



## Overview Challenges Affecting the Promotion of Good Corporate Governance Measures in Mahikeng Local Municipality

Howard Chitimira<sup>1</sup>, Tumelo Sethunyane<sup>2</sup>, Phemelo Magau<sup>3</sup>

**Abstract:** The adoption of poor corporate governance measures has to date given rise to many problems of corruption, embezzlement of public funds and maladministration in several municipalities in South Africa, including the Mahikeng local municipality. The Mahikeng local municipality has had a bad reputation of corruption, embezzlement of public funds and maladministration challenges in the recent years. These challenges are reportedly perpetrated by the municipal manager who is responsible for the management of the municipal budget and related funds. Moreover, irregular expenditure, wasteful and irregular expenditure, non-compliance with the relevant laws, poor management, political interference, lack of political will and lack of accountability are further challenges that have crippled the proper and effective management of the Mahikeng local municipality. In light of this, this article investigates the adequacy and enforcement of the relevant laws to promote good corporate governance in Mahikeng local municipality. This is done to recommend the adoption and utilisation of good corporate governance principles and related measures to, *inter alia*, promote accountability and consequent management of the Mahikeng local municipality.

**Keywords:** accountability; corporate governance; municipal manager; maladministration

<sup>1</sup> Research Professor and Professor of Securities and Financial Markets Law, Faculty of Law, North-West University, South Africa, Address: Private Bag X2046, Mmabatho, 2735, South Africa, Corresponding author: Howard.Chitimira@nwu.ac.za.

<sup>2</sup> Master of Laws (LLM) graduate, North West University, South Africa, Address: Private Bag X2046, Mmabatho, 2735, South Africa, E-mail: tumeloinnocent31@gmail.com. This article was influenced in part by Sethunyane's Master of Laws (LLM) dissertation entitled: *A Statutory Regulatory Analysis of the Accountability of the Municipal Manager and Corporate Governance Measures in Mahikeng Local Municipality*, pp. 109-126. Consequently, he wishes to acknowledge the expert input of Prof H Chitimira.

<sup>3</sup> Lecturer and Doctor of Laws (LLD) Candidate, Faculty of Law, North West University, South Africa, Address: Private Bag X2046, Mmabatho, 2735, South Africa, E-mail: ptmagau@gmail.com.

## 1. Introduction

The municipal manager of any municipality is responsible and accountable for every action or inaction regarding their municipality (Mathiba, 2019a, p. 35). The municipal manager is the head of administration and the accounting officer of the municipality. Therefore, nothing must be done by the Mahikeng local municipality without the authorisation of the municipal manager (ss 60-70 of the Municipal Finance Management Act 56 of 2003, "Finance Management Act"; s 54A(1)(a) of the Municipal Systems Act 32 of 2000, "Systems Act"; Joubert & Faris, 2008, p. 149). The municipal manager is responsible for the general administration of the municipality and the implementation of its integrated development plan (IDP) (see s 55(1) (c) of the Systems Act; s 60 of the Finance Management Act; Joubert & Faris, 2008, p. 150). The municipal manager is also responsible for the formation and development of a responsive, accountable and socio-economic effective administration in Mahikeng local municipality (s 55(1)(a) of the Systems Act). The municipal manager is accountable for the overall performance of the administration and carries out the mandate from the municipal council (s 61(1)(b) of the Finance Management Act; s 51(i) of the Systems Act; De Visser, 2001, pp. 1-2). The entire municipal employees report to the municipal manager who in turn reports to the municipal council (s 10(1)(b) of the Finance Management Act; De Visser, 2001, pp. 1-2). Nonetheless, the Mahikeng local municipality is still struggling with poor financial management and service delivery challenges (Mathiba, 2019a, p. 61). This has been worsened by the lack of good corporate governance measures and the poor enforcement of the relevant municipal laws in Mahikeng local municipality.

The adoption of poor corporate governance measures has to date given rise to many problems of corruption, embezzlement of public funds and maladministration in several municipalities in South Africa, including the Mahikeng local municipality (Sethunyane, 2020, pp. 109-126). The Mahikeng local municipality has had a bad reputation of corruption, embezzlement of public funds and maladministration challenges in the recent years (Sethunyane, 2020, pp. 109-126). These challenges are reportedly perpetrated by the municipal manager who is responsible for the management of the municipal budget and related funds (De Visser, 2001, pp. 1-11). Moreover, irregular expenditure, wasteful and irregular expenditure, non-compliance with the relevant laws, poor management, political interference, lack of political will and lack of accountability are further challenges that have to date crippled the proper and effective management of the Mahikeng

local municipality (Sethunyane, 2020, pp. 109-126). In light of this, this article investigates the adequacy and enforcement of the relevant laws to promote good corporate governance in Mahikeng local municipality. This is done to recommend the adoption and utilisation of good corporate governance principles and related measures to, *inter alia*, promote accountability and consequent management in the Mahikeng local municipality.

## 2. Legal Nature of the Mahikeng Local Municipality

Mahikeng local municipality is a category B municipality located in the Ngaka-Modiri Molema District Municipality (s 155(1)(b) of the Constitution of the Republic of South Africa, 1996, "Constitution"). Therefore, the Mahikeng local municipality is an organ of state recognised and established as such by the Constitution of South Africa, 1996, "Constitution" (ss 151 and 155) as well as the Municipal Structures Act 117 of 1998 ("Structures Act", see ss 12 & 14). The Constitution (s 156) and the Systems Act (s 11), empowers the municipality to independently govern the local government affairs of its community (s 41(1)(g) of the Constitution; *City of Cape Town and Other v Robertson and Other* 2005 2 SA 323 (CC) (*City of Cape Town Case*), paras 53 & 59). However, the duties, powers and rights of municipalities must be carefully exercised by the municipal council and the municipal manager in accordance with the national and/or provincial legislation as provided for in the Constitution (ss 41(1)(g) & 151(3); *City of Cape Town case* para 59).

The powers and functions of Mahikeng local municipality are vested in the municipal council (s 160 of the Constitution) while the municipal manager is responsible for the administration of the municipality (s 4 of the Systems Act). The municipal manager is, *inter alia*, responsible for the administration and implementation of municipal by-laws, the exercise of any powers and the performance of any duties delegated by the municipal council (s 55(1) of the Systems Act). Thus, the Mahikeng local municipality performs its functions through the municipal council and/or the municipal manager (ss 4 & 55 of the Systems Act). Notably, the decisions by the municipal council and/or the municipal manager are regarded as the decisions of the municipality (s 4(1) of the Systems Act). This entails that when the municipal council and/or the municipal manager of the Mahikeng local municipality performs their functions, their acts or conduct are regarded as that of the municipality and not their personal acts or conduct. It is

interesting to note that the role and functions of the municipal council and the municipal manager in Mahikeng local municipality are somewhat similar to that of a company director and/or the board of directors since the actions or conduct of a company director and/or the board of directors are deemed to be the actions or conduct of their company (s 19 of the Companies Act 71 of 2008, “Companies Act 2008”; Davis & Geach, 2013, p. 29). The Mahikeng local municipality may also be classified as a juristic person since it has the capacity to acquire rights and obligations independently and separately from its members (s 2(d) of the Systems Act).

### **3. Challenges Affecting the Mahikeng Local Municipality**

The Mahikeng local municipality obtained a disclaimer of opinion from the Auditor General in the 2015-2016 financial year (Luhabe, 2017; Mahikeng Local Municipality Annual Report, 2016/2017, p. 326). A disclaimer audit opinion entails that the municipality failed to account for its finances and/or provide the necessary audit evidence to the Auditor General. The Mahikeng local municipality also obtained a qualified audit opinion in the 2016-2017 financial year (Mahikeng Local Municipality Annual Report, 2016/2017, p. 326; Mahikeng Local Municipality Annual Report, 2018/2019, p. 10). A qualified audit opinion entails that the financial statements of the municipality contained material misstatements in specific amounts. The Mahikeng local municipality obtained another disclaimer audit opinion in the 2017-2018 financial year (Mahikeng Local Municipality Annual Report, 2018/2019, p. 10). The Mahikeng local municipality further obtained a disclaimer audit opinion in the 2018-2019 financial year (Mahikeng Local Municipality Annual Report, 2018/2019, p. 10). This follows the fact that the municipal manager failed to account and provide appropriate audit evidence to the Auditor General. The Mahikeng local municipality continued to experience poor service delivery which led to several public protests from its community members between 2016 and 2019 (Mathiba, 2019a, p. 56; Tau, 2019). Furthermore, the Mahikeng local municipality experienced serious political and administrative challenges which culminated in the appointment of a provincial financial administrator in October 2018 (s 137 of the Finance Management Act; Mathiba, 2019a, p. 56; Tau, 2019). There have been unauthorised, irregular, fruitless and wasteful expenditure on the part of the municipal manager and municipal council in Mahikeng local municipality since 2015 to date (Mahikeng Local Municipality Annual Report, 2019, pp. 344-345; Auditor General, 2018, p. 10; *Ngaka Modiri*

*Molema District Municipality v Chairperson, North West Provincial Executive Committee and Others* [2014] ZACC 31 (*Molema* case) para 2). These challenges could have been worsened by the lack of accountability as well as the use of poor corporate governance measures in Mahikeng local municipality.

The lack of accountability and proper records of municipal assets in the Mahikeng local municipality are a clear indication that the municipal council and the municipal manager are not adequately complying with the Systems Act (ss 53-55) and the Finance Management Act (s 62(1)(b); Ambe & Badenhorst-Weiss, 2012, p. 243). This further indicate that both the municipal manager and the municipal council are failing to take reasonable steps to prevent unauthorised, irregular, fruitless and wasteful expenditure in Mahikeng local municipality (s 55(2) of the Systems Act; s 62 of the Finance Management Act). Despite this, neither the municipal manager nor the municipal council have been held accountable for their illicit conduct in terms of the relevant law (ss 53(1) & (2) of the Systems Act). Moreover, the Mahikeng local municipality has been crippled by political infightings between municipal councilors (Mathiba, 2019a, p. 61; Gaedie, 2015, p. 6). The Mahikeng local municipality has to date failed to implement the audit recommendations from the Auditor General (Mathiba, 2019a, p. 61). The 2017-2018 Auditor General report indicated that the Mahikeng local municipality has failed to enforce accountability and audit recommendations since 2013 (Auditor General, 2018, p. 11). These and other related challenges that negatively affects accountability and the adoption of good corporate governance measures in Mahikeng local municipality are discussed below.

### **3.1. Non-Compliance with the Relevant Legislation**

#### **3.1.1. Unauthorised Expenditure**

Unauthorised expenditure occurs when municipal funds are recklessly spent by the municipality without any approved budget in respect thereof (s 1 of the Finance Management Act). This is normally done in contravention of the Finance Management Act which requires the municipal manager to disclose all unauthorised expenditure in the annual financial statements of the municipality (s 125 of the Finance Management Act; Mahikeng Local Municipality Annual Report, 2019, pp. 344). This is done to ensure openness and transparency as well as to determine how to recover any unauthorised expenditure from the relevant municipality (s 125(2)(d)(i) of the Finance Management Act). The Auditor General

has constantly struggled to obtain appropriate audit evidence to justify unauthorised expenditure from the Mahikeng local municipality since 2013 to date (Mahikeng Local Municipality Annual Report, 2019, p. 344). These challenges are exacerbated by the lack of good corporate governance standards and related measures to detect and curb unauthorised expenditure in Mahikeng local municipality (Mahikeng Local Municipality Annual Report, 2019, p. 344). Furthermore, the municipal manager and municipal council of Mahikeng local municipality have to date failed to take reasonable steps to prevent unauthorised expenditure in accordance with section 62(1)(d) of the Finance Management Act (Bothoko, 2017, pp. 56-64).

### **3.1.2. Irregular Expenditure**

Irregular expenditure occurs when municipal funds are spent in contravention of the requirements of the applicable legislation such as the Finance Management Act (s 1), the Systems Act, the Remuneration of Public Office Bearers Act 20 of 1998 and the Structures Act. The irregular expenditure is normally carried out in contravention of the disclosure requirements of the Finance Management Act (s 125; Mahikeng Local Municipality Annual Report, 2019, p. 344). There has been irregular expenditure in the Mahikeng local municipality which contravened the supply chain management (SCM) requirements since 2013 to date (Mahikeng Local Municipality Annual Report, 2019, pp. 348). The Auditor General has recently indicated that the Mahikeng local municipality did not quantify the extent of irregular expenditure in its annual financial statements and about R970 094 162 was not accounted for through irregular expenditure (Mahikeng Local Municipality Annual Report, 2019, pp. 348-349). Thus, no reasonable steps were taken by the municipal manager and the municipal council to prevent irregular expenditure in the Mahikeng local municipality as required by section 62(1)(d) of the Finance Management Act. In this regard, the municipality must recover all irregular expenditure from the person liable for that expenditure (s 32(2) of the Finance Management Act; Bothoko, 2017, pp. 56-64).

Majority of the irregular expenditure in Mahikeng local municipality was caused by the lack of robust corporate governance measures, corruption and illegal and uncompetitive bidding process (Reg 19(a) in GN R31 in GG 40553 20 January 2017; Mahikeng Local Municipality Annual Report, 2019, p. 347).

### **3.1.3. Fruitless and Wasteful Expenditure**

Fruitless and wasteful expenditure occurs when an expenditure is made in vain and/or when such expenditure would have been avoided through the exercise of reasonable care on the part of the municipal manager and/or the municipal council (ss 1; 32(1)(d) & (2) of the Finance Management Act). Any official of the municipality who made or authorised such fruitless and wasteful expenditure is liable for that expenditure (s 32(1)(d) of the Finance Management Act). This should be effectively enforced to ensure accountability in the Mahikeng local municipality so as to enable it to recover any fruitless and wasteful expenditure from the person liable for that expenditure. The repayment of fruitless and wasteful expenditure could also foster an ethical culture in the Mahikeng local municipality which encourages all municipal employees to uphold the highest ethical standards and good corporate governance measures. The 2018-2019 Auditor General report revealed that there were fruitless and wasteful expenditures of about R 4 160 755 in the Mahikeng local municipality (Mahikeng Local Municipality Annual Report, 2019, p. 347). Similarly, the 2017-2018 Auditor General report indicated that fruitless and wasteful expenditure of about R12 010 502 was recorded in the 2017-2018 financial year in Mahikeng local municipality in contravention of the Finance Management Act (s 32; Mahikeng Local Municipality Annual Report, 2019, p. 347). Most of the reported fruitless and wasteful expenditure in Mahikeng local municipality was caused by interest charges and penalties on late payments to suppliers. This shows that no good corporate governance measures and reasonable steps were taken by the municipal manager and the municipal council to prevent fruitless and wasteful expenditure in Mahikeng local municipality during the 2017-2018 and 2018-2019 financial years (ss 32 & 62(1)(d) of the Finance Management Act).

### **3.2. Poor Procurement and Contract Management**

The Finance Management Act requires the municipal manager to take all reasonable steps to ensure that municipalities such as the Mahikeng local municipality have SCM policies that are effectively enforced (s 62(1)(f)(iv)). SCM policies are employed to ensure that municipal goods and services are procured in a manner that is fair, equitable, transparent, cost-effective and competitive (s 217 of the Constitution; s 62(1)(f)(iv) of the Finance Management Act). In addition, the Finance Management Act provides that particular processes, procedures and mechanisms must be followed when awarding contracts in municipalities (s

112(1)(b) & (c)). However, the 2018-2019 Auditor General report indicated that no appropriate audit evidence was given by the municipal manager to show that all contracts in Mahikeng local municipality were awarded in accordance with the relevant laws (Mahikeng Local Municipality Annual Report, 2019, p. 348). The same Auditor General report also indicated that some of the goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of SCM policies and the relevant regulations (Reg 17(a) and 17(c) in GN R31 in GG 40553 20 January 2017; Mahikeng Local Municipality Annual Report, 2019, p. 348).

The 2018-2019 Auditor General report also revealed that some of the quotations were accepted by the Mahikeng local municipality from prospective providers that were not accredited providers because they did not meet the requirements prescribed by the SCM policies and regulations (Reg 16(b) and 17(b) in GN R31 in GG 40553 20 January 2017; Mahikeng Local Municipality Annual Report, 2019, pp. 348). Furthermore, some of the quotations were accepted from bidders who did not submit a conflict of interest declaration forms in accordance with the SCM regulations (Reg 13(c) in GN R31 in GG 40553 20 January 2017; Mahikeng Local Municipality Annual Report, 2019, pp. 349). Some of the contracts in Mahikeng local municipality were awarded through biased competitive bidding processes which were not adjudicated by the relevant committees (Reg 29(1) in GN R31 in GG 40553 20 January 2017; Mahikeng Local Municipality Annual Report, 2019, p. 349).

Furthermore, the 2018-2019 Auditor General report revealed that the Mahikeng local municipality awarded some tenders to service providers who were already in the service of the municipality, irregularly and in contravention of the Finance Management Act (s 112(1)(j)) and the SCM regulations (Reg 13(c) and 44 in GN R31 in GG 40553 20 January 2017; Mahikeng Local Municipality Annual Report, 2019, pp. 349). These irregularities are clear evidence of rampant fraud, maladministration and corruption in the Mahikeng local municipality tender processes owing to, *inter alia*, the lack of good corporate governance measures. Irregular tender processes contravene both the SCM regulations and the code of conduct for councilors which is provided under the Systems Act (s 54; schedule 1; Reg 46(2)(e) & (f) in GN R31 in GG 40553 20 January 2017; Mahikeng Local Municipality Annual Report, 2019, pp. 349). In this regard, it must be noted that the municipal manager and the municipal council of the Mahikeng local municipality were not held accountable for all their illicit activities and unethical



conduct owing to the poor adoption and utilisation of good corporate governance measures in Mahikeng local municipality.

### **3.3. Lack of Robust Monitoring and Oversight Measures**

The lack of robust monitoring and oversight measures have given rise to poor internal audit and monitoring processes in the Mahikeng local municipality. This status *quo* contravenes the Finance Management Act which requires the municipal council to consider the annual report of the municipality and adopt an oversight report containing the municipal council's comments in respect thereof (s 129(1)). The oversight report must indicate whether the municipal council has approved or rejected the annual report with or without reservations or referred it back for revision (ss 129(1)(a)-(c) of the Finance Management Act). Nonetheless, the municipal council of the Mahikeng local municipality has so far failed to develop and adopt oversight reports that are based on the relevant annual reports (Mahikeng Local Municipality Annual Report, 2019, p. 347; Mathiba, 2019a, p. 61). For instance, the municipal council of the Mahikeng local municipality has to date failed to adequately oversee the financial reporting processes in the municipality and this has often resulted in numerous material misstatements and financial reporting flaws in the annual reports of the Mahikeng local municipality (s 129(3) of the Finance Management Act; s 21A of the Systems Act; Mathiba, 2019a, pp. 61; Mahikeng Local Municipality Annual Report, 2019, p. 350). Moreover, the Mahikeng local municipality failed to make public its 2017-2018 annual report and this contravened the provisions of the Finance Management Act (ss 129(1) & (3); Mahikeng Local Municipality Annual Report, 2019, pp. 347). Furthermore, the Audit Committee and the Municipal Public Accounts Committee (MPAC) are not effectively conducting their audit, monitoring and oversight duties in the Mahikeng local municipality (Mathiba, 2019a, p. 61; Gaedie, 2015, pp. 1-6).

Additionally, the municipal council and the municipal manager of the Mahikeng local municipality ignored the Auditor General's recommendations regarding oversight reporting and audit monitoring since 2012 to date (Mahikeng Local Municipality Annual Report, 2019, p. 350). The municipal council and the municipal manager have also failed to play a good oversight role in Mahikeng local municipality because they have, in many instances, failed to conduct investigations into numerous allegations of unauthorised, irregular, fruitless and wasteful expenditures that occur in the municipality (s 32 of the Finance Management Act). Consequently, it is hoped that the municipal council and the municipal manager of

the Mahikeng local municipality will adopt the relevant corporate governance measures to effectively comply with the Public Audit Act 25 of 2004 as amended ("Public Audit Act", see s 5A(3)), in order to carefully consider and enforce all the recommendations of the Auditor General in the future.

#### **3.4. Lack of Consequence Management**

Consequence management refers to practical measures that are undertaken by the relevant authorities to maintain or restore essential services to the affected community and/or to manage and mitigate any challenges that affect the relevant community such as natural disasters, maladministration and corruption. The Mahikeng local municipality has so far failed to develop and enforce effective consequence management mechanisms to investigate and curb unauthorised, irregular, fruitless and wasteful expenditures in the municipality (s 32 of the Finance Management Act). As a result, no one has been held liable so far for such illicit expenditures in Mahikeng local municipality. Thus, the municipal council and the municipal manager have to date struggled to provide adequate consequence management and foster good corporate governance measures in Mahikeng local municipality (Mahikeng Local Municipality Annual Report, 2019, p. 348).

#### **3.5. Employment of Persons without the Relevant Expertise**

It is submitted that the most fundamental aspect of running an effective municipality is to employ competent staff and/or appoint persons with the relevant expertise (Bogopa, 2013, pp. 112-120). Nonetheless, some municipalities such as the Mahikeng local municipality have made it almost a practice to appoint persons with only matric as their highest qualification in top strategic positions such as chief financial officers and supply chain managers (Manyaka & Madzivhandila, 2013, pp. 174-185; Mathiba, 2019b). As a result, the municipality suffers from the lack of competent and/or sufficient persons with the relevant expertise to effect proper service delivery and related duties to the community (Theletsane, 2013, pp. 134-142). The 2018-2019 Auditor General report indicated that the Mahikeng local municipality failed to develop appropriate systems and procedures to monitor, measure and evaluate their employees' performance in accordance with the Systems Act (s 67(1d); Mahikeng Local Municipality Annual Report, 2019, p. 348). The 2018-2019 Auditor General report also indicated that most employees of the Mahikeng local municipality did not have the relevant skills and capacity

required to implement the policies and procedures of the municipality, especially in relation to the compilation of annual financial reports and financial statements (Mahikeng Local Municipality Annual Report, 2019, p. 348).

The Mahikeng local municipality has also failed to employ competent persons in key positions such as finance, procurement and compliance units (Mahikeng Local Municipality Annual Report, 2019, pp. 348). It appears that the Mahikeng local municipality does not recruit its employees in accordance with the relevant recruitment policies which, *inter alia*, require the employer to consider experience, competencies and qualifications of prospective employees. This so-called cadre deployment has negatively affected service delivery and the effective running of the Mahikeng local municipality and many other municipalities in South Africa (Twala, 2014, pp. 159-162). The cadre deployment practice undermines ethical standards, service delivery, basic good governance principles and the fundamental objectives of good corporate governance in any municipality or organisation.

### **3.6. Poor Investigation into Unlawful Conduct**

The Directorate for Priority Crime Investigation (Hawks) undertook an investigation into the alleged irregular sale of property to an external party in Mahikeng local municipality in 2019 but this investigation was never effectively concluded (Mahikeng Local Municipality Annual Report, 2019, pp. 350). Moreover, the municipal council of the Mahikeng local municipality initiated an investigation into the alleged financial misconduct, maladministration, fraud and corruption against their municipal manager in 2019 but it has so far not been successfully concluded. This shows that investigations regarding financial misconduct and related material irregularities in the Mahikeng local municipality are either prolonged or never concluded. Furthermore, the more the investigations are prolonged, the costlier and problematic it is for the Mahikeng local municipality. These challenges are exacerbated by the lack of good corporate governance and poor oversight measures in the Mahikeng local municipality.

### **3.7. Lack of Accountability**

Accountability is achieved when an individual or department is held responsible for all their conduct and/or actions. Without accountability it is difficult for the perpetrators of illicit conduct to take full ownership of their actions and face the

consequences for such actions and/or conduct. Accountability is crucially important for the effective running of all municipalities in South Africa. However, the municipal council of Mahikeng local municipality has to date failed to hold the municipal manager and other unscrupulous employees accountable for their illicit activities. For instance, it is submitted that the municipal manager failed to oversee the preparation of accurate and complete financial statements and financial reports in Mahikeng municipality since 2012 to date (Mahikeng Local Municipality Annual Report, 2019, pp. 340-350). Despite this, no one has been held accountable for financial misconduct, corruption, maladministration and other related illicit activities in Mahikeng local municipality to date. Accordingly, it is submitted that good corporate governance measures and proper transparency and accountability mechanisms must be effectively adopted and utilised in Mahikeng local municipality (Ambe & Badenhorst-Weiss, 2012, p. 242-261).

### **3.8. Lack of Political Will**

The support from the government and/or politicians is required to enforce the relevant municipal policies and drive good service delivery in any municipality. In this regard, the Mahikeng local municipality needs the municipal council and all relevant member of parliament's buy in to achieve all its municipal objectives and improve service delivery to the community. The municipal council of the Mahikeng local municipality comprises different political parties and as such, these political parties must support all activities of the municipality fully so as to effectively provide good service delivery to the community. Nevertheless, the local and provincial government as well as the relevant political parties are not doing enough to effectively support municipal activities in Mahikeng local municipality.

### **3.9. Political Interference**

The Mahikeng local municipality has so far failed to establish an objective and clean administration that is accountable and free from political influence (Auditor General's Consolidated Report, 2019, p. 15). For instance, the Mahikeng local municipality is riddled with political infighting which has negatively affected service delivery to the community to date (Horn & Raga, 2012, pp. 71-88). Furthermore, accountability failures by municipal managers, mayors, internal audit units, audit committees, municipal public accounts committees and the municipal council are worsened by political interference in the management of the Mahikeng

local municipality. Consequently, political interests are prioritised rather than the needs of the community in Mahikeng local municipality. This status *quo* has negatively affected service delivery, good corporate governance and the effective management of the Mahikeng local municipality.

#### 4. Concluding Remarks

Given the discussion above, it is clear that irregular, unauthorised, wasteful and irregular expenditure, non-compliance with the relevant laws, poor management, political interference, lack of political will and lack of accountability are some of the main challenges affecting the proper and effective management of the Mahikeng local municipality (Sethunyane, 2020, pp. 109-126). Accordingly, the article explored the adequacy and enforcement of the relevant laws to promote good corporate governance in Mahikeng local municipality in a bid to recommend the adoption and utilisation of the relevant measures to, *inter alia*, promote accountability and consequent management in the same municipality. It is submitted that the Mahikeng local municipality should effectively promote accountability and consistently enforce audit recommendations from the Auditor General annually (Auditor General, 2018, p. 11). Moreover, good corporate governance standards and related measures must be introduced to detect and curb fruitless, irregular, wasteful and unauthorised expenditure in Mahikeng local municipality (Mahikeng Local Municipality Annual Report, 2019, p. 344). Furthermore, the municipal manager and municipal council of Mahikeng local municipality must adopt good corporate governance measures and take reasonable steps to prevent fruitless, irregular, wasteful and unauthorised expenditure (Botlhoko, 2017, pp. 56-64). Additionally, since a municipality has rights and duties and it can sue and/or be sued in its own name, the Mahikeng local municipality must recover all irregular expenditure from any persons responsible for that illicit expenditure (s 32(2) of the Finance Management Act; s 2(d) of the Systems Act; Botlhoko, 2017, pp. 56-64; *Mhana and Others v Ngqwebo* (CA 65/2011) [2011] ZAECGHC 90 para 13).

The Mahikeng local municipality should adopt robust mechanisms to detect and combat corruption as well as illegal and uncompetitive tender bidding processes in the municipality (Mahikeng Local Municipality Annual Report, 2019, p. 347). Such mechanisms could also combat rampant fraud, maladministration and corruption in the Mahikeng local municipality tender processes. Good corporate

governance measures should be further utilised to ensure that the municipal manager and the municipal council of the Mahikeng local municipality are held accountable for all their illicit activities and unethical conduct. The municipal council and the municipal manger should further provide adequate consequence management and foster good corporate governance measures in Mahikeng local municipality (Mahikeng Local Municipality Annual Report, 2019, p. 348).

The Mahikeng local municipality should shun cadre deployment practices which negatively affects ethical standards, service delivery, basic good governance principles and the fundamental objectives of good corporate governance. This will enable the Mahikeng local municipality to appoint persons with the relevant expertise to key strategic positions to improve service delivery to the community. Furthermore, the relevant authorities should ensure that investigations regarding financial misconduct and related material irregularities in the Mahikeng local municipality are objectively and timeously concluded. It is submitted that good corporate governance measures, proper transparency and accountability mechanisms must be effectively adopted and utilised in Mahikeng local municipality to combat delays in the investigations, maladministration and corruption in the municipality. Moreover, the relevant political parties in Mahikeng local municipality should co-operatively work together to shun undue political interference in the municipality and prioritise the needs of the community.

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