employee strikes, broken truck(s) preventing waste collection, political instability, delays in resolving land matters/disputes for human settlements (housing provision), etc), faced by the municipality when implementing service delivery projects (e.g. roads construction/maintenance, building/maintenance of community halls, building/maintenance of stadiums, connecting electricity to community houses, implementing the Expanded Public Works Programs, waste/refuse collection, human settlements, etc) are taken into consideration when raising audit findings.					
2.4 The explanations for any deviations from service delivery project plans provided by staff and/or management of the GKLM to the auditors are considered by the audit staff when raising audit findings.					
2.5 The recommendations provided by the auditors help the municipality to improve the internal controls with respect to infrastructure projects and service delivery.					
2.6 The audit recommendations provided by auditors are practical/implementable considering the service delivery project dynamics faced by the municipality.					
2.7 The findings raised by the Auditor-General are informed by understanding of and correct interpretation of legislation while at the same time taking into consideration service delivery pressures.					
2.8 The oversight role that the Audit Committee plays during the external audit process, in ensuring that value for money is received from the auditor-general audits, is effective.					
2.9 The AG auditors demonstrate competence and experiential understanding of local government and applicable legislation to ensure that meaningful audit findings are raised					
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
2.10 Service delivery is at the centre of the auditor-general's audit approach					
2.11 The auditor-general interprets and applies legislation in a constructive manner during the audit of the municipality					
2.12 The service delivery challenges are taken into consideration when conducting the audit					
2.13 The outcome of the audit (audit opinion) is a true reflection of the municipality's service delivery performance.					

Section D: Perceived effect of the audit on improved service delivery

3 Indicate your agreement that the audit has resulted in an improved service delivery in your municipality

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

THANK YOU FOR YOUR TIME

Segment 3 of the Sample: Top Management

For each question, select the ONE response option that best applies to you

Section A: Demographics

1. How many years have you been working as a senior manager in the municipality?

Less than 1 year	1 - <2 years	2 - <3 years	3 - 4 years	More than 4 years

2. In which department are you currently working as Department Head?

Finance	Human Resource	Technical Services	Community Services	Office of the Municipal Manager

Section B: Perceptions on the Auditor-general audit process and the perceived impact on service delivery

1 Indicate your agreement with the following statements.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.1 The audit process and expected outcomes are adequately explained and discussed with management and the Audit Committee before commencement					
1.2 The external audit process is participatory (i.e. employees and management are given an opportunity to contribute and provide inputs to the audit process)					
1.3 I understand my role and what is expected of me during the external audit process as explained by the auditor-general					
1.6 I am given adequate opportunity to respond to the audit findings raised before the audit report is finalised					
1.7 I am given an opportunity to provide supporting evidence for the responses/explanations given for the findings raised during the audit					
1.8 I understand the reporting process / the manner of communicating audit findings					
1.9 The findings (in terms of content) are written in a manner that is easily understandable					
1.10 The findings raised by the AG and explanations given by management are discussed amicably between management and the auditor-general.					
1.11 The Audit Committee is able to amicably resolve any disputes arising from the audit between management and the auditor-general.					
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.12 The Audit Committee consults me for explanations with respect to the findings raised					
1.13 The audit process is inclusive in nature with both the auditee and auditor-general engaging developmentally during the audit process.					
1.14 The current audit approach employed by the auditor needs to be improved.					

1.15 A platform is provided to the municipality to give feedback (e.g. feedback/customer survey) about the manner in which the audit was conducted including the manner of approach in conducting the audit.					
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Section C: Value of the Auditor-general audit and the perceived impact on service delivery

2 Indicate your agreement with the following statements:

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
2.1 The audit strategy does not only focus on financial matters but also on service delivery program initiatives of the municipality					
2.2 The challenging supply chain dynamics (i.e. service delivery emergencies versus the cumbersome SCM processes, use of/procurement from sole suppliers, SCM competency levels, human capacity challenges within SCM, motivations for deviations from normal tender procedures, rate of supplier response to procurement adverts versus service delivery pressures, etc) faced by the municipality when procuring service providers for service delivery implementation are reasonably interpreted and understood during the audit when assessing compliance with SCM legislation (irregular expenditure).					
2.3 The challenges (such as a stone underneath the surface requiring additional works beyond the approved plan and cost for the project, limited funding for projects, community protests, violent communities evacuating contractor on site, Eskom power/capacity challenges to supply the grid, izinyoka stealing power cables, rain/natural disasters preventing progress on construction works, employee strikes, broken truck(s) preventing waste collection, political instability, delays in resolving land matters/disputes for human settlements (housing provision), etc), faced by the municipality when implementing service delivery projects (e.g. roads construction/maintenance, building/maintenance of community halls, building/maintenance of stadiums, connecting electricity to community houses, implementing the Expanded Public Works Programs, waste/refuse collection, human settlements, etc) are taken into consideration when raising audit findings.					
2.4 I am consulted every step of the way during the audit to provide my input, where applicable.					
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
2.5 The auditors physically visit and inspect service delivery projects together with management to verify actual implementation before concluding the audit.					
2.6 The auditors enquire about any deficiencies identified when auditing/inspecting service projects					
2.7 The explanations for any deviations from service delivery project plans provided by staff and/or management of the GKLM to the auditors are considered by the audit staff when raising audit findings.					
2.8 The recommendations provided by the auditors help the municipality to improve the internal controls with respect to infrastructure projects and service delivery.					
2.9 The audit recommendations provided by auditors are practical/implementable considering the service delivery project dynamics faced by the municipality.					
2.10 The findings raised by the Auditor-General are informed by understanding of and correct interpretation of legislation while at the same time taking into consideration service delivery pressures.					

2.11 The oversight role that the Audit Committee plays during the external audit process, in ensuring that value for money is received from the auditor-general audits, is effective.					
2.12 The AG auditors demonstrate competence and experiential understanding of local government and applicable legislation to ensure that meaningful audit findings are raised					
2.13 Service delivery is at the centre of the auditor-general's audit approach					
2.14 The auditor-general interprets and applies legislation in a constructive manner during the audit of the municipality					
2.15 The service delivery challenges are taken into consideration when conducting the audit					
2.16 The outcome of the audit (audit opinion) is a true reflection of the municipality's service delivery performance.					

Section D: Perceived effect of the audit on improved service delivery

3 Indicate your agreement that the audit has resulted in an improved service delivery in your municipality

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

THANK YOU FOR YOUR TIME

Segment 4 of the Sample: Middle Management

For each question, select the ONE response option that best applies to you

Section A: Demographics

1. How many years have you been working as a middle manager in the municipality?

Less than 1 year	1 - <2 years	2 - <3 years	3 - 4 years	More than 4 years

2. In which department are you currently working?

Finance	Human Resource	Technical Services	Community Services	Office of the Municipal Manager

3. Indicate which of the following categories of Middle Management you belong to (Select ONE option only).

Manager	Assistant Manager	Section Head

Section B: Perceptions on the Auditor-general audit process and the perceived impact on service delivery

1 Indicate your agreement with the following statements.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.1 The audit process and expected outcomes are adequately explained and discussed with management and the Audit Committee before commencement					

1.2 The external audit process is participatory (i.e. employees and management are given an opportunity to contribute and provide inputs to the audit process)					
1.3 I understand my role and what is expected of me during the external audit process as explained by the auditor-general					
1.4 The information required to perform the audit is requested by the auditors during the audit process.					
1.5 I am provided with an opportunity to give explanations related to the audit queries raised during the audit.					
1.6 I am given adequate opportunity to respond to the audit findings raised before the audit report is finalised					
1.7 I am given an opportunity to provide supporting evidence for the responses/explanations given for the findings raised during the audit					
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.8 I understand the reporting process / the manner of communicating audit findings					
1.9 The findings (in terms of content) are written in a manner that is easily understandable					
1.10 The findings raised by the AG and explanations given by management are discussed amicably between management and the auditor-general.					
1.11 The Audit Committee is able to amicably resolve any disputes arising from the audit between management and the auditor-general.					
1.12 The Audit Committee consults me for explanations with respect to the findings raised					
1.13 The audit process is inclusive in nature with both the auditee and auditor-general engaging developmentally during the audit process.					
1.14 The current audit approach employed by the auditor needs to be improved.					
1.15 A platform is provided to the municipality to give feedback (e.g. feedback/customer survey) about the manner in which the audit was conducted including the manner of approach in conducting the audit.					

Section C: Value of the Auditor-general audit and the perceived impact on service delivery

2 Indicate your agreement with the following statements:

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
2.1 The audit strategy does not only focus on financial matters but also on service delivery program initiatives of the municipality					
2.2 The challenging supply chain dynamics (i.e. service delivery emergencies versus the cumbersome SCM processes, use of/procurement from sole suppliers, SCM competency levels, human capacity challenges within SCM, motivations for deviations from normal tender procedures, rate of supplier response to procurement adverts versus service delivery pressures, etc) faced by the municipality when procuring service providers for service delivery implementation are reasonably interpreted and understood during the audit when assessing compliance with SCM legislation (irregular expenditure).					

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
2.3 The challenges (such as a stone underneath the surface requiring additional works beyond the approved plan and cost for the project, limited funding for projects, community protests, violent communities evacuating contractor on site, Eskom power/capacity challenges to supply the grid, izinyoka stealing power cables, rain/natural disasters preventing progress on construction works, employee strikes, broken truck(s) preventing waste collection, political instability, delays in resolving land matters/disputes for human settlements (housing provision), etc), faced by the municipality when implementing service delivery projects (e.g. roads construction/maintenance, building/maintenance of community halls, building/maintenance of stadiums, connecting electricity to community houses, implementing the Expanded Public Works Programs, waste/refuse collection, human settlements, etc) are taken into consideration when raising audit findings.					
2.4 I am consulted every step of the way during the audit to provide my input, where applicable.					
2.5 The auditors physically visit and inspect service delivery projects together with management to verify actual implementation before concluding the audit.					
2.6 The auditors enquire about any deficiencies identified when auditing/inspecting service projects					
2.7 The explanations for any deviations from service delivery project plans provided by staff and/or management of the GKLM to the auditors are considered by the audit staff when raising audit findings.					
2.8 The recommendations provided by the auditors help the municipality to improve the internal controls with respect to infrastructure projects and service delivery.					
2.9 The audit recommendations provided by auditors are practical/implementable considering the service delivery project dynamics faced by the municipality.					
2.10 The findings raised by the Auditor-General are informed by understanding of and correct interpretation of legislation while at the same time taking into consideration service delivery pressures.					
2.11 The AG auditors demonstrate competence and experiential understanding of local government and applicable legislation to ensure that meaningful audit findings are raised					
2.12 Service delivery is at the centre of the auditor-general's audit approach					
2.13 The auditor-general interprets and applies legislation in a constructive manner during the audit of the municipality					
2.14 The service delivery challenges are taken into consideration when conducting the audit					
2.15 The outcome of the audit (audit opinion) is a true reflection of the municipality's service delivery performance.					

Section D: Perceived effect of the audit on improved service delivery

3 Indicate your agreement that the audit has resulted in an improved service delivery in your municipality

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

THANK YOU FOR YOUR TIME

Segment 5 of the Sample: Operational Employees

For each question, select the ONE response option that best applies to you

Section A: Demographics

1. How many years have you been working as an operational employee in the municipality?

Less than 1 year	1 - <2 years	2 - <3 years	3 - 4 years	More than 4 years

2. In which department are you currently working?

Finance	Human Resource	Technical Services	Community Services	Office of the Municipal Manager

3. Indicate which category of operational employee you fall into (Select ONE option only).

Supervisor	Superintendent	Officer	Technician	Team Leader	Electrician	Auditor

Section B: Perceptions on the Auditor-general audit process and the perceived impact on service delivery

1 Indicate your agreement with the following statements.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.1 The external audit process is participatory (i.e. I am given an opportunity to contribute and provide inputs to the audit process)					
1.2 I understand my role and what is expected of me during the external audit process as explained by the auditor-general					
1.3 All the information required to perform the audit is requested by the auditors during the audit process.					
1.4 I am provided with an opportunity to give explanations related to the audit queries raised during the audit.					
1.5 I am given adequate opportunity to respond to the audit findings raised before the audit report is finalised					
1.6 I am given an opportunity to provide supporting evidence for the responses/explanations given for the findings raised during the audit					
1.7 I understand the reporting process / the manner of communicating audit findings					
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.8 The findings (in terms of content) are written in a manner that is easily understandable					
1.9 The audit process is inclusive in nature with both the auditee and auditor-general engaging developmentally during the audit process.					
1.10 The current audit approach employed by the auditor needs to be improved.					

Section C: Value of the Auditor-general audit and the perceived impact on service delivery

2 Indicate your agreement with the following statements:

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
2.1 The audit strategy does not only focus on financial matters but also on service delivery program initiatives of the municipality					
2.2 The challenging supply chain dynamics (i.e. service delivery emergencies versus the cumbersome SCM processes, use of/procurement from sole suppliers, SCM competency levels, human capacity challenges within SCM, motivations for deviations from normal tender procedures, rate of supplier response to procurement adverts versus service delivery pressures, etc) faced by the municipality when procuring service providers for service delivery implementation are reasonably interpreted and understood during the audit when assessing compliance with SCM legislation (irregular expenditure).					
2.3 The challenges (such as a stone underneath the surface requiring additional works beyond the approved plan and cost for the project, limited funding for projects, community protests, violent communities evacuating contractor on site, Eskom power/capacity challenges to supply the grid, izinyoka stealing power cables, rain/natural disasters preventing progress on construction works, employee strikes, broken truck(s) preventing waste collection, political instability, delays in resolving land matters/disputes for human settlements (housing provision), etc), faced by the municipality when implementing service delivery projects (e.g. roads construction/maintenance, building/maintenance of community halls, building/maintenance of stadiums, connecting electricity to community houses, implementing the Expanded Public Works Programs, waste/refuse collection, human settlements, etc) are taken into consideration when raising audit findings.					
2.4 I am consulted every step of the way during the audit to provide my input, where applicable.					
2.5 The auditors physically visit and inspect service delivery projects together with management to verify actual implementation before concluding the audit.					
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
2.6 The auditors enquire about any deficiencies identified when auditing/inspecting service projects					
2.7 The explanations for any deviations from service delivery project plans provided by staff and/or management of the GKLM to the auditors are considered by the audit staff when raising audit findings.					
2.8 The recommendations provided by the auditors help the municipality to improve the internal controls with respect to infrastructure projects and service delivery.					
2.9 The audit recommendations provided by auditors are practical/implementable considering the service delivery project dynamics faced by the municipality.					
2.10 The findings raised by the Auditor-General are informed by understanding of and correct interpretation of legislation while at the same time taking into consideration service delivery pressures.					
2.11 The AG auditors demonstrate competence and experiential understanding of local government and applicable legislation to ensure that meaningful audit findings are raised					
2.12 Service delivery is at the centre of the auditor-general's audit approach					
2.13 The auditor-general interprets and applies legislation in a constructive manner during the audit of the municipality					
2.14 The service delivery challenges are taken into consideration when conducting the audit					
2.15 The outcome of the audit (audit opinion) is a true reflection of the municipality's service delivery performance.					

Section D: Perceived effect of the audit on improved service delivery

3 Indicate your agreement that the audit has resulted in an improved service delivery in your municipality

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

THANK YOU FOR YOUR TIME

APPENDIX 5: INFORMED CONSENT FORM AND INFORMATION LETTER



**INFORMED CONSENT LETTER
UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

Dear Respondent,

Master of Business Administration

Researcher: Thembela Mzolo (219050132) 072 404 2268
219050132@stu.ukzn.ac.za

Supervisor: Prof Bibi Z Chummun (031 260 7825)
ChummunB@ukzn.ac.za

Research Office: HSSREC (031) 260 8350/3587
Email: hssrec@ukzn.ac.za

My name is Thembela Mzolo. I am an MBA student at the Graduate School of Business and Leadership of the University of KwaZulu-Natal (Student number: 219050132). You are invited to participate in a research project entitled:

“Investigating the impact of the Auditor-General at Greater Kokstad Municipality to improve Service Delivery”

The aim of this research is to evaluate the impact of the Auditor-General at the Greater Kokstad Municipality to improve service delivery. The aim of the Auditor-General is to express an opinion on the fair presentation of the financial and performance information compiled by the municipality at the end of the financial year, this is referred to as the Annual Financial Statements and Annual Performance Report. The essence of these audits is to rejuvenate public confidence on the Greater Kokstad Municipality. But also, equally important is the credibility of the opinion given the developmental nature of the municipality's business that is underpinned by an onerous legislative environment. In this context, the manner in which the audits are conducted, the interaction between the management and the auditors, the nature of the findings and recommendations are pivotal in ensuring that the Greater Kokstad Municipality derives value from these audits through recommendations that improve service delivery.

The study will involve participants from the Greater Kokstad Municipality, Auditor-General, Council, Audit Committee, top management, middle management and operational employees, to a total of 33 participants targeted for this research.

There are no risks associated with the study.

There are no costs to the participants associated with the study.

The information and will be protected and the details of the participants will remain anonymous. The participants are not compelled disclose their personal details.

I volunteer to participate in a research project conducted by **Thembele Mzolo** from the University of KwaZulu- Natal. I understand that this research project is designed to study **“Investigating the impact of the Auditor-General at Greater Kokstad Municipality to improve Service Delivery”**.

As an employer/councillor/employee of the Greater Kokstad Municipality, I understand that I am being invited to take part in a questionnaire and/or interview. I understand that in agreeing to participate:

- My participation is voluntary. I understand that I will not be paid for my participation.
- The completion of the questionnaire will take me approximately 10 minutes.
- I will participate in an interview seeking clarity on my responses on the questionnaire, and notes will be written during the interview and/or an audio taped. I can decline to be recorded.
- I understand that if I feel uncomfortable in any way by questions on the questionnaire, I have the right not to provide my responses
- I understand that the researcher will not identify me by name in any reports using the information obtained from the interview. My confidentiality as a participant will remain secure. Subsequent uses of recordings and data will be subject to standard data use policies which protect anonymity of individuals and institutions.
- I have been given a copy of this informed consent form.

Your participation in this research project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this survey/focus group discussion. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about participating in this study, you may contact me or my supervisor at the numbers listed above.

Sincerely,

Researcher/Investigator’s signature: _____ **Date:** _____

APPENDIX 6: PARTICIPANTS' CONSENT



**PARTICIPANT CONSENT
UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

Dear Respondent,

Master of Business Administration

Researcher: Thembela Mzolo (219050132) 072 404 2268
219050132@stu.ukzn.ac.za

Supervisor: Prof Bibi Z Chummun (031 260 7825)
ChummunB@ukzn.ac.za

Research Office: HSSREC (031) 260 8350/3587
Email: hssrec@ukzn.ac.za

“Investigating the impact of the Auditor-General at Greater Kokstad Municipality to improve Service Delivery”

I.....(full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

Audio Recording: YES / NO

SIGNATURE OF PARTICIPANT

DATE

.....

.....