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POLITICAL OVERSIGHT OF MUNICIPAL PROJECTS: AN EMPIRICAL INVESTIGATION

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ABSTRACT

One of the key tenets of a democracy is legislative oversight over executive authorities. The aims of such oversight are to foster accountable, efficient, responsible, ethical, and transparent governance. However, recent official and media reports in South Africa record a rising trend in the number of unethical, and mismanagement cases in especially the local sphere of government. The media regularly report on often violent service delivery protests across the country. Municipalities are responsible for the design and execution of service delivery projects that have a direct bearing on citizen's lives. Robust oversight of these projects is critical to effect more legitimate local governance. The purpose of this article is to empirically investigate the functioning and utilisation of political oversight structures and mechanisms by reflecting on the opinions and perceptions of senior officials and political representatives (i.e. councillors) in eight local and four district municipalities in Gauteng, North West, Free State, Eastern Cape and Northern Cape provinces.

INTRODUCTION

Classical liberalism, with the emphasis on individual freedom, ultimately culminated in modern conceptions of democracy. Basic tenets of a democratic system entail issues such as accountability, representivity and participatory government. One of the cornerstones of a vibrant democracy is the state's adherence to the principles of *Trias Politica*. This principle prescribes separation of powers between legislative, executive and judiciary authorities to ensure checks and balances in the exercise of power.

The Constitution of the Republic of South Africa, 1996, makes specific provision for structures and mechanisms of oversight. In terms of Article 9, national institutions such as the Public Protector, Auditor-General and Human Rights Commission, safeguard against abuse of power and uphold the core aspects of a democracy. However, the question remains about the structures and mechanisms available for political oversight in municipalities in general and for its service delivery projects in particular. The purpose of this article is to explore particular structures and mechanisms of oversight in municipalities and to uncover the challenges associated with their functioning within the context of municipal projects for service delivery. For this purpose, the researcher obtained opinions and perceptions of senior officials and political representatives (i.e. councillors) in eight local and four district municipalities in Gauteng, North West, Free State, Eastern Cape and Northern Cape provinces. The aim was to assess structures and mechanisms for overseeing projects.

POLITICAL OVERSIGHT: CONCEPTUAL AND CONTEXTUAL CLARIFICATION

The philosophical and political theory of classical liberalism was mainly formulated during the French Revolution and the American Declaration of Independence (Kramnick and Watkins 1979:8). Especially John Locke's adage of 'life, liberty and property' summarises the underpinnings of this philosophy (Manning 1976:66). Liberal thought holds that Government is the key instrument to maintain law and order in society. However, governments can transgress certain boundaries, a variable that gave rise to the liberal idea of 'limited' government (Seliger 1968:328). Limited government is achieved through instruments such as the diffusion and fragmentation of powers, rule of law, acceptance of a written constitution and a declaration of human rights.

Particularly the idea of the fragmentation of power culminated in the principles of *Trias Politica* (separation of power; usually between the legislative, executive and judiciary – Pennock 1950:13). Montesquieu's classical concept proposed that strong legislative control is necessary over the executive authority, but that this control should be limited by legislation (Held 2006:68). The controlling function of the legislative authority would ensure that the executive branch of government is held accountable and responsible for their actions and inactions. The separation of power, according to Montesquieu, was the cornerstone to guard against the abuse of state powers and to ensure the protection of civil liberties (Anderson 2004:34). In this regard, Heywood (2002:74) contends that a constitutional democracy like South Africa should have checks on the exercising of government's power. Heywood (2002:75) further argues that the right to vote is a means of defending individual liberty, but that the separation of powers through the creation of a separate executive, legislative and judiciary, is critical to ensure societal liberty. This principle should be supported by maintaining basic human rights and freedoms.

From the liberal traditions highlighted above, the concept of 'oversight' emerged. This concept contains multiple dimensions, which include political, administrative, financial, ethical, legal, and strategic elements (Pennock 1950:41; Manning 1976:56). The basic function of oversight is to detect and prevent abuse, arbitrary behaviour or illegal and unconstitutional conduct by Government (Fessha 2008:4). At the core of this function lies the mandate to protect the rights and liberties of citizens, and to hold the government accountable for the manner in which the taxpayer's money is spent (Heywood 2002:78). Typically political oversight basically entails the following actions: informal and formal, watchful, strategic and structured scrutiny exercised by legislatures in implementing policy, utilising resources, and observing certain rules and regulations. The Oversight and Accountability Model of Parliament (RSA Parliament 2009:6-7) defines oversight as a constitutionally mandated function of the legislative organs of state to scrutinise and oversee the executive action of the various organs of state. Viewed within the context of international requirements, the importance for oversight has been highlighted as the ability to detect and prevent the following transgressions: abuse, arbitrary behaviour or illegal and unconstitutional conduct perpetrated by the government and public agencies.

In the context of the South African system of government, Senay and Besdzick (1999:3) define oversight as 'the proactive interaction' initiated by a legislature with the executive and administrative organs of a sphere of government that encourages compliance with constitutional mandates and legal obligations. This interaction ensures that the executive authority (i.e. municipal administration) is accountable to the public's elected representatives

(i.e. municipal council). This in turn promotes the ideals of good government, as well as developmental and co-operative governance.

Political oversight in a municipal frame

In the local sphere of government the legislative authority or ‘political structure’ is vested in the council of a municipality or any committee or other collective structure, which is elected, designated or appointed in terms of a specific provision of the Local Government: Municipal Structures Act 117 of 1998 (henceforth Structures Act). The municipal council is elected directly by the electorate it represents, and hence has the constitutional mandate to oversee the administration and the executive. In executing this role, the administration and executive assume enormous powers that need to be monitored, in order to avoid abuse and/or under-performance. Since South Africa is a constitutional democracy, it is a requirement that the administration and executives of the governmental institutions are monitored and held accountable by a distinct organ of Government.

A literature survey reveals the near absence of either official guidelines and recent surveys or academic text dealing with political oversight in municipalities. Official guideline documents such as National Treasury’s *Guidelines for Legislative Oversight through Annual Reports* (2005) and the *Oversight and Accountability Model of Parliament* (2009:6) exist to direct oversight within provincial and national spheres, but are practically silent on local governmental matters. Moreover, it seems that the principle of *Trias Politica* in the local sphere of government is not as well-defined as in the provincial and national spheres. The Constitution (Section 151(2)), does not explicitly provide for a separation of powers in local government. It simply declares that ‘the executive and legislative authority of a municipality is vested in its Municipal Council’. The executive (i.e. municipal administration) and the legislature (i.e. municipal council) are not separate branches as is the case with the national and provincial spheres of government.

The Constitution does not explicitly provide for separation of powers within municipalities. Nevertheless, various forms of legislation do make provision for different combinations of executive and participatory systems to guide political oversight. These legislative measures include the Structures Act, the Local Government: Municipal Systems Act 32 of 2000 (henceforth the Systems Act), as well as the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA). A municipality may, for instance, choose between a collective, mayoral or plenary executive system. In a municipality with a mayoral executive system of governance, executive leadership is vested in an executive mayor who is assisted by a mayoral committee. A municipal council with more than nine councillors is required to have a mayoral committee appointed by the executive mayor.

The Structures Act, Systems Act and MFMA therefore give content to the constitutional provisions on the interface between the municipal council and the administration. The challenge is that such a legislative collective is difficult to implement because its provisions are open to various interpretations. This often leads to unwarranted political interference into the municipal administration. One of the key tenets of the model of the dichotomy between the politic and administration in public administration, is the insulation of administrative practice from political interference ([Svara 1998:179](#)). Regarding municipalities the dichotomy model depicts the following scenario:

- ‘the council does not get involved in the administration;

- the municipal manager has no (or very limited) involvement in shaping policies; and
- the municipal manager occupies the role of a neutral expert who efficiently and effectively carries out the policies of the municipal council' (Svara 1998:179).

Svara (1998, 180) further argues that municipal managers, as administrative heads, are generally appointed politically by the council. Municipal managers thus struggle to divorce themselves from political influence and patronage. Similarly, senior managers are also often appointed politically and have to help formulate municipal policies and regulations. This virtual absence of the separation of powers could contribute to political meddling and thereby curb a council's ability to conduct proper oversight. Separating the municipal administration from politics is essential for officials to voice their agreement or discontent without fear of victimisation or retribution. A positive development in this regard, however, is the Municipal Systems Amendment Act (Section 56A(1)), which provides that the municipal manager and those managers who are directly accountable to him or her, may not hold political office in a political party or structure of such a party. This may help make administrations more effective and neutral by ensuring that competent personnel are appointed who are not as susceptible to political manipulation and pressure. This provision unfortunately does not apply to municipal staff members other than on senior management level (Good Governance Learning Network 2010:3).

The Overview Report on the State of Local Government in South Africa (COGTA 2009), pointed out that the lack of effective oversight causes dysfunctionality and instability within municipalities by creating loopholes for fraud and corruption. This report, as well as annual provincial assessments, exposed critical causal reasons for distress in municipal governance as the following:

- deployment issues and interference by political parties;
- no clear distinctions between Councils and the administrations;
- unclear boundaries between political representatives and the administration;
- poor political management and leadership;
- insufficient application of oversight function on all levels;
- insufficient controls within the system;
- poor skills base for councillors in many areas; and
- nepotism, cronyism, poor ethics and weak accountability frameworks.

Inadequate municipal accountability and oversight severely influence confidence and undermines trust levels in the system. This has been evidenced publicly through the spate of community protests recently experienced in communities across the country.

The Systems Act (Item 11(a), Schedule 1), prohibits political interference into the administration. A municipal councillor may not interfere in the administration or give instructions to any employee of the municipal council, unless mandated to do so. No councillor may obstruct or attempt to obstruct the implementation of a decision by municipal council, or encourage or participate in any conduct, which would cause or contribute to mal-administration. The MFMA (Section 117, Schedule 1) also provides protection against political interference into the administration. It stipulates that it is a criminal offence for a municipal councillor attempting to influence the municipal manager, any other staff member or an agent of a municipality not to enforce an obligation in terms of the Systems Act, other legislation, a by-law or a decision by municipal council. Such an offence is punishable by a

fine or imprisonment of up to two years. The MFMA explicitly prohibits municipal councillors from interfering in the administration of project tenders by stipulating that municipal councillors may not be part of the evaluation of tenders, nor sit in as observers (Fessha 2008:29).

According to COGTA (2010, 46-47), effective oversight will have to be exercised in order to monitor 'the extent to which service delivery (projects) are implemented within municipalities'. The application of oversight will have a positive impact as it may lead to improved service delivery and heightened accountability. The council will be able to monitor whether the administration does implement the constitutional mandate. The improvement of oversight could furthermore contribute to re-orienting policies, by-laws and budgets in favour of communities. Incidences of wasteful expenditure, corruption, and under-spending would be minimised, leaving more revenue to spend on the developmental duties of local government. Improving systems for political oversight within municipalities will limit political interference into the administration and ensure that the municipal manager and senior managers are accountable to the municipal council.

PROJECT MANAGEMENT: CONCEPT AND MUNICIPAL APPLICATIONS

As a management application, project management (henceforth PM) can be regarded as both a science and an art (Knutson and Bitz 1991:2). PM is perceived as a science because it is supported by mathematical calculations, charts, graphs, and other technical tools to design and execute projects. The success of projects, however, also depends on so-called 'soft' or human dimensions. These include political, interpersonal and organisational factors and thereby also the art dimensions of project management ([Bredin 2006:83](#)). According to Kliem and Ludin (1994:11), the field of project management had subscribed to methodologies resembling the rigid, structured and highly rational thinking of management thinkers such as Frederick Taylor, Henry Gantt and Max Weber. These theorems generally entail designing, planning, organising, co-ordinating, controlling and directing the activities of a project (McGhee and McAliney 2007:3; Burke 2013:12). Furthermore PM is characterised by the application of specialised planning tools and techniques to exercise more effective control over resources ([Midler 1995:365](#)). PM can thus be regarded as a highly effective control mechanism to utilise resources optimally and to get products and services delivered on time, within the budget, and according to quality specifications (Van der Waldt and Knipe 2006:23).

The Project Management Body of Knowledge (PMBOK 2013) is a product of the Project Management Institute, the international professional body for the field. PMBOK identifies five major, generic life-cycle phases for projects. These phases are conceptualisation, planning, execution, monitoring and control, and finally closure. Each phase has significance for purposes of political oversight. During the first phase, for example, political oversight boils down to determining whether the project does the following:

- Addresses the need identified and will pursue a feasible, cost-effective strategy.
- Align itself with national legislation and municipal policies.
- Interfaces with the municipal structure and procedures.
- Adheres to realistic time-scales, depending on the relative priority councils attached to it.
- Is resourced adequately and are backed by the commitment of senior management who supports it through materials, equipment and human resources.

- Meets the specifications and scope of the client.

The progress and overall performance of a project must be measured regularly to identify deviations from the original plan. When significant variances are observed (i.e. those that jeopardize the project objectives), adjustments can be made to the plan by repeating the appropriate processes for project planning (Burke 2003:56). Oversight is facilitated by regular performance reports to control the change, scope and schedule of the project, as well as the costs and quality.

Each stage ends with a decision point. This functions as a control ‘gate’, in the project when progress and deliverables are reviewed before approval to proceed to the next milestone or stage of the project. These decision points are typically preceded by performance and quality reviews (Nickson and Siddons 1997). During this phase oversight centres mainly on verifying the scope and assuring the quality of projects. This is done through regular phase reviews and progress reports. Political oversight during the closing phase of a municipal project is generally facilitated by close-out reports, audits, and impact assessments (Partington 1996:15; Chien 2004:429).

Municipal service delivery through IDP-aligned projects

All metropolitan, district and local municipalities in South Africa are expected to design a comprehensive Integrated Development Plan (IDP). The IDP must capture the priorities which service delivery needs. These priorities are identified through various consultative processes and the ward committee system. The IDP, in turn, is operationalised through the formulation of a ‘top-layer’ (i.e. strategic level) Service Delivery and Budget Implementation Plan (SDBIP). Section 53(1)(c)(ii) of the Municipal Finance Management Act 56 of 2003 (MFMA), defines the SDBIP as ‘a detailed plan approved by the mayor of a municipality in terms of for implementing the municipality’s delivery of services and the execution of its annual budget’. The SDBIP is a key management, implementation and monitoring tool, which provides operational content to targets for service delivery set in the budget and IDP. It determines the performance agreements for municipal managers and all senior managers, whose performance are then monitored through monthly reports and evaluated through annual reporting processes. The SDBIP should therefore determine, and be consistent with, the performance agreements between the mayor and the municipal manager, as well as between the municipal manager and senior managers. The SDBIP must also be consistent with agreements on outsourced service delivery with municipal entities and private service providers.

Projects can be regarded as the ‘vehicles’ through which the IDP and SDBIP are operationalised. All municipal projects should be aligned with both planning documents. The IDP explicitly makes provision for projects in phase 3 of its five phases (DPLG IDP Guide Pack 2002:10). Projects are thus increasingly seen as effective tools to improve service delivery in municipalities. If projects are not executed successfully, both in terms of quantity and quality, the municipal community may complain about the slow pace of service delivery. It could thus be argued that poor project planning has a direct impact on the overall legitimacy of the municipal council concerned. This is confirmed by the following reports: State of the Cities Report (SA Cities Network), the 2009 Local Government Turnaround Strategy for Municipalities (COGTA 2009a), the State of Local Government in South Africa (COGTA 2009b), as well as the General Report of the Auditor-General on the Audit Outcomes of Local Government for the financial year 2013-2014.

These various forms of legislation and regulatory oversight reflect the fact that municipalities, which are unable to deliver on their constitutional and developmental mandates, typically show some of the following characteristics: their services are not delivered on target dates, they are over-budget, have low service standards, and follow weak standardised processes and methodologies. The municipalities that have relatively mature project applications and well-functioning mechanisms for political oversight in place receive unqualified audit reports regularly. Therefore there seems to be a significant correlation between well-established project practices, effective political oversight, and efficient municipal service delivery.

POLITICAL OVERSIGHT STRUCTURES AND MECHANISMS FOR MUNICIPAL PROJECTS: AN EMPIRICAL INVESTIGATION

This section highlights the particular political oversight structures and mechanisms identified by participants who were part of an empirical investigation.

Methodology

Through a qualitative research design, a questionnaire was distributed to fifty-nine ($n = 59$) randomly-sampled participants. These comprised councillors and officials in the following local (LM) and district municipalities (DM) in Gauteng, North West, Free State, Eastern Cape and the Northern Cape provinces. This sample is expounded in the table below.

Sample			
Local municipalities	No of participants	District municipalities	No of participants
1. Maluti-a-Phofung LM	3	1. Wes Rand DM	5
2. Magube LM	2	2. O.R. Tambo DM	12
3. Alfred Nzo LM	6	3. Dr Ruth Segomotsi Mompati DM	9
4. Merafong LM	6	4. Namakwa DM	3
5. Ratlou LM	4		
6. Mamusa LM	4		
7. Matlosana LM	3		
8. Dipaleseng LM	2		
Total	30	Total	29

Only a general sense of major project oversight structures and mechanisms and associated challenges were of interest to this research. Hence a fully representative sample of all 278 municipalities in South Africa was not necessary. No generalisations of the research findings are thus made. A questionnaire was distributed to participants in eight local municipalities and four district municipalities. A list with names and e-mail address of delegates who successfully completed municipal governance training courses hosted by the Centre for Governance, North-West University, was utilised for this purpose. This ensured that only participants responded who were relatively well-versed with both PM applications and municipal political oversight. Forty-eight of the selected 59 participants responded, a response rate thus of 81,3%.

Apart from two biographical questions about position (job level) and numbers of years employed in the particular municipality, the questionnaire only contained four open-ended questions, namely:

- a) ‘What are the key political oversight *structures* (e.g. committees of council) in your municipality to oversee service delivery projects?’
- b) What are the key political oversight *mechanisms* (e.g. reports) in your municipality to oversee service delivery projects?
- c) Briefly state your perception regarding the effectiveness of each oversight structure and mechanism mentioned above in ensuring the successful design and execution of municipal projects.
- d) What do you regard to be the key challenges associated with political oversight of municipal projects? (Please list in order of significance or magnitude and briefly elaborate on each challenge identified).’

The structures and mechanisms for political oversight that participants identified were categorised, based on the number of responses obtained. In other words, the political oversight mechanism mostly cited by participants was listed as number one – as is illustrated in the table below.

Findings: Key project oversight structures

In this section the response rating of participants is used to explore particular structures of project oversight in municipalities in order of priority as ascribed by the participants. The respective structures are furthermore explained briefly based on their particular statutory and regulatory mandate in local government in general and project oversight in particular. The response rate for political oversight structures as provided in the table below.

Political oversight structures	Response rate
Council Portfolio Committees	100% (<i>n</i> = 48)
Internal Audit and Audit Committee	93,7% (<i>n</i> = 45)
Municipal Performance Audit Committee	91,6% (<i>n</i> = 44)
Municipal Public Accounts Committee	77% (<i>n</i> = 37)
Project Steering Committees	72,9% (<i>n</i> = 35)
Project Management Unit	64,5% (<i>n</i> = 31)

Subsequently a brief expose will be given of the findings for each structure of political oversight as indicated in the table above.

Council Portfolio Committees

All participants (*n* = 48) indicated that portfolio (or standing) committees in terms of Sections 79 and 80 of the Structures Act are the most significant structures for municipal project oversight. Portfolio Committees are categorised as Section 80 committees and are permanent bodies in Council. Their deliberations are aimed at a particular functional area. They advise Executive Committees on policy matters and make recommendations to Council.

To facilitate the monitoring and oversight of projects, the Portfolio Committee’s control and performance reporting should follow the Corporate Governance principles (i.e. King III), and adhere to the Structures Act (Section 79(2)(c)-(f)). The Committee has the responsibility of

exercising oversight of service delivery projects. The members also consider the financial performance to develop a holistic understanding of the municipality's performance. Regarding the oversight of service delivery projects, the general functions of the Portfolio Committee entail the following:

- Evaluate and recommend the prioritisation of projects falling within the functional areas of the portfolio.
- Receive and consider business plans for projects falling within the functional area of the portfolio.
- Oversee the implementation of projects within its area of jurisdiction.
- Oversee the review of financial performance against approved project budgets.
- Formulate and prepare in consultation with the relevant Head of Department the draft budget for the functional areas of the portfolio.
- Receive and consider project reports and make recommendations.
- Ensure that the projects comply with the legislation, norms and standards for the functional areas of the portfolio.
- Consult with the municipal manager and the relevant Head of Department on Council's policies, programmes and projects.

Even though municipal committees might be representative of all political parties, it must be chaired by a member of the executive and reports to the executive (De Visser, Steytler and Mays 2009:41; Paradza, Mokwena and Richards 2010:12). It could be argued that the representativeness of these committees may exert a significant influence on the way in which oversight is conducted – the more representative the more effective oversight is exercised.

The Internal Audit Unit and Audit Committee

Ninety-three percent ($n=45$) of the participants concurred that the Audit Unit and Audit Committee play a significant role in project oversight. In terms of the MFMA (Section 165) each municipality must have an Internal Audit Unit. According to the MPAC Guidelines (SALGA 2012:4) the Internal Audit and the Audit Committee must advise the accounting officer on the implementation of the internal audit plan and matters relating to the following:

- internal audits;
- internal controls;
- accounting procedures and practices;
- risk and risk management;
- performance management;
- loss control; and
- compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation.

The International Standards for the Professional Practice of Internal Auditing (National Treasury 2009:5) defines internal auditing as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. The Internal Audit Unit initiates an organisational risk-based plan needing to focus on the following actions: internal controls, risk and risk management, performance management, loss control as determined by the municipal manager (MFMA, Section 165(2)-(3)).

The Internal Audit Unit can also assist the Council in improving oversight over municipal projects. The council can pose questions, probe and hold the administration accountable for failures to perform or in the event of financial misconduct. In order for the Internal Audit Unit to add value it needs to function in an enabling environment, without interference from the administration or the municipal council.

Section 165(2)(b) of the MFMA provides for the establishment of an Independent Audit Committee consisting of at least three persons with appropriate experience, the majority of whom should not be employed by the municipality. The Audit Committee does not form part of the administration, but in practice the head of the Internal Audit Unit performs a secretarial function to assist the Audit Committee. The purpose of municipalities' internal audit and audit committees is to identify risks to which that municipality could be exposed and to advise the council accordingly. An Audit Committee may enhance the independence and effectiveness of the Internal Audit Unit, as the municipal manager needs to ensure that the reports on irregularities, risk, and fraud associated with municipal projects are submitted to the Audit Committee. This in turn ought to enable the council to improve oversight.

Municipal Performance Audit Committee

Regulation 9 of the Municipal Planning and Performance Management Regulations obligates a municipality to appoint a separate Performance Audit Committee to conduct the internal audit of the municipality's performance. Ninety-one percent ($n=44$) of the participants concurred that the Regulations further provide clear guidelines for conducting project performance audits:

- 'review the quarterly reports submitted to it;
- review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and
- at least twice during a financial year submit an audit report to the municipal council concerned' (Municipal Planning and Performance Regulation, 2001, Reg.4(a)(i)-(iii)).

The Municipal Performance Audit Committee has a critical role in improving the oversight role of the municipal council. This is done by reviewing the performance of management and determining whether management in their execution of municipal projects adhered to the legislative framework that governs performance management. The committee may access municipal records for the purpose of auditing, they may summon and may request information from anyone (Municipal Planning and Performance Regulation 2001, Reg.14(4)(iii)).

Municipal Public Accounts Committee

A significant number of participants (77%) agreed that Municipal Public Accounts Committees (MPACs) play a meaningful role in project oversight. These committees are established in accordance with Section 79 of the Structures Act. The main purpose of the MPAC is to exercise oversight over the executive functionaries of Council and to ensure good governance within the municipality. As such, the MPAC oversee all funding associated with municipal projects. In addition, it verifies the progress of projects and reports the status of projects to Council. In conducting this oversight function, the MPAC evaluates annual reports, and check the financial statements and audit reports of the municipality.

As a monitoring and evaluation committee, MPAC must inspect project sites at least on a monthly basis together with municipal project managers. MPAC must also liaise with the chief financial officer (CFO) to determine whether money allocated to projects is spent according to specifications.

Project Steering Committees

Thirty-five participants (72,9%) identified Project Steering Committees as a major structure for project oversight in their municipalities. Project Steering Committees are responsible for directing or steering the project. Van der Waldt (2008:15) points out that a project steering committee 'is generally the key governance structure, which is responsible for the issues associated with the project deliverables'. This includes issues such as:

- Approving the project budget.
- Defining the deliverables.
- Monitoring identified risks.
- Making decisions on resources.
- Approving changes in project scope.

The twelve participants from O.R. Tambo DM indicated that steering committees are established for all projects in the municipality. The main role of these steering committees is to monitor project progress and to identify political risks. The committee usually consists of community leaders and other relevant stakeholders of the project in question. The project manager and technical committee report on the progress of the project during gatherings of this committee. Participants from Merafong LM in turn indicated that their steering committees are usually chaired by a member of the Mayoral Committee or the Executive Director of the department responsible for the project. The steering committee also comprises councillors of the particular wards that will be affected by the project. It may also include representatives from provincial and national departments. The project manager is responsible in this meeting to submit reports on the status of projects.

In the case of Ratlou LM, an intersectoral steering committee was constituted by different sector departments. This includes Education, Health and Local Aids Council, Social Development and South African Security Agency (SASSA), as well as Agriculture and Rural Development. The intersectoral committee also includes local ward councillors, community development workers and the ward committee. All these representatives play an oversight role by monitoring projects and reporting to their different departments.

Project Management Units

The last structure identified by participants (64,5%), is Project Management Units. Each municipality participating in the Municipal Infrastructure Grant (MIG) programme must establish Project Management Units (PMUs) (DPLG 2007, 7). Municipalities are required to set up or to share (i.e. shared services model) a PMU. This service model should have the following functions in relation to municipal projects:

- Take responsibility for project management and the administration of MIG funding, within the relevant municipal accounting systems, for infrastructure projects, as well as projects of other municipalities where delegated this authority.
- Coordinate the process to identify projects within the municipality.

- Manage the feasibility process of the project, by involving other municipal departments, where appropriate, in terms of the relevant integrated development plans.
- Coordinate the project-based initiatives for capacity building: the Project Management Unit is responsible to ensure that project-related capacity building and developmental objectives are met.
- Taking responsibility for deploying a consistent methodology for project management within the organisation, including processes, templates and best practices.
- Conducting project management, which includes making sure that projects meet planning objectives (DPLG 2007:7).

In all these instances, the PMU is a function or a shared function within a municipality. Therefore, all the PMU requires is the planning, organising, coordinating, controlling and directing of the activities of a project (Van der Waldt 2013:9). In the case of O.R. Tambo DM, a special unit was established to facilitate, monitor, control and report the project status. This unit is based at the Infrastructure Department, where most service delivery projects of the district are coordinated. The project managers of the district are placed in the PMU and report directly to the Director: Infrastructure and Water Services.

Participants from Mamusa LM confirmed that the establishment process as well as the operational outcomes of their PMU does adhere to all aspects contained within the MIG Guidelines of the MIG Policy Framework document. In the case of Ratlou LM, the role of the PMU entails the following actions:

- Accept overall responsibility for the effective governance of projects.
- Prioritise relevant projects for Ratlou communities.
- Enforce project-based service delivery.
- Recruit resourceful and skilled project team members.
- Develop local leadership that will inspire confidence in project management.
- Respond rapidly to the need and demands of local communities.
- Render services on time, within budget and according to project specifications.
- Improve control over projects in the municipality.
- Ensure the formulation of clearly defined criteria by which to report on the status of projects.

The role of the technical department's chairperson is oversight and to ensure that progress reports reach Council in time. The chairperson will report to communities and political heads on the progress of the project concerned. The technical chairperson will also intervene when problems are encountered, especially with employing local community members in projects. One participant raised the interesting point that it would be easier for an inclusive PMU (i.e. with a wider scope of responsibility) to co-ordinate projects. The reason is that not all projects are funded by MIG. Some also receive funds from sector departments and even donor agencies.

Findings: Key project oversight mechanisms

The oversight mechanisms or means through which Council exercise oversight, are again listed in the table below based on the number of times (frequency) cited by participants.

Political oversight mechanisms	Response rate
Annual and Quarterly Performance Reports	97,9% (n = 47)
Project status reports	87,5% (n = 42)
Project Charters and Business Plans	79,2% (n = 38)
Project Budget Statements and Reviews	70,8% (n = 34)

Annual and Quarterly Performance Reports

The most significant mechanism for project oversight that participants identified (97,9%) is Annual and Quarterly Performance Reports. Every municipality and municipal entity must prepare an Annual Report for each financial year. This should be done in accordance with the MFMA (Section 121) and can be regarded as the most important report concerning the various operations and functions of the municipality. The purpose of the Annual Report, in terms of the MFMA stipulations is to provide the following:

- a record of the activities of the municipality or municipal entity;
- a report on performance in service delivery and implementation of budgets;
- information that supports the revenue and expenditure decisions made; and
- accountability to the local community for decisions taken.

All municipalities are obligated to report on the various aspects of performance, by providing a true, honest and accurate account of the goals set by the municipal council over against the success or failures in achieving these goals (National Treasury 2006; MFMA 2005, Circular No. 11). Performance reporting and reviews should be done on various levels and at specific intervals, including:

- departmental reviews;
- management team reviews;
- Portfolio Committee reviews;
- EXCO (Executive Committee) reviews;
- council reviews; and
- public reviews.

The Annual Report is relevant for the oversight of project, as it is may be used to ensure transparent governance when reporting on projects' performance. Such a report provides a detailed record of a municipality's service delivery, income, expenditure and financial allocations. The council can use these reports to determine the financial state of the municipality and whether targets for service delivery were implemented within the constraints of the budget. The Annual Report is relevant as an oversight and accounting mechanism, in the sense that it captures the financial transactions regarding service delivery projects on an annual basis (Section 38(a)(ii) MFMA; National Treasury 2007).

Project Status Reports

Forty-two participants (87,5%) identified Project Status Reports as instruments of political oversight for municipal projects. The municipality's council must consider the Annual Report of the municipality and any entity under the municipality's sole or shared control. This should be done by no later than two months from the date on which this report was tabled in the municipal council. Then the council should adopt an oversight report containing the

council's comments on the Annual Report (MFMA, Section 129). The comments to be submitted by the council must include a statement whether the council has:

- Approved the Annual Report with or without reservations.
- Rejected the report.
- Referred the Annual Report back for revision on those aspects that can be revised (MFMA, Section 129).

Status reports from the Project Steering Committee are submitted to the Office of the Municipal Manager, who reports the findings on the performance of projects to Council. This oversight report plays a key role in ensuring that the executive and administration are held accountable for the performance of projects.

Project Charters and Business Plans

The majority of participants (79,2%) confirmed that Project Charters and Business Plans play a significant role as oversight mechanisms. Charters of municipal projects clarify the project's scope, specifications, and roles, as well as set out the responsibilities of the relevant role-players and stakeholders. The Business Plan in turn must outline in detail the milestones, duration, budget, quality metrics and reporting arrangements. It also clarifies the interface between the project and existing municipal structures and policies. Both documents are thus important to define accountability and reporting arrangements (cf. Van der Waldt 2008:18).

Especially the project's budget, as contained in the Business Plan, can be regarded as a key oversight instrument by setting the spending priorities and controlling the expenditure (De Visser, Steytler and Mays 2009:12). The municipal manager must submit a monthly budget statement to the mayor and the provincial treasury including information about the actual expenditure of projects (MFMA, Section 71(1)-(5)).

Project Budget Statements and Reviews

The mechanism the participants listed the least as oversight mechanism (70,8%) is Project Budget Statements and Reviews. The mayor should receive monthly budget statements, which reflect the expenditure on service delivery projects. He or she should further receive performance reports quarterly from internal audit and obtain performance reports twice a year from the Audit Committee. The mayor is also responsible for monitoring the implementation of proposals presented to Council for the improvement of performance monitoring and project oversight.

Budget statements and reviews are conducted in terms of Section 46 of the Systems Act. Though the council does not receive the monthly budget statement, legislation does not prohibit this body to request these statements in order to conduct oversight. It furthermore gives the municipal council insight into whether any adjustments were made within the planned project projections. From this can be deduced whether corrective measures need to be implemented in instances where the administration does either overspend, or underspend.

Findings: Core challenges identified

Question 4 of the questionnaire requested participants to identify and prioritise the key challenges that, according to them, hamper political oversight of municipal projects. This

section briefly highlights the responses obtained. As far as possible, similar responses were clustered. “C1” refers to the challenge participants cited most often.

- C1: *Councillor capacity*: Forty-two participants (87,5%) identified skills and capacity challenges on the side of those responsible for oversight to be the most significant issue. Participants concurred that the general inability of councillors to interpret technical project reports seriously hampers their oversight function. Such reports include estimates and calculations of the budget, environmental impact assessments, and feasibility studies,
- C2: *Political will*: Participants listed as second most significant challenge (83,3%) the lack of political will to act against non-compliance with tender specifications for projects or against non-performance of politically-connected officials. There was a general agreement that adequate structures and mechanisms exist to oversee municipal projects, but that these structures and mechanisms are merely there for the sake of complying with statutory regulations. The political will to exercise oversight effectively through these structures are generally seen to be lacking. Often ‘bad’ (i.e. over-budgeted) projects are not terminated, due to political reasons.
- C3: *Terms of reference*: The general lack of clear roles and of clarity on the responsibility of various political oversight structures was cited by 72,9% of participants. Various structures are in place in municipalities, but often the chairperson and committee members misinterpret their legal mandates and overstep their jurisdiction. Participants recommended that clear terms of reference should be established for each oversight structure.
- C4: *Oversight horizons*: More than half of the participants (62,5%) indicated that the short planning horizon of councillors often hampers the implementation of longer-term projects. Councillors often focus on their term of office and on being re-elected, and are not duly concerned about projects that run beyond local elections. Councillors are also often only concerned about projects in their particular wards and those endeavours which gain them high visibility. Some participants also indicated that politicians often ‘high-jack’ high profile municipal projects for political gain.
- C5: *Budgeting processes*: Forty-eight percent of the participants (48%) indicated that projects funded through the discretionary fund of the Executive Mayor are often not subjected to the same level of scrutiny as other municipal projects. This could pose a significant challenge to good governance if transparency on these types of projects is compromised.
- C6: *Outsourcing*: There is often over-reliance on external service providers through the outsourcing (i.e. contracting out) of projects. This state of affairs impedes accountability and political oversight (42%). If municipalities do not adhere strictly to and enforce tender specifications and contractual obligations, the success of projects usually may be compromised. Municipalities also typically do not effectively conduct their own impact and risk assessments on projects (organisational and environmental). They rather leave it up to the service provider, who is generally not concerned with municipal priorities and responsibilities.

- C7: *Continuity*: According to participants (32,6%), the high staff turnover of councillors and other political positions such as the Executive Mayor and the Speaker, seriously jeopardise a longer-term oversight perspective. There is a general lack of ‘institutional memory’ to oversee longer-term municipal projects.
- C8: *Municipal entities*: An interesting point raised (12,5%) is the fact that projects in municipal entities are subjected to the same stringent oversight processes as the projects run by the administration. It seems that especially municipal entities in the arena of local economic development require more rigorous oversight protocols.

CONCLUSION AND RECOMMENDATIONS

The purpose of this article was to investigate the nature of municipal political oversight with specific reference to structures, mechanisms, and challenges of project oversight. It is evident that an adequate statutory and regulatory framework does exist to guide the establishment and functioning of such oversight structures and mechanisms. There are, however, significant challenges that still hamper effective utilisation of these means for project oversight.

It is recommended that a comprehensive oversight framework should be designed to strengthen existing structures and mechanisms. Such a framework provide for capacity-building of councillors by conducting a more robust orientation of especially newly elected councillors. Furthermore, the framework should foster political commitment of Council to act on instances of non-compliance with statutory and regulatory requirements. The framework should thus in general foster accountability systems, transparency, and a performance culture. Unless the challenges identified in this investigation are addressed adequately, it may lead to violent protests in cases where the quality and quantity of service delivery projects are not improved.

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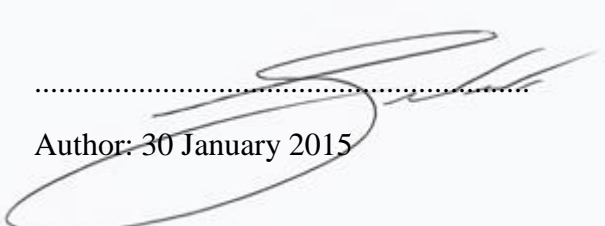
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