

The investigation of the disparities between unqualified audit opinion and effective public service delivery.

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Abstract

There has been a narrative that the municipalities that obtained an unqualified audit opinion are effectively providing good services to the people and that led to many municipalities focusing on attaining unqualified audit opinions. The purpose of the study was to investigate the relationship between services that are delivered to the people and the audit opinion. The objectives of the study are to determine whether an unqualified audit opinion articulates effective service delivery or not. And secondly, is to determine whether a qualified audit opinion articulates poor public service delivery or not. This study was conducted in municipalities that attained unqualified audit opinions and those that had obtained qualified audit opinions and compare the public services to all those municipalities. This study applied qualitative research methodology, 6 municipality officials that are directly involved in public service delivery were part of this study and the interview took 15 to 45 minutes for each respondent.

Keywords: audit opinion, public service delivery, Auditor General, Public servants, improvement.

Context of the research

Public service delivery remains a major problem in South Africa and municipalities are the centre of poor service delivery. There are numerous measures to hold government officials accountable and the chapter 9 institutions play a major role to safeguard the public against unethical behavior of government employees and politicians. These institutions, however, at some point intimidate credible and ethical leaders to act decisively on programmes that seek to improve the lives of the people. According to the Department of Public Services (2020:02), the Auditor General is responsible for conducting regular audits of government departments at all levels. Should there be any suspected wrongdoing, the AG then investigates and provide a report and the recommendation. This is the modus operandi for local government institutions as well and this becomes a concern for all officials and politicians in local governments. The investigation by the AG is based on how the money was used and the performance of employees in local government. The investigation focus on whether the expected standard procedure was followed or not and checks whether the money was used for what it was budgeted for or not. It is easy for any municipality to attain an unqualified audit opinion if they comply with this requirement but it does not automatically mean the municipality is offering

effective public services to people but it simply means the standard practices have been followed. This study investigated the relationship between the unqualified audit opinion by the Auditor General and the effectiveness of public service delivery. The purpose of the study was to find out whether the municipalities that attained unqualified audit opinions have delivered according to the expectations of the people or not. Secondly, is to find out if the municipalities that attained qualified audit opinion have failed to deliver services to the people.

Audit in the local government in South Africa

The Auditor General South Africa (AGSA) is an institution that is the Chapter 9 of the South African Constitution. The mandate of this institution is to safeguard the public interest and the use of public funds by all government institutions. This is made possible by producing reports on how public funds has been used annually. All public sector institutions in all government levels are subjected to auditing by the office of the AGSA. While performing audit duties, the adherence of the government regulations and laws are taken into consideration. These regulations are used to analyze general reports that cover Public Financial Management Act (PFMA) and the Municipal Financial Management Act (MFMA).

Under the powers conferred on the AG by section 3 of the Public Audit Act, 2004 (act no. 25 of 2004). Auditor-general of the republic of South Africa, hereby determine the following: 1. Audit opinion, the goal of a financial statement audit is for the auditor to be able to provide an opinion on whether the financial statements were prepared in all significant aspects in compliance with a defined financial reporting structure.

The AG hereby advises that, for the yearly audits, he or she has determined that the approach set be followed in the formation of his or her audit reports on the financial statements of municipalities and municipal bodies, in accordance with section 13(3) of the PAA. This is in response to the National Treasury's financial reporting rules for municipalities and municipal corporations, which are outlined in the MFMA. GRAP & GAAP and GRAP & GAMAP. The following is the GRAP & GAAP basis of accounting as defined by the National Treasury:

The financial statements were prepared in accordance with South African Statements of Generally Accepted Accounting Practice (GAAP), including any interpretations issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognized Accounting Practice (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement. The GRAP & GAMAP accounting foundation has been decided by the National Treasury to be as follows: The financial statements were prepared in accordance with the Minister of Finance's stipulated Standards of Generally Recognized Accounting Practice (GRAP) and Standards of Generally Accepted Municipal Accounting Practice (GAMAP) in terms of:

General Notice 991 of 2005, as published in Government Gazette No. 28095 of 15 December 2005 1 General Notice 992 of 2005, dated 7 December 2005 and published in Government Gazette no. 28095: both in December 2005: Accounting policies for material transactions, events, or conditions not covered by the above GRAP and GAMAP Standards have been based on the South African Statements of Generally Accepted Accounting Practice (GAAP),

including any interpretations issued by the Accounting Practices Board. 4 No. 29326 GOVERNMENT GAZETTE, 27 OCTOBER 2006.

All the above mentioned regulatory frameworks guiding the office of the Auditor General focus mainly on the compliance of the legislative frameworks. Municipalities are assessed based on the compliance of the existing Acts and the compliance on the predetermined objectives and the performance. Financial matters and financial policies are the major concern of the Auditor General. Findings of the Auditor General are based on the compliance and the performance and not on the public service delivery. Auditor General reports do not indicate whether there is an effective service delivery or poor public service delivery but focus on the compliance. Complying with all relevant legislative frameworks do not automatically suggest that there is an effective public service delivery. Unqualified and qualified audit opinion is about the accountability and compliance and not about effective or ineffective public service delivery.

Research problem and aims

The poor service delivery and lack of trust to various municipalities by the people remains a major problem regardless of the audit opinions. Living conditions of the people in various municipalities have not changed while those municipalities have attained unqualified audit opinions. The study aims to find a balance between audit opinions and public service delivery. The findings of this study are recommended to be used when the IDP of all municipalities is reviewed or developed. The scope of the Auditor General could also not be uniform when dealing with different levels of government. The issues affecting the local government are dynamic and there is a need to adjust to the scope.

The following research questions and research objectives has a direct link to the research problem and aims of the study.

Research questions

1. What is the relationship between unqualified audit opinion and public service delivery?
2. Does qualified audit opinion mean poor service delivery?
3. What is the priority of municipalities between service delivery and audit opinion?

Research objectives

1. The impact of the unqualified audit opinion in the public service delivery
2. The relationship between qualified audit opinion and service delivery
3. The priorities of municipalities between the opinion of the Auditor General and public service delivery.

Theoretical framework

The opinion of the auditor attests to financial statements after thorough examinations and scrutinization of financial documents, internal control measures, audit procedures, and management discretion. The purpose is to examine whether the money was used for what is budgeted for or diversion of how money was used. It's a comparison of spending and documents that support the spending of the money. This is further explained by Pamungkas,

Ibtida and Avrian (2018: 05) who state that the role of the auditor is to detect any type of fraud and errors committed in the institution. This role is not excluded in the municipality and municipalities are examined and scrutinized by the Auditor General along these lines. The report of the Auditor-General also includes the financial status of the municipality. The Auditor-General perform all these duties guided and informed by the government legislations that empower the office of the Auditor-General. Legislations related to how government funds must be utilized also inform the decision of the Auditor-General. Mostly, the investigation of how money has been used by a municipality emphasizes the importance of accountability. Those who are found to have breached the standard procedures and financial legislation have to be accountable. Other scholars such as Danescu and Spatacean (2018: 111) argued that the unqualified audit opinion shows that the institution embraces high values of integrity, the credibility of financial statements. They further argue that the unqualified audit opinion attracts more investors because of the view that their investments will be taken care of effectively.

Theories

Most theories are not taken into consideration when municipalities are audited. The uniform approach to audit municipalities and following what is documented without using discretion affects the public service delivery. Hui, Zhao, Fan and Au (2004: 466) presented a (Fairness Heuristic Theory) that simply discusses and provides the importance of the satisfaction of the people as the custodian of public services. The lack of effective social exchange biasness to the people by municipalities and serve the requirements of the Auditor General affect the service delivery. This theory is the evidence of how municipalities operate and neglect the basic needs of the people that are urgent if not budgeted for or if proper documentation is not available. The Auditor-General should focus on the reports made by the public, the community satisfaction should inform the report of the Auditor General for municipalities. In the same essence, Wei (2009: 822) presented two theories that support the disparities between Audit opinion and public service delivery. The first theory is the “Reduction and Control Theory” the changes in the operations because of the requirement to accommodation Audit opinion, negatively affect the performance of the municipality. The municipalities might not have a capacity to offer effective service to the people because of the lack of expertise that could assist the municipalities. The appointment of officials also has an impact on the report of the Auditor-General. Secondly, the “Service Quality Theory” is not taken into consideration in the report of the Auditor-General. This theory suggests that there should be effective public services and the quality of services offered must be taken into consideration at all times.

Research methodology

Research design

The framework of market research methods and procedures chosen by a researcher is referred to as research design. The researchers' design allows them to use the most appropriate methodologies for the study and to set up their investigations successfully in the future as well (Durrheim, 2006: 33). Because of the aims and objectives of the study and availability of data, the researcher used qualitative research methodology. This is informed by the research questions and the problem statement that the study seeks to address. This was the appropriate

method for the study because the participants were able to express themselves and added additional information that was relevant to the study and that contributed to the findings of the study.

Target Population

Population in research is the large collection of objects or individuals that form part of the main focus of the study. The research investigation issues that are affecting the entire population. Due to costs and the large size of the entire population researchers cannot test each and every individual in the population. The population of this study is the employees of all municipalities in the country that are directly involved in the public service delivery. South Africa currently have 255 000 municipal workers and all workers stand a chance to answer the questions of the study. South Africa currently have the population of 60.14 million people and everyone can stand a chance to answer the question of the study (Miller, Ortiz, Pinheiro, Bandi, Minihan, Fuchs, Martinez Tyson, Tortolero-Luna, Fedewa and Jemal, 2021: 08). Further details are provided in the sampling method and the sampling size on how participants were selected and reasons thereof.

Sampling method

KIBUACHA (2021: 02) state that the sample size constitute the number of respondents that will be part of the study. The sample size is determined by the research methodology that will be used and the data collection technique. Braun and Clarke (2021: 201) recommended that for qualitative studies, a minimum sample size of at least 12 to reach data saturation.

Sampling is a method of picking individuals or a subset of the population in order to make statistical inferences and estimate population characteristics. In market research, several sampling strategies are frequently employed so that researchers do not have to research the entire community in order to get meaningful insights. It is also a time- and cost-effective method, so it is the foundation of any research design. For optimal derivation, sampling approaches can be utilized in research survey software. Probability sampling is a sampling approach in which a researcher chooses members of a population at random based on a set of criteria. With this selection criteria, all members have an equal chance of being included in the sample (Yang and Banamah, 2014: 57). For this study, three municipalities with 6 municipal officials in each municipality was deemed enough to reach conclusions and qualitative analysis of the study. The municipalities are Jozini Municipality, Emalahleni Municipality, and Fezile Dabi municipality. The researcher has applied probability sampling technique to identify four municipalities in four provinces. All municipalities in the country stand a chance to be part of the study but because of the cost and time, it was not possible to conduct a study in all municipalities.

Sampling size

One of the most significant elements to consider when deciding on sample size is the type of qualitative investigation. The most frequent qualitative market research methods include in-depth interviews, focus groups, and ethnographic research, and the types of questions being researched are just as significant as the sample size chosen for these various methodologies.

The idea of saturation is one of the most crucial principles to remember in all of these study designs. The goal of qualitative research (in comparison to quantitative research) is to reduce discovery failure, whereas the goal of quantitative research is to reduce estimation mistake. This is where the notion of equality comes into play (Sim, Saunders, Waterfield and Kingstone, 2018: 620). Here's when the saturation principle comes into play: When we talk about saturation, we mean that collecting new data isn't providing the researcher with any new insights into the problem they're looking into. Qualitative research aims to find a variety of viewpoints from a small sample size, and one person's viewpoint is sufficient to develop a code (part of the analysis framework). With larger samples, there is a limit of diminishing returns; more data does not necessarily mean more knowledge; it just means that the same information is repeated (saturation). Therefore, the researcher interviewed six municipal officials in each municipality. These participants were contacted by the researcher and they were informed about the study and their rights, confidentiality, anonymity and the objectives of the study. A right to record a conversation was asked from all the participants after the participants agreed to participate in the study.

Data analysis

In-depth information is generally supplied in the form of words in qualitative data. Reading a huge number of transcripts in search of similarities and differences, then identifying themes and constructing categories are all part of qualitative data analysis. Researchers used to categorize data by 'cutting and pasting' and using colored pens. Recently, the adoption of software created expressly for qualitative data management has dramatically reduced technical complexity and made the hard effort much easier, making the procedure relatively easier. To automate this 'coding' process, as well as to search and retrieve data, a number of computer software programs have been developed (Sgier, 2012: 20). The data collected in this study was analyzed using the NVIVO software. NVIVO software allows researchers who used qualitative research method to code data and create projects that analyze data. NVIVO results were summarized in a way that is easily understood.

Data collection process

Data collection is the process of acquiring and evaluating information on variables of interest in a systematic manner that allows researchers to answer research questions, test hypotheses, and assess outcomes. All fields of study, including physical and social sciences, humanities, business, and others, use data collection as part of their research. While the methodologies differ depending on the discipline, the emphasis on accurate and honest data collection stays the same (Clark and Vealé, 2018: 482). This study collected data through structured interview. This type of interview is regarded as a rigid interview style because it focuses on the questions that are in the protocol. In this study, questions that are listed were asked from the participants. Interviews were conducted in 6 municipality officials of each municipality that were part of the study. The interview was between 15 and 45 minutes long, depending on the availability of participants. Interviews with municipality officials were on face to face in the buildings of the municipalities because participants were available for face to face and this also assisted the researcher to analyze a gesture and the attitude of the participants. Letter of information and

consent letter were shared with all participants. Covid-19 protocols were observed, the researcher was wearing a mask, carried a hand sanitizer and kept a required social distance. Participants were responding to questions and a researcher was using a recorder to record the conversation and the participants were notified and the permission was granted from them. Collected data will be kept safe by the researcher for a period of five years. No one will have access to the data besides the researcher. The data will be deleted from all servers after five years. Information gathered by unique or first-hand study is referred to as primary data. Surveys and focus group talks, for example. Secondary data, on the other hand, is information that has already been gathered by someone else. For instance, internet research, newspaper articles, and company reports. Primary data was collected for this study, because this study required a first-hand information.

Anonymity and Confidentiality

Under any circumstances, anonymity is critical for survey success. Anonymity can help to preserve respondents' privacy by allowing them to share information that cannot be traced back to them. Anonymity may promote cooperation when the survey entails significant dangers to participants (Grinyer, 2002: 4). Information that will identify the respondents or participants of the study was not revealed in the study or in any report. The study information was kept confidential and no information will be divulged that might compromise the participants. Interviews were kept confidential and the discussion between the researcher and the participants will not be shared with other participants or anyone outside and or in the municipality.

Reliability and Validity

The constancy of a measurement is referred to as reliability. Consistency is measured in three ways by psychologists: across time (test-retest reliability), across items (internal consistency), and among researchers (inter-rater reliability). When researchers measure a construct that they believe is stable over time, the results they acquire should be stable over time as well. The extent to which this is true is determined by test-retest reliability. This means that any decent measure should consistently generate similar results. Clearly, a measure that provides very variable scores over time cannot be a valid measure of a consistent construct (Roberts and Priest, 2006: 43). In qualitative research, reliability refers to the consistency of responses to different coders of data sets. It can be improved by taking thorough field notes, recording devices, and transcribing digital files. Validity, on the other hand, in qualitative research, credibility, authenticity, transferability, dependability, and confirmability all contribute to trustworthiness. Long engagement in the field and the triangulation of data sources, methodologies, and investigators to establish credibility are required to operationalize these terms. A detailed explanation is required to ensure that the results are transferrable between the researcher and those being investigated. Therefore, this study is declared reliable and valid because the information was obtained from the participants that have the first hand information. The findings of the study will produce the same results if tested over and over again using the same obtained data.

Ethical consideration

Research participants were not subjected to harm in any ways whatsoever. Respect for the dignity of research participants was prioritized. Full consent was obtained from the participants prior to the study. The protection of the privacy of research participants was ensured. Participants were allowed to discontinue with the study should they feel they are no longer interested to proceed. There was no use of offensive, discriminatory, or other unacceptable language during the interview. Interview of each official was not shared with other officials, the interviews were conducted individually. Participants were not remunerated in any form and there were no incentives. Respondents were not expected to bring any documents or any equipment to the interview venue

The following interview questions were asked from municipal official:

Interview questions

1. How long have you worked for the municipality?
2. What are your views about the unqualified and qualified audit opinion?
3. Are you satisfied with how the municipality is providing services to the people?
4. What do you think should be changed in how the municipality provides services?
5. Where do you see the municipality in the next 5 years in terms of service delivery?

Results of the study

The study had five questions for six municipal officials in each of the municipalities that were part of the study. Respondents responded to questions based on their knowledge and understanding of the local government and audit guidelines.

Respondent one:

How long have you worked for the municipality?

I started working for this municipality from June 2018, I have more than 3 years.

Participants of the study has worked in the municipality for more than five years. Participants have a full understanding of what is happening in the municipality and they were also able to respond effectively to interview questions. The second question had different views of respondents but their responses assisted in making conclusions and recommendations.

What are your views about the unqualified and qualified audit opinion?

Respondent one:

Anything must be done within the ambit of the law. Once everything is done according to the law, three quotations must be sourced but looking at the lowest quote do not guarantee a good service. Business people collude and fix the price which cost the government a lot of money.

Audit compliance does not guarantee the good public services; lowest prices does not mean the service provider could possible offer good services.

Are you satisfied with how the municipality is providing services to the people?

We have our challenges and we opt to do better and the leadership will lead us on how we handle our challenges. We can do more if we properly handle our resources. There is a room for improvement and we can do better.

What do you think should be changed in how the municipality provides services?

We need to get an input from the public, people must tell us what they need. Our contribution could not translate to what people need on the ground. We need to create a conducive environment and create more job opportunities. We need to look at how other countries has developed from being poor and underdeveloped countries to developed countries. We can learn from other countries and we could improve the lives of the people and our public service delivery. Greediness and corruption is stopping government from changing the economic situation of the people in the area. There is a need to have right people with the right attitude to provide services to the people. People are angry because of lack of the political will to change the lives of the people. There is a need to visit the community and ask them what they need.

Where do you see the municipality in the next 5 years in terms of service delivery?

There will be lack of job opportunities because of the migration of people from rural areas to urban areas. The municipality must focus on attracting investors and creation of job opportunities. The economic growth will determine the future of the municipality in the next five years. The budget must follow the plan according to the plans of the municipality on what needs to be offered to the people. The audit opinion should not be a stumbling block on the plans of the municipality leaders as long as they comply with the law.

Respondent 2:

How long have you worked for the municipality?

I have worked for the municipality for 17 years.

What are your views about the unqualified and qualified audit opinion?

When we receive an unqualified audit opinion I think it is where we have done well in terms of how we used the municipality resources.

Are you satisfied with how the municipality is providing services to the people?

I am satisfied with how we provide services to the people, we have built community halls, sport fields and maintenance of roads. We do have challenges in terms of sufficient funds to renovate an aging infrastructure. The municipality if paying more attention to the aging infrastructure and the security.

What do you think should be changed in how the municipality provides services?

We need to factor in some changes, we need to prioritize projects based on what people need. We need to do away with sport fields and community halls and focus on bridges and market fields to accommodate the local business.

Where do you see the municipality in the next 5 years in terms of service delivery?

I think we will do good because for the past three years we still have the same management and the executive management will continue with the good work. Most of the councilors are reelected and there will be a continuity in the leadership and development. The auditors are only dealing with accounting and not the actual service delivery and that might affect the performance of the municipality. The expertise of the auditors is not broad and lack understanding of engineers and auditors fail to understand the construction industry and the operations.

Respondent 3:

How long have you worked for the municipality?

I started working for the municipality in 2005, it has been 16 years.

What are your views about the unqualified and qualified audit opinion?

The unqualified opinion makes the municipality officials happy because it is an indication that the municipality has complied with the regulations. There is a problem with how the auditor access the municipalities. It seems like the auditor is always looking for wrong things or mistakes.

Are you satisfied with how the municipality is providing services to the people?

I am satisfied with how we offer services to the people, we have a great team.

What do you think should be changed in how the municipality provides services?

The funding and other necessary resources makes it difficult for the municipality to deliver services. The handling of the municipality infrastructure also remains a stumbling block. There is a need for a visionary leadership to uplift the community.

Where do you see the municipality in the next 5 years in terms of service delivery?

The current management give hope to the municipality and there is a will to improve the lives of the people. There is a general failure of utilizing resources in the municipality because of the fear of audit opinion and there is a need for officials to consider the importance of public service delivery as the core mandate rather than fearing for the audit opinion.

Respondent 4:

How long have you worked for the municipality?

I have 6 years' experience in the municipality.

What are your views about the unqualified and qualified audit opinion?

Audit opinion is not a priority for me because the community is the fundamental reason why the municipality exist. I am guided by the principles of audit but the community is important.

Are you satisfied with how the municipality is providing services to the people?

So far I am happy with the services offered by the municipality to the public, the major problem is the limitation on resources.

What do you think should be changed in how the municipality provides services?

The working conditions dictate that we ask people what they want before we attempt to deliver the expected services. The scope of the local municipality is sometimes limiting the municipality to offer services. For example, people might have indicated that they have a strong need of the electricity and that is outside of our scope. The municipality prioritize agriculture because of the nature of the community that we are servicing. I would prefer to embark on bringing back the land to the people in order to allow people to farm. The audit findings are sometimes a stumbling block that stop us from implementing great ideas of the leaders of the municipality. The audit principles do not look at the ways of improving the public service delivery.

Where do you see the municipality in the next 5 years in terms of service delivery?

We previously had a qualified audit opinion simple because we did not have employees that are classified as section 56 and 57 employees. Those are directors, and that was stated as an irregular because decisions need to be made by such directors. This created a problem and the municipality had a qualified audit opinion. The public service delivery was affected but we tried to use other laws such as section 32.

Respondent 5:

How long have you worked for the municipality?

I have worked for the municipality for 5 years

What are your views about the unqualified and qualified audit opinion?

I normally link the audit opinion with the service delivery. We lack a public participation whereby we need to explain to the people what we can provide. The audit opinion should link with the public service delivery, currently there is no linkage. It is sometimes difficult to make the community understand the resource constraints to the community because councilors are more involve when we visit communities. The training is more required to ward councilors because they are the ones who report back to the community and when the community protest they address their problems to the councilor.

Are you satisfied with how the municipality is providing services to the people?

There is a lot that needs to change in the municipality. Complaints that were made more than 10years ago has not be addressed properly. The service delivery is no effective and sustainable, we need to focus more on sustaining public service delivery. The focus should also be on urgent

needs of the community rather than building community halls that become white elephants. Housing is the bottleneck in the community and the municipality have tried to address this problem but it is the competency of the province.

What do you think should be changed in how the municipality provides services?

I would think that the spatial development should be taken into consideration and implement the framework. There is a lot of research findings and literature that give effect to what need to be priorities for communities. The economic impact of government service to the community needs to be taken into account. There is a lack of political will from the politicians to action the plans and ideas of municipality officials. Political officials build sport fields and community halls which are not a priority for the community. The audit process does not take this into account, as long as the process of procurement is properly followed, the municipality will receive a clean audit. The audit opinion do not look into the public services offered nu they look at the processes followed. It checks the compliance of the act and existing policies. Auditors do not physically audit the impact of the services offered for example if the municipality construct a road, the auditor will just audit documents and if they decide to physically check the road, they will just check if the road exist or not and don't care where it is.

Where do you see the municipality in the next 5 years in terms of service delivery?

I have been in the municipality level for more than 10 years in different municipalities. The status quo remains the same and municipality are mainly coming from better to worse, this is determined by the caliber of leadership.

Respondent 6:

How long have you worked for the municipality?

I have 21 years' experience in the local government

What are your views about the unqualified and qualified audit opinion?

In the eyes of the people the unqualified audit opinion seems to be the best and people get excited. The management and the leadership get happy for the unqualified audit opinion. The community on the other hand do not rely on the audit opinion but expect proper services. Most of the time the municipalities receive an unqualified audit opinion because the money was not used and that is a disadvantage for the community because the community expect service delivery.

Are you satisfied with how the municipality is providing services to the people?

I am happy with how the municipality if offering services to the people. The municipality did not have enough traffic lights and that caused a congestion in the city. We have introduced new bylaws to limit trucks from operating in the city during the day. That assisted in controlling the traffic, trucks are allowed to pass by but not to offload. We have three traffic officers stationed at the entrance of the city to control the traffic. We have introduced many projects in different

wards in the area, such as artificial grass in the soccer field and the ne stop shops. The community is very excited and commend the municipality for providing such services. We are in the process of constructing access roads in all our communities.

What do you think should be changed in how the municipality provides services?

We need to build more shopping centres to bring the economic development to the people because the municipality carter for thousands of people. The municipality must not be the only place where people access their needs.

Where do you see the municipality in the next 5 years in terms of service delivery?

There is a huge development that is expected in the next five years. We want to attract more tourist in the municipality. We also want to venture into farming and mobilize the community to participate in the farming. We have approached many private companies that are involved in farming to transfer their skills to the community.

Respondent 7:

How long have you worked for the municipality?

I have more than 40 years in the municipality and about to retire

What are your views about the unqualified and qualified audit opinion?

For me it is sad to receive a qualified audit opinion because we are doing our best to comply with all requirements.

Are you satisfied with how the municipality is providing services to the people?

Definitely not, every day is like war because we receive numerous complaints and it is not nice. Especially on Mondays, it become very difficult for me because my unit link with other units. People expect services regardless of which unit is responsible. The maintenance of vehicles remains the major problem in the municipality/. The overall management of municipality equipment remains a major problem and this also includes the management of the aging infrastructure. I have written numerous reports but there is no feedback and no hope. The municipal leadership remains a major problem and the auditor is not able to identify this important challenge faced by the municipality. The audit is misplaced because they only or mostly focus on paper work and do not pay more attention in the services delivered to the people.

What do you think should be changed in how the municipality provides services?

I think the maintenance of vehicle is the priority and the absenteeism is something that need a serious attention. The ticking of boxes without a passion or commitment to change the lives of the people is an injustice to the voter. Voters should be prioritized despite the audit outcome. The budget is not utilized in way that the lives of the people is effectively transformed and the leadership should draft a budget based on what seems to be the priority for the people.

Where do you see the municipality in the next 5 years in terms of service delivery?

I think the municipality management is not in a position to transform the municipality in the war of improving the lives of the people. Government employees need to change their attitude and adopt the private sector attitude.

Respondent 8:

How long have you worked for the municipality?

I have worked for the municipality for more than 25 years in different roles.

What are your views about the unqualified and qualified audit opinion?

There is a huge gap between the service delivery and the audit of local government operations. The municipality should focus on the mandate of delivering services to the people and not focus mainly in the audit opinion. Sometimes it is not easy to quantify the effectiveness of public services while the audit can be able to show financial activities. The audit opinion is not a mechanism or a tool to measure the public service. Audit opinion rely on the financial statement and do not look at the service delivery and this imbalance confuse the community. There is no relationship between audit opinion and public service delivery. We receive the same documents yearly and the audit focus on control system such as the supply chain, and look at the checks and balance. There is a need to incorporate the audit activities to public service delivery. There is a need for the audit to put more wait on the public service delivery because even if there is full compliance it does not mean there is a satisfactory public services. A person that have all documents in order and use money for something else, that person can account on the documentation but no service to the people.

Are you satisfied with how the municipality is providing services to the people?

There is a certain of public services that is delivered to the people but there is a lack in the public service delivery. There is a need for proper control measures and clear supervision of personnel. Some supervisors do not care whether the work is done properly or not, there is a lack of accountability. The audit is not assisting in improving the public services.

What do you think should be changed in how the municipality provides services?

I would do away with private contractors and insource staff with necessary skills required by the municipality. Every employee would contribute significantly in the daily operations of the municipality. People would stop using municipality vehicles for their own personal use and I would have proper control measures.

Where do you see the municipality in the next 5 years in terms of service delivery?

We are a political entity and the politics dictate what should happen, in the early years of my service the administration was dominated by white people. After some time, things changed and the dispensation affected the public service delivery. We thought the liberation movement was going to prioritize the needs of the people forever but over time things changed. We need a combination of leaders that have a passion to change the lives of the people and it is not easy to say there will be an improvement in the public service delivery.

Respondent 9:

How long have you worked for the municipality?

I have worked for this municipality for 13 years.

What are your views about the unqualified and qualified audit opinion?

There is a relationship between the audit opinion and what is happening on the ground. Service delivery and audit opinion sometimes do not speak to each other. Most of the time we find good audit on paper but the service is not there. Audit sometimes seems to be affected by the time constraints to look at what is happening in the community. The performance management as part of the audit is not effective. The municipality officials spend more time trying to correct what the Audit General had identified as an audit query and that affect the public service delivery. I don't believe that the audit opinion impact on the public service delivery whether negatively or positively. The internal audit assists to identify areas that require our attention.

Are you satisfied with how the municipality is providing services to the people?

We still have a long way to go, even if we were doing better. Currently the municipality is not doing well at all. We have an aging infrastructure that is stopping us from providing effective public services to the people. There is a plan to renovating the existing infrastructure but we lack adequate resources. We have many townships in the municipality but they all lack adequate resources. People are still using asbestos and this is not healthy for the people, the municipality have a plan to replace the asbestos roof.

What do you think should be changed in how the municipality provides services?

I think in my view we need to professionalize the public services so that we can give professional service to the people. Municipality should employ more engineers instead of relying on appointing private companies to offer services. The infrastructure development can be improved by employing more engineers instead of appointing consultants. Consultants are only interested in making profit and that becomes a double burden for the municipality.

Where do you see the municipality in the next 5 years in terms of service delivery?

I think we need to replace the existing infrastructure for us to improve the lives of the people. The community must be trained on how to start businesses. The government should train the community n business skills. Community needs to engage on how to start cooperatives and be independent. Business plans and prominent business people must be made available to communities. The municipality must get rid of the dependency syndrome. People must be trained to be independent and not to solely dependent on government. Foreign nationals are able to see business opportunities while South African natives are waiting for the government to employ them. This narrative is not only applicable to my municipality but most municipalities nationwide. We need to relook at the township economy. People in some areas have land but they don't utilize the land to improve their lives. When people see the land in townships and in many other black communities think about building a beautiful house instead of starting a

business. The municipality need to start searching for people that have business ideas. Grow those business ideas, pair them with prominent business people.

Respondent 10:

How long have you worked for the municipality?

I have been with the municipality for 13 years now.

What are your views about the unqualified and qualified audit opinion?

The audit is seen as the barometer to measure the performance of municipalities nationwide. This is done to access the compliance of all municipalities. This is regarded as a tool to measure the compliance of the municipality. Audit opinion serve as a learning tool because it guides us whether we are doing good or not. Audit opinion is not giving instruction on what to be done by the municipality but it is there to look at how the services were offered. They look at the processes followed and check the compliance. Municipalities can do whatever they wish to do but within the confines of the law. This then do not dictate to municipalities to provide effective services to the people. Municipalities can decide to offer public services or decide otherwise. The audit does not interfere on decisions made by municipalities regarding the public services. This lack of relationship is a problem and could be revised because the municipalities can decide not to use the available budget and explain why and the auditor accept that while people on the ground are suffering. The AG use sample data and sometimes the sample does not fully represent what is happening. They look at the available documentation and sometimes physically visit the infrastructure or the services offered. They do not audit all the projects physically. The physical verification is not always possible.

Are you satisfied with how the municipality is providing services to the people?

The municipality is doing a good job, there is competent and professional employees in the municipality. All relevant and expected structures as per the Act exist. Information is available for people to access. Even old citizens in the area are happy and commend the municipality for trying to improve their lives. We have different priorities and it depend on what is the priority at a particular time. We have various strategies to access the performance of employees and the expectations of the citizens.

What do you think should be changed in how the municipality provides services?

The mandate of the municipality is to provide services to the people. Various proposals from different people needs to be taken into consideration. We need to deliver our mandate regardless of the political circumstances. People must also honor the municipality services by paying for the service. Community must be mobilized and guided on how to take care of the existing infrastructure. The community have a responsibility to protect the infrastructure against criminals.

Where do you see the municipality in the next 5 years in terms of service delivery?

I think we need to adapt in how the global community do things. We have introduced online facilities for the citizens. The next five years will be a learning curve to observe the results of the newly introduced online systems. We will be doing some amendments and improvements to the existing facilities.

Respondent 11:

How long have you worked for the municipality?

I have more than 10 years in the municipality.

What are your views about the unqualified and qualified audit opinion?

I think audit opinion is not based on the service delivery but they audit the finances, such as the money that was used by the municipality. They check mostly the compliance but not the impact of the public service delivery. They check the compliance on documents and not physically visit the municipality. They check the compliance on policy. They check if the budget was used according to plans or not.

Are you satisfied with how the municipality is providing services to the people?

We are doing something but I think there is a room for improvement. The municipality is doing a lot of things but the misunderstanding of the community could create an impression that the municipality is not doing anything. The community expect the same service for everyone at the same time like the construction of low cost houses. People expect the municipality to construct low cost houses for everyone at the same time. The municipality even provide extra support to the communities. People want things to happen immediately without understanding the budgetary constraints.

What do you think should be changed in how the municipality provides services?

I think the best way to improve the understanding of the community is to initiate a public education. Educating people about the municipality operations will help the community to understand the scope of the municipality.

Where do you see the municipality in the next 5 years in terms of service delivery?

I think we are improving if I look back on what has happened in the past. The municipality is in a good trajectory in service delivery improvement. The technological changes will determine the impact of the municipality to the community. The municipality should adapt to the new technological changes to meet up with times.

Respondent 12:

How long have you worked for the municipality?

I have worked for the municipality for the past 11 years.

What are your views about the unqualified and qualified audit opinion?

The audit opinion is based on the assessment of the municipality on how the public funds has been utilized. The professionalization of public services and the use of public funds is sacrosanct. The audit opinion however, is focused on the compliance of regulations. The audit opinion is just focusing on the ticking boxes exercise. Just to check how the money was used, whether the legislations were followed or not. The supply chain processes is the stumbling block because the audit opinion always say something about the supply chain section. The money might be available to provide services to the people but the supply chain processes are the stumbling block. The audit opinion does not hold a baring because the main concern of the municipality and the community is the public services. The audit opinion is misaligned with the national government policies. The audit opinion was developed as a tool to safeguard public funds but at the same time it is a stumbling block to provide services. We have a performance plan but employees are not meeting the deadlines and the audit is not dealing with this problem. The audit looks at planned activities, the use of public resources and the budget.

Are you satisfied with how the municipality is providing services to the people?

We are not delivering the services the way we are supposed to do. Political leadership has not prioritized the local government. The appointed municipal managers are linked to political parties and that has nothing to do with the competency and capabilities. In many cases the deployed municipal officials are incompetent and deployed to serve their political principals. Politicians mobilize the community to protest against the municipality if their deployed friends are not delivering for the political party needs. The community is used by politicians and that create instability in the municipality. We have many employees who appear on paper but physically not there. The municipality do not have a strong technical and financial teams. The municipality is not strong because this problem and there is a need to focus in this area of interest. This instability drives away the investors and the communities will supper and the poverty will increase. Audit opinion should not be used a tool to measure public service delivery. Corruption is affecting the audit outcome and service delivery.

What do you think should be changed in how the municipality provides services?

The mindset of the employees has to change. Employees of the municipality are more interested in getting over time. Employees go to the community and identify the problem but they wait until after hours to fix the problem so that they will get an over time. For example, a burst pipe reported in the morning is fixed in the afternoon after 4 pm and the employee get paid overtime. Another example is the termination of electricity supply to non-paying customers. Officials cut the service during the day and later visit the houses again to receive money for them to restore the electricity. The municipality is doing its best to take care of employees but employees are just greedy.

Where do you see the municipality in the next 5 years in terms of service delivery?

The political and municipal administration must speak the same language of public services delivery. The clean administration can improve the public service delivery. There must be proper measures to stop people that are not paying for their services. Many companies owe the municipality a lot of money and bribe municipal officials and this could lead to collapse

the municipality. Those are found to be corrupt must be dealt with. The audit could be a stumbling block in delivering effective public service delivery in the next 5 years because officials pay more attention to the audit than service delivery.

Respondent 13:

How long have you worked for the municipality?

I have been with the municipality for more than 10 years.

What are your views about the unqualified and qualified audit opinion?

Public service delivery is what we do on the ground. District municipalities provide a support to the local municipalities. Audit opinion is not based on the service delivery but focus on the compliance and the processes in all types of municipalities. Audit opinion and service delivery do not speak to each other. Audit opinion look at the financial statements and not service delivery. Good audit opinion does not translate to good public service delivery.

Are you satisfied with how the municipality is providing services to the people?

I am not happy about the public service delivery because some people on the ground are happy and others are not. We still need to improve the lives of the people. There are different areas of public services that we need to focus on. Poverty alleviation is part of service delivery and the municipality have a role to play to create job opportunities. The municipality has not been able to create enough job opportunities for the people. The municipality do not have financial capacity to provide public services that it needs to provide.

What do you think should be changed in how the municipality provides services?

The IDP should prioritize the urgent needs of the people by doing a needs assessment. The municipality should develop strategies that will link the IDP and needs of the people on the ground. Needs of the people are changing and the municipality must visit the community regularly. I think the development of the key performance areas should be a priority. The kind of people we are appointing should understand their mandate. The appointed people should not see themselves as employees but as game changers.

Where do you see the municipality in the next 5 years in terms of service delivery?

I think there will be an improvement of public service delivery. The attitude of government employees in the local government is likely to change because of the political changes. People has been undermined by municipality employees and that was caused by the political intervention of those who are in governance. Negative reports about some government employees has been disregarded because employees are friends of politicians and perhaps deployed by politicians. I see a situation where everyone will perform as per the expectations, politicians included.

Respondent 14:

How long have you worked for the municipality?

I started working for the municipality in 2004, I have 18 years' experience.

What are your views about the unqualified and qualified audit opinion?

Unqualified audit opinion boosts our confidence as the municipality officials. Our audit outcome fluctuates and qualified audit opinion did not mean we were under performing. The previous projects we had still affect our audit outcomes because of the money that was used. The audit opinion does not speak to the public service delivery. There is no solid relationship between the two. We are doing extremely well in the public service delivery but the audit outcomes have different outcome. They are auditing the papers and they also visit the projects however, this is a new approach. This approach is based on a sample and not in all assets or equipment bought. But the auditor is not able to verify the public services but only audit papers.

Are you satisfied with how the municipality is providing services to the people?

I don't think we are doing enough to change the lives of the people in our jurisdiction as the municipality. We don't have enough funding to provide services. Communities need to be educated how the municipality operate and the funding model. The culture of collecting revenue from the community is not realized. The community must be educated on how their contributions assist the municipality in providing services. Councilors promise people free services and this is affecting the culture of collecting. Ward councilors expect the community to vote for them based on their campaigns. After the campaigns the ward councilors realize that the municipality cannot function without a revenue.

What do you think should be changed in how the municipality provides services?

I think the public education is important to educate the community about the service delivery. This will empower people on various responsibilities of all spheres of government. People complain about services in the wrong sphere of government. The community mainly complain to the municipality even if the expected services is not within the scope of the municipality. There are things that require our immediate intervention but other complaints should be redirected to the relevant sphere of government. As a district municipality we do not have land because the land belongs to the locals, but the communities complain to us as the district. We also go extra miles and assess the compliance of businesses in the locals. We check local businesses if they sell healthy food and not expired food to the people.

Where do you see the municipality in the next 5 years in terms of service delivery?

The development is at a very small scale and I think the next five years will not have much improvement. All is well for now but the communities are likely to protest against the municipalities. The needs of the communities are not prioritized. Funds shortage cannot be ruled out in the failures of the municipality. The municipality have plans in place but the projects are huge and require a lot of money. The maintenance of the existing infrastructure remains a major problem and implementing new projects become more difficult. For example, the maintenance of the public roads is not as good as it might be while there are many areas that require proper roads. Transformation in the municipal system still remain a major

problem. Transformation in the operations is not visible but there is a huge transformation in the political leadership.

Respondent 15:

How long have you worked for the municipality?

I have 18 years' experience in the municipality but I have 3 years in the current role.

What are your views about the unqualified and qualified audit opinion?

We celebrate the unqualified audit opinion because that translate to the proper use of public resources. The audit looks at the predetermined objectives and compare the delivery with plans. We received clean audit consecutively but this is not linked to public service delivery. We as the district not directly linked to public service delivery but we provide support and guidance to local municipalities.

Are you satisfied with how the municipality is providing services to the people?

The service delivery is not good at all in the jurisdiction of the district. There is no proper communication between the local municipalities and the provincial government. These levels of government provide the same services to the people. There is a surplus of service delivery because of the lack of communication for example, one household has two toilets, one built by the local government and one built by the provincial government. At same time other community members do not have even one toilet provided by either local or provincial government.

What do you think should be changed in how the municipality provides services?

We need to have an effective complaint management system. If municipalities do not have enough resources to implement a technological software, they must use manual. A mechanism where people will lodge their complaints and feedback to the complaints. There is no feedback on the complaints made by people because there is no proper complaints management system. We only take complaints serious only when there is a march or protest about a particular issue. I have not seen a proper route or process to report problems identified by the community workers. Community visits should produce good results and address problems of the community.

Where do you see the municipality in the next 5 years in terms of service delivery?

Political parties must unite against poverty and speak one language of providing basic services to the people. The coalition governments will assist to limit the party dominance and parties will push each other to provide public services.

Respondent 16:

How long have you worked for the municipality?

I have worked for the municipality for 34 years.

What are your views about the unqualified and qualified audit opinion?

Audit opinion just explain how money is used. It's a matter of compliance with the regulations. The opinion stipulates the sections that need to be followed. It does not tell people which services to deliver to the people. There is a huge difference between audit opinion and service delivery. The auditor also audits the performance but the main focus is on the finances. The audit findings are based on the financial performance and not on service delivery. The community should be rating the municipalities on service delivery.

Are you satisfied with how the municipality is providing services to the people?

The service delivery is not where it is supposed to be. We still have a long way to go.

What do you think should be changed in how the municipality provides services?

It is important to listen to the public because they need to say their side. The municipality cannot deliver services without the community contribution. The festivals that are provided by municipalities are a waste of money. There is no positive impact of festivals that are organized by municipalities. The lack of having impact to these festivals waste a lot of money that could have been used for something else.

Where do you see the municipality in the next 5 years in terms of service delivery?

Politicians need to start to work for the communities. Political fights should stop and politicians must put the community first. There will be no changes if politicians will focus on their political identity.

Findings and recommendations

The study found that the majority of respondents were concerned about the relationship between the audit opinion and the public service delivery. There is no concrete relationship between the audit opinion and the public service delivery. Therefore, there is no impact of audit opinion in the delivery of services to the people in communities. Communities expect effective public service delivery despite the audit outcome of the Auditor General. The auditor general is not paying attention to the public service delivery but mainly focus on the compliance and accountability. This therefore suggest that the role of the Auditor General do not take into consideration the needs of the people and particularly the poor and vulnerable people. The notion in the society that the unqualified audit opinion translate to good governance and effective public service delivery has been nullified by the findings of this study. Communities has not received good public services regardless of the audit outcome of municipalities. If the audit outcome meant a good public service delivery, many municipalities were not going to experience the public protest. Municipalities that attained unqualified audit opinion highly experienced a massive public protests. This study therefore, recommends that the Audit policy be reviewed and be changed to accommodate the needs of the people. If the audit policy for example, compel municipalities to deliver according to the needs of the people as per the political party manifesto, public protests will be reduced.

Conclusion

This study was meant to investigate the imbalances between the audit opinion and the public service delivery. The misconception amongst government officials and politicians has been clearly outlined in the study. Proper education and training is required in the political leadership in local government and include senior leaders and junior leaders. Public service delivery challenges cannot be addressed by the audit opinion but, the audit opinion was designed to safeguard the use of public funds. Municipal employees in the process of ensuring the compliance of audit policy and other legislative frameworks compromise the public service delivery. Public Audit Act has to holistically look at the needs of the people and the capacity of employees to delivery to the people.

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