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Promoting accountability in South African public management through effective financial management in local government sphere

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Abstract

The goal of this article is to look into how public officials can be held accountable through public financial management in the local government sphere of government. The research looks into whether financial viability is the only or most important aspect in deciding municipal service delivery issues. This study employed a secondary research methodology because existing knowledge was used to reach conclusions. Data was gathered through documentary examination of annual reports, financial statements, literature reviews, and financial management and local government legislation from various municipalities around the country. The findings of this study illustrate the nature of complexity in municipal financial management, which is bolstered by accusations of political meddling that frequently mislead finance authorities. The study adds to the body of knowledge in the subject of Public Administration and Management in the sub-area of financial viability and public engagement.

Keywords: Financial Management; Municipal Finance; Public Participation; Public Finance; Local Government

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1. Introduction

South Africa's government is separated into three levels: national, provincial, and local government. The republic's constitution spells out each sphere's responsibilities. As guaranteed by the Republic's 1996 constitution, each sphere of government has a political and administrative arm. Local municipalities make up the majority of South Africa (Republic of South Africa, 1996). Each municipality has a council that makes decisions, as well as municipal officials and personnel who carry out the municipality's job. The Local sphere of government is an area of governance that is closest to the people. Local governments provide many fundamental services, and ward councilors are the politicians closest to the people. Almost every municipality in South Africa has been affected by municipal amalgamation. Hundreds of municipalities were merged between 1991 and 2015, lowering the number of municipalities from 839 to 278. Pravin Gordhan (2014), the former Minister of Cooperative Governance and Traditional Affairs (CoGTA), decided to conduct a review of South Africa's 278 municipalities in 2014. The review's conclusions were compiled into a document titled Back to Basics Approach, which the department of Cooperative Governance and Traditional Affairs depart (COGTA) later presented at the Presidential Local Government Summit on September 18, 2014. The study's key findings revealed that financial planning and resilience in South African municipalities are still lacking. A municipality with a large population, an autonomous mayor, and relatively high revenue and spending levels might be considered the best model for South African municipal with a financial management best practice. This article aims to firstly take a look at municipal finance management and the cost of failing to properly manage finances in the second section. The research strategy and methodology are described in the third section, while the descriptive and empirical results are presented in the fourth section, which is followed by the conclusions, limitations, and future advancements section.

According to the 2014 municipal evaluation report, certain municipalities were found to be dysfunctional and required immediate assistance in order to function correctly. They faced problems such as rampant corruption, inefficient councils, and inadequate financial management, according to the study (CoGTA 2014:13). The South African government at the time openly advocated for a reduction in the number of municipalities as a policy goal in and of itself (Bish, 2001; Sharma, 2003). Some mergers were compelled by the provinces, which did so either through special legislation or by giving broad powers to single person restructuring commissions (Sancton, 2000). In other circumstances, local amalgamation was started to avoid the province's more problematic and broad amalgamation (Downey and Williams, 1998). The promise of cost savings stemming from economies of scale was emphasized by provincial politicians, bureaucrats, restructuring commissioners and experts as a consistent basis for pressing municipal amalgamations in South Africa. However, rather than econometric or research-based evidence, such predictions were largely based on anecdotes, unsubstantiated assertions, and hazy accounting analyses (Armstrong and Kitchen, 1997; Farrow, 1999; Kitchen, 2000; Meyboom, 1997; O'Brien, 1999; Shortliffe, 1999; Thomas, 1999). Given that municipalities in South Africa according to Statistics South Africa (2020) spend around 5.5 percent of provincial Gross Domestic Products (GDP), there is a public policy interest in evaluating municipal economies of scale to determine the extent to which cost reductions from consolidation have occurred in the country. This study looks at the extent to which economies of scale exist for vital municipal services, which account for more than a quarter of South Africa's municipal operating budgets. I estimated the link between per-household costs and the number of households serviced using the present variation in the size of South Africa's municipalities. Both fire and police cost curves are U-shaped, indicating that there is a population size at which these services can be provided at the lowest cost per family, known as the minimum efficient scale. Expenditures per family for fire services are kept to a minimum at 9,000 families (about 20,000 persons), while costs for police services are kept to a minimum at 21,000 households (about 50,000 residents).

Budgeting, accounting, reporting, and auditing are the four main components of public sector financial management, and their applications in local government are discussed. Each process is described in detail, and also tries to highlight its connections and synergies within the cycle.

1.1. Problem statement

Every year, the municipal audit conducted by the South African Auditor-General offers a clear picture of the municipal financial mismanagement. The financial mismanagement in the local government sphere seems to be deepening, according to the most recent audit. Only 27 of South Africa's 257 municipalities obtained a clean audit, according to the report, Daily Maverick, (2021). This is ten fewer than the audit for 2018-19. It also reveals that municipalities improperly spent R26. Furthermore, Daily Maverick reveals that 27% of South African municipalities are in debt and unable to pay for essential services such as water and electricity. Nonetheless, local government is necessary to ensure that basic services are provided, particularly to those who are most in need. Poor service delivery, failure to maintain critical infrastructures such as sanitation and roads, inefficiency, and corruption are all hallmarks. The daily legal struggles that municipalities face, as well as the numerous community rallies over water, energy, roads, sanitation, housing, and corruption, expose this issue.

This study investigates the issue of financial mismanagement at the local governance scale and explores possible solutions. The secondary research methodology was employed because existing knowledge was used to reach conclusions.

2. Financial management components

The pillars of public financial management for local government as depicted in Figure 1 includes budgeting, accounting, financial reporting, and auditing.

2.1. Budgeting

Budgeting is defined as “a process for systematically relating the expenditure of funds to the accomplishment of planned objectives” (Schick, 1966). Local Government Budgeting is when the municipal budget lay forth the operational and budgetary plans for achieving the aims of the local government. It is described as “described as a series of steps that link policy (people’s preferences and needs) to financial planning (budget) to actual budget implementation (service delivery, operations)” (Schaeffer and Yilmaz, 2008). Budgets are created using both financial and non-financial data. Financial data provides estimates of financial resources, both what is available and what is necessary to meet defined goals. Community priorities, policy, and political considerations are examples of non-financial data.

2.2. Accounting

Local government financial accounting is a process involving identifying, measuring, and reporting the economic transactions of local governments (Susanto and Rambano, 2022). It entails the classification and documentation of a local government's various financial transactions; it also provides the basic financial information needed for budgeting and financial reporting, as well as data to communicate with clients and partners such as lenders and higher-level governments. Accounting data comprises exact numbers on revenues received and expenses incurred during a specified time period (typically a financial year) as well as information on the entity's assets and liabilities.

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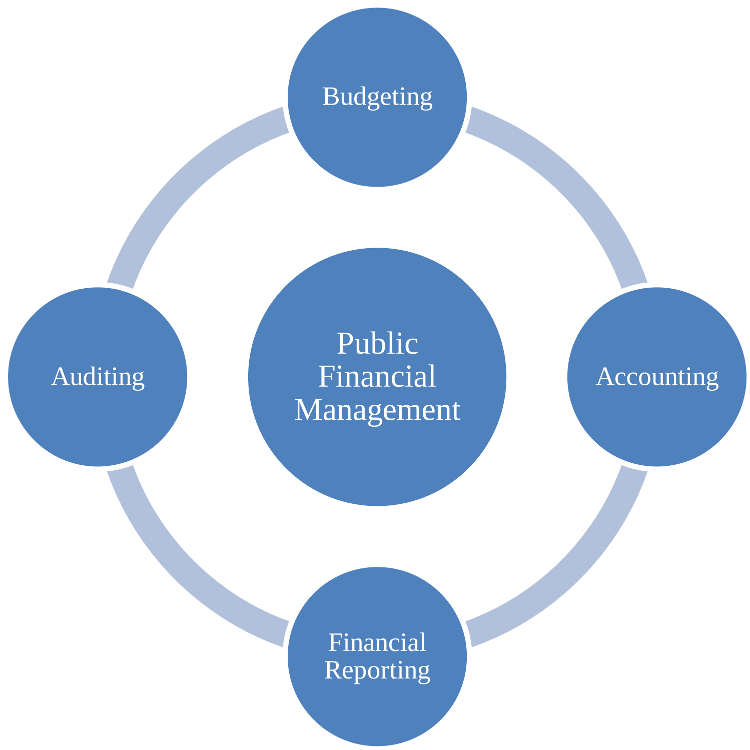

Figure 1. Four pillars of financial management for local governments.

2.3. Financial reporting

Local Government Financial Reporting contains aggregate information on the government's revenues and expenditures, allowing readers to have a better sense of the "big picture" of the government's financial status and financial management efficiency. Good financial reporting helps local governments to control the efficient use of public resources for the provision of public services (Benon, 2021). Financial reporting is highly regulated in terms of when and how to report finances both to the council and to other stakeholders as guaranteed by the Municipal Finance Act.

2.4. Auditing

The practice of independently verifying the financial information contained in accounting records and financial reports is known as local government auditing. It provides external persons or entities with assurance regarding the information's trustworthiness. Local government auditing is not only about the auditor's opinion and financial statement, but also about whether the internal control is appropriate and if the local governments have followed the laws and regulations (Andersson and Rebecka, 2011).

3. Financial management and local governments

It is generally agreed that financial management is an important aspect of municipal administration. It allows the local government to plan, mobilize, and use financial resources efficiently and effectively, as well as meet its commitment to be accountable to its citizens. Municipalities frequently turn to alternate funding sources to fund their investment projects or ongoing activities since they lack the finances to do so. Local governments must evaluate a variety of factors when choosing a financing strategy, including the required quantity, the financed activity, cost-effectiveness, flexibility, administrative and technical skills, and the economic situation (Eltrudis, 2018). Unfortunately, there is no perfect borrowing method; it all depends on the situation. The research, on the other hand, suggests a mix of financing options. Financial markets are a kind of alternative funding. Municipal bonds, which are debt instruments issued by a city to raise funds to cover its budget deficit, are one way for local governments to raise capital. The issuer of these bonds is required to pay the principal and interest to the investors at intervals specified in the issuing prospectus (Bailey et al., 2009). The effective operation of the municipal bond market is critical for the supply of public goods and services (Cestau et al., 2019). The bulk of bond-financed investment projects involves the construction or restoration of roads, water supply and sewerage systems, the construction or modernization of schools, the repair or development of tourist sites, or the refinancing of bank liabilities.

According to Farvacque-Vitkovic and Kopanyi (2021), most cities around the world are experiencing financial difficulties. Farvacque-Vitkovic and Kopanyi further aver that bankruptcies, budget deficits, financial meltdowns, deteriorating infrastructure, diminishing service quality, entire neighborhoods closing down, rising urban poverty, and rising social exclusion are all familiar headlines and the unhappy fate of many local governments. The majority of countries have begun a decentralization process, with varying degrees of success and advancement. All governments, whether national, provincial, or municipal, provide a wide range of services to society in order to increase social welfare and make people happy, according to Moeti et al. (2012). A government that fails to fulfill this basic function is no longer essential and must be replaced. Governments require a substantial influx of financial resources in order to deliver services and fulfill their allocative, distributive, and redistributive duties. Most studies undertaken by researchers regarding local government finances fully ignore output metrics and those that use fully parametric models can be divided into two groups in the literature on calculating municipal economies of scale. The 2008 financial crisis had a number of unfavorable outcomes, including the bursting of the housing bubble, a prolonged recession, high unemployment rates, and negative effects on global financial stability. Because local governments found it difficult to raise finances in these circumstances, the public sector became increasingly concerned about the problem of municipal debt. The strain on local governments was increased by the combination of weak revenue growth and spending limitations (Chen et al., 2016), forcing them to develop new strategies to deal with this financial situation (Balaguer-Coll et. al., 2016). As a result, the Back to Basics Approach earlier alluded to further suggests a number of solutions for dealing with these municipalities' dysfunction, including whether some should be redemarcated to improve their functionality and economic sustainability. The suggestion was made in the Memorandum Framework for Municipal Demarcation Based on Municipal Functionality, Viability, and Sustainability, dated 7 January 2015. This letter provided as a foundation to advice that municipalities that are lacking in terms of sustainability and functionality are likely to be redemarcated. In addition, the framework indicates that this could take the form of merging with neighboring municipalities or establishing District Management Areas (CoGTA 2014:15). Minister Pravin Gordan, the former Minister of Cooperative Governance and Traditional Affairs (CoGTA), convened a meeting of Ministers and Members of Executive Councils (MINMEC) on December 4, 2014, at which it was agreed that provinces should provide a list of municipalities that should be considered for determination or redetermination in order to make them more functional and viable. A total of seven provinces responded to the survey. The minister took the comments into account when he submitted a request to the Municipal Demarcation Board (MDB) on January 13, 2015, requesting that a number of municipalities' boundaries be redrawn.

4. South African municipal finance framework

The South African government stated early in the democratic transition that economic reform must take place at the local government level. Economic transformation is considered a key step in maintaining the national economy's long-term viability, and it can only be accomplished if all citizens have equal access to economic opportunities (African National Congress, 2017). The decentralization of government gives local governments the authority to provide a variety of services to citizens, such as access to energy, water, and public transportation, to ensure that they have the tools they need to enable this transformation. According to Tanton et al. (2009), launching, maintaining, and expanding these services necessitates capital-intensive expenditures, which are, of course, the municipality's responsibility. Local governments are increasingly saddled with the duty of providing costly services as a result of the devolution of government functions. The fiscal strain is increasing as revenue sources are overtaken by citizens' increasing needs. Taxes and a variety of subsidies from the National Treasury and the National Department of Human Settlements are the main sources of revenue, which are used to provide transportation and housing stock. (Submitted to the Division of Revenue for the fiscal year 2012/13, 2011).

Municipalities in South Africa normally have two budgets: an operating and a capital budget. The funding for the operating budget comes from the municipalities' own revenues as well as the "equitable share" of the local government. Taxation, service charges, and other levies are all ways for local governments in South Africa to generate cash. The ‘equitable share of the local government' is a convention established by the Intergovernmental Fiscal Relations Act (1997) and enshrined by Section 214(1) of the Constitution (1996). The unconditional and formula-based transfer of the City's contribution to revenue raised nationally is allocated to the municipality "to enable it to provide basic services and perform the functions allocated to it as stated in section 227 of the constitution," according to the South African National Treasury (2017 Budget Review) (Bahl and Smoke, 2003: 182) Numerous conditional funds, intended expressly for infrastructure delivery, are also used to offset municipal operating budgets. South African National Treasury also reported that capital grants, transfers from the federal and provincial governments, local borrowing, and operational budget surpluses all contribute to the municipal capital budget. Surpluses in the operational budget are usually put toward debt repayment or capital projects. Because each municipality has its own financial strategy, the usage of surplus cash is based on that municipality's specific circumstances. The Municipal Finance Management Act of 2003 is responsible for governing the subnational borrowing in South Africa (Act No. 56 of 2003). The Act was enacted in order to "maximize towns' ability to supply services to all of their citizens, customers, users, and investors." It also intends to establish a robust financial governance framework." (Municipal Service Delivery and PPP Guidelines, n.d.; iii) Municipal Service Delivery and PPP Guidelines.

5. Discussion and analysis

South Africa's economy currently seems to be on the verge of collapse as seen by Macauley, (2017) needless to say especially after the Covid-19 catastrophic devastation and high salary and wage bill. Two decades after apartheid ended and we entered the democratic era, the state must balance the demands of an increasingly globalized economy with the needs of the common citizen. Many countries in the Global South are in this situation. On the other hand, backlogs in service delivery, mismanagement of public resources, and corruption have all dominated discussions in South Africa in recent years. According to Kente (2019), many people refer to the Jacob Zuma presidency as the "lost nine years," a period during which state resources were mishandled in horrific ways. While much of what the Commission of Enquiry into allegations of State Capture (the Zondo Commission) is revealing points to failures in good governance and poor resource management, greed, and corruption, much of it has to do with the lack of inclusive and transparent oversight mechanisms that include citizens as core partners in governance. While the focus on state capture has been on the national and provincial government, including state-owned corporations, reading the Auditor General's findings over the previous few years reveals that the rot extends to local government. Kente further argues that local government appears to be as vulnerable to state capture and corruption as Eskom, South African Airways, and Prasa, to name a few state-owned firms that have been in the spotlight in recent months for endemic misconduct. The poor municipal administration has just as serious repercussions as some of the state-owned corporations accused in the Zondo commission. When communities divert funds from delivering services to other malicious activities, they are diverting funds away from providing services to their citizens. Kente avers that it seems citizens are further excluded from financial decision making and their fundamental right to have their voices heard in governance is undermined by issues surrounding irregular government spending and the limited role communities play in projects meant for their own development, as envisaged in the South African Constitution of 1996. The Constitution envisions a participatory, inclusive, and developmentally oriented local government. Communities are considered vital aspects of local governance, and they have pushed to stay at the center of many towns in recent years through protests (or for some, to return to the center). Citizens' participation in local government is governed by a number of legal measures. Many of these legislative systems have a variety of flaws that have been thoroughly highlighted in South African local governance literature (Ngamlana and Coopoo, 2018; Skenjana and Kimema, 2011).

Many municipalities in South Africa seem to have failed to carry out their constitutional responsibilities and there are a lot of services that are not taking place in some areas. The inability to attend to such minor municipal functions especially by the smaller rural municipalities necessitated the government to take an initiative regarding such failures. Hence in 2015, the former Minister Gordan of CoGTA recommended merging municipalities to address the issues of financially unviable and dysfunctional municipalities. As previously stated, the results of the municipal assessment revealed that a third of municipalities were dysfunctional, another third were on the verge of becoming dysfunctional, and the other third were functioning (CoGTA 2015:8). Because, for the first time, municipal financial viability and functionality were placed at the center of boundary modifications, the Minister's proposal marked a shift from the traditional approach to local government demarcations. In essence, demarcation was to be utilized as a tool to help municipalities become more financially sustainable and functional (Financial and Fiscal Commission, 2016). It is important to note that towns that are not financially viable and sustainable will constantly struggle to provide basic services to their constituents (MacLean, 2012).

Municipalities frequently turn to alternate funding sources to fund their investment projects or ongoing activities since they lack the finances to do so. Local governments must examine a variety of factors when choosing a financing strategy, including the required quantity, the financed activity, cost-effectiveness, flexibility, administrative and technical skills, and the economic situation (Eltrudis, 2018). Unfortunately, there is no perfect borrowing method; it all depends on the situation. The research, on the other hand, suggests a mix of financing options. Financial markets are a kind of alternative funding. Municipal bonds, which are debt instruments issued by a city to raise funds to cover its budget deficit, are one way for local governments to raise capital. The issuer of these bonds is required to pay the principal and interest to the investors at intervals specified in the issuing prospectus (Bailey et al., 2009). The effective operation of the municipal bond market is critical for the supply of public goods and services (Cestau et al., 2019). Municipalities, in the majority of cases, find it difficult to attract investment that can easily fund low-cost projects by issuing bonds, which typically involve the construction or rehabilitation of roads, water supply and sewerage systems, schools, repairing or developing tourist attractions, or refinancing bank loans. The primary goal of such projects is to improve inhabitants' quality of life while also promoting economic progress (Medda and Cocconcelli, 2018).

Kente once further proposes the notion of a social audit tool as a mechanism that can strengthen inclusive oversight over service delivery in local governance. The community-driven social audit technique is a monitoring and oversight mechanism. The social audit system is a way of trying to enhance public engagement in government service delivery and expenditure monitoring by comparing what the government wanted to achieve and paid for with the service as delivered on the ground (Andhra, 2010). Communities can study government documents (such as tender documents, municipal budgets, departmental strategic plans, annual performance reports, and service delivery agreements) and compare them to their experiences as recipients of the public service being provided during the social audit process. It gives communities the chance to participate, evaluate, and plan for the greatest possible outcome. The social audit approach is a tool that evaluates the effectiveness of public service supply by combining community interaction before, during, and after development. As a result, the community's voice is amplified in the design and execution of development initiatives, reducing the danger of financial mismanagement and corruption (Aakella and Kidambi, 2007). Certain principles characterize social audits, ensuring that people's constitutional democratic rights are exercised and realized. These principles promote access to information, de-mystify official documents, make citizens auditors, and create a common platform for sharing and reflecting knowledge in the presence of both the government and the people. The evidence and experience gathered are then shared and discussed with government officials in a public setting dubbed a "created space" by Ngamlana and Mathoho (2012). George Goyder is widely credited with coining the term "social audit" in the early 1950s in the United Kingdom. According to Pearce (2005), the idea arose from a perceived need at the time to make businesses more accountable to the community and to ensure that the impacts of business are understood and beneficial to the community. In contrast to other parts of the world, more emphasis was placed on scrutinizing the business sector rather than the government. In India, for example, the government created the social audit as a mechanism to oversee the government's own social projects at the village level by establishing monitoring committees in practically all of the flagship social sector programs. The Andhra Pradesh State Government in India founded the Society for Social Audit, Accountability, and Transparency (SSAAT), an independent and autonomous agency tasked with assisting the rural poor in conducting social audits (Subbaiah et. al., 2010). In the Philippines, for example, a variety of civil society organizations are tasked with supporting communities in conducting social audits on infrastructure projects such as the construction of local roads, bridges, and schools (Kente, 2019). In contrast to South Africa, where the government is apathetic to citizen monitoring processes such as the social audit, governments in these regions are receptive to and supportive of the idea of the people using social audits as a tool to monitor government expenditure on taxpayers' money.

In most situations, the transfer of responsibility from the central government to local governments has not been accompanied by an adequate transfer of resources, according to the findings of this article. The need to (a) clarify the distribution of responsibilities among the levels of government and (b) increase the resource base of local governments are two of the most pressing challenges. Some measures aim to clarify obligations while ignoring financial concerns. Others provide new obligations to municipal governments that they are ill-equipped to handle. Simultaneously, municipalities are becoming more reliant on intergovernmental transfers, which have been falling in recent years, owing in part to the fiscal strains imposed by the global economic slump. Furthermore, according to this study, it is understood that even in most municipalities where municipal budgets appear to be sufficient to meet operational costs but not to finance much-needed capital expenditures, municipal budgets are insufficient to finance much-needed capital investments. This will necessitate cities to make better use of their own earnings as well as gain access to loan markets. How local governments may increase their resource base beyond transfers is a crucial problem. Municipal officials are eager to implement innovative financial management concepts and technologies in order to save expenses, find new revenue streams, and increase tax collection.

Furthermore, local governments have potential access to substantial sources of foreign money, but they frequently lack the knowledge about how to obtain them (through public, and private partnerships, for example). Municipalities must seek assistance on how to plan and execute priority investments and create projects that can be funded through such initiatives. Enhancing creditworthiness and wisely accessing capital markets offer prospects for dramatic change for those local governments that are in a better financial position. In all circumstances, sound city government and municipal management have grown dependent on improved governance practices and strengthened accountability procedures. Lessons learned on the ground show that, while macro-level reforms are difficult to achieve, local governments can accomplish a lot when there is political will for greater accountability in the use of public funds and when revenue generation reforms are clearly linked to visible expenditures/investments in infrastructure and service delivery. This is based on the belief that (a) strategic management of municipal finances is critical for ensuring the long-term viability of local services and infrastructure, and (b) increased fiscal constraints and pressure from the global financial and economic downturn require increasingly sophisticated responses from local governments in mobilizing and using financial resources. In light of this, there is a sense of urgency as well as a significant opportunity for capacity-building programs aimed at local governments. Despite the financial challenges that local governments around the world are facing, there are many good practices to share and many mistakes to learn from. This study expands on existing best practices and is intended to assist local authorities in improving their financial management even in the most difficult of economic conditions.

5.1. Participatory budgeting

Participatory planning and financial management processes through public engagement in local governance are a prerequisite for the success of social inclusion methods that focus on poverty eradication. However, in South Africa, this method is not well liked or practiced. The experience of South African municipal finance officials with participatory budgeting is intriguing and informative in this regard though not fully encouraged by politicians. Participatory budgeting has shown to be a more versatile and adaptable tool than had been anticipated. It has given the poor and underprivileged an unprecedented opportunity to engage in local governance without preempting elected representatives' legislative powers or municipal officials' executive authority. Officials and community leaders witness to the importance of public participation in creating a greater knowledge of local government's role and functions, which is a prerequisite for productive communication, cooperation, and partnership. At the same time, there have been some concerns about the outcomes of the public participation process, such as concerns that funds are allocated to social projects at the expense of other projects; that investments required for local economic development do not receive the priority that they should in a developing country; and that the longer-term perspective is sometimes obscured by attention to immediate needs.

Furthermore, the enormous time and resource commitments required for effective outreach, organization, and smooth execution must be included in. Despite these reservations, there is little doubt that public participation contributes to a shift in citizen-municipality relations, as each side gains a greater awareness of the other's demands, restrictions, and duties and responsibilities. The ability to participate in choices about the distribution of public monies for projects prompted a transition in local political culture away from aggressive tactics and unscrupulous political bargains and toward constructive dialogue and civic engagement in government.

5.2. Political interference

Munzhedzi and Phago (2020) define political interference as politicians engaging in administrative affairs for the goal of benefiting themselves or their political party. In all domains of government, policy frameworks influence the relationship between politicians and administrators. Political meddling almost always has negative consequences; thus, it is incompatible with municipal policies. According to the Auditor General of South Africa (AGSA, 2018) assessment, over 31% of municipalities in the country are not financially viable. Many other issues, according to the AGSA (2018), contribute to this challenge, including political intervention and city council infighting. According to Sebiloane (2009), which is cited by Munzhedzi and Phago, political intervention is a barrier to successful municipal planning and implementation by municipal administrative personnel. Above all, political meddling thwarts the proper implementation of municipal programs, such as the integrated development plan and the budget. Some municipalities are unable to effectively manage the pandemic due to their failure to meet their development goals with COVID-19. Municipalities are even failing to provide clean water and sanitation, which are essential for controlling COVID-19 spread. In reality, political meddling has led to corruption and a blurring of responsibility lines (Cameron, 2009; Minnaar, 2010). Because councilors who interfere with municipal procurement processes are not held accountable by the municipal council or the municipal public accounts committee, political intervention undermines accountability systems (MPAC). During the current Covid-19 pandemic, there were claims of nepotism and corruption in the allotment of food parcels in Mpumalanga and other provinces, in the way politicians were involved in the providing of relief payments and food packages for the needy (Economic Freedom Fighters, 2020). Other recent cases of political involvement that have been mentioned by Munzhedzi and Phago include but are not limited to the following:

- Ms Lindiwe Msengana-Ndlela, the Nelson Mandela Bay Metropolitan Municipality's municipal manager, whose relationship with the mayor was tainted by political intrigues (Mail and Guardian, 2013. She was given illegal orders to appoint 16 members of the Umkhonto weSizwe Military Veterans' Association (MKMVA) as bodyguards for the mayor and deputy mayor without following proper protocol in one occasion (Munzhedzi, 2019).
- Because of a conflict over the appointment of service providers with the political principals at the ANC's Vhembe Region, Mr Makonde Mathivha, the municipal manager of the Thulamela Local Municipality, was suspended and then dismissed (The Citizen, 2015).
- In a letter to President Cyril Ramaphosa, the municipal manager of Ingquza Hill Local Municipality reported that the Mayor and the MEC in the Eastern Cape Province are suspending him due to a political witch-hunt by politicians seeking access to municipal resources (City Press, 2018). The municipal manager claims that the mayor interferes with his administrative duties despite the fact that the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and other related policy frameworks forbid such (Munzhedzi, 2019).

All of the instances quoted above fully demonstrate that politicians do meddle in municipal administration operations. And also mentioned by Munzhedzi and Phago an unfortunate, political interferences of this sort which encroaches on policy frameworks and the functional operation of municipalities without resulting in any consequences. Incompetence, maladministration, and corruption are frequently seen in the aftermath of a politically influenced process.

6. Conclusion

What our municipalities most need in this day and age is resilience planning, long-term financial planning, and investment promotion for the benefit of our country's underprivileged population. Municipalities must be strong when it comes to resilience planning. Resilience planning is the next big thing in urban planning theory and practice. Cities all across the world will need to learn how to become resilient not only to climate change but also to global economic crises. The financial crisis of 2008 demonstrated the importance of cities in the global economy, as well as how cities' financial resilience may mitigate the effects of crises. How can communities take advantage of density incentives offered to developers that employ environmentally friendly or resilient materials? Alternatively, how may SADs be used to pay for coastal fortifications? There is a need to better understand the financial consequences of resilience planning, and I believe that land-based finance methods might play a key role in municipal finances. Municipalities must invest in their employees as part of their resilience plans. As a proponent of strategic planning, I believe that municipalities may be formed by a wide range of niche interests. This article also discovered that planning has power, as it is believed that planning can change the long-term physical urban fabric of our cities through economic policy into better economic hubs of excellence, and that most municipalities have some deficit in financial planning that needs to be taken seriously if they are to survive in the near future. Our local governments must understand planning in order to be sound, capable and developmental, and 'planning finance' will aid the future generation in generating plans that are both practical and applicable. Land-based financing methods are consequences of planning tools, and as such, they should be taught as part of planning education.

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