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Good Governance Africa

AUDIT PERFORMANCE AND
SERVICE DELIVERY AT LOCAL
GOVERNMENT LEVEL



GOOD GOVERNANCE AFRICA

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Audit Performance and Service Delivery at Local Government Level

Abbreviations

AGSA	Auditor General South Africa
GGA	Good Governance Africa
GPI	Government Performance Index
HP	High Performing
LP	Low Performing
MP	Middle Performing
MFMA	Municipal Finance Management Act



INTRODUCTION

The performance of municipalities is a key element of local governance. The Auditor General of South Africa (AGSA) conducts regular audits of local governments to ensure accountability, compliance and proper financial management. These internal controls allow for accountability at the grassroots level of democracy. Good Governance Africa (GGA) embarked on a survey that sought to establish the correlation between audit performance and service delivery. This research aims to analyse whether the level of audit performance translates into service delivery performance and subsequently into good governance.



BACKGROUND TO THE STUDY

GGA has a research programme dedicated to local governance and grassroots democracy. The not-for-profit organisation's interest in this programme is based on the democratic notion that political power rests in the hands of the people. Good governance means citizens have an active voice in how they are governed and that there is agency as well as democratic participation by citizens, civil society and political structures.

In 2016, as part of our work on local governance, GGA commissioned a nationally representative survey – the Government Performance Index (GPI) – on perceptions of national government in South Africa and devised rankings for all of the country's 234 local and metropolitan municipalities. GGA then conducted a Voter Sentiment Survey to better understand voting behaviour related to the 2016 local government elections.

Following this research, and in homage to OR Tambo in his centenary year, GGA conducted in-depth research along an approximately 32 km transect in Mbizana municipality in the Eastern Cape, running from Nkantolo village to the central business district of Bizana town. This project was comprised of three components:

- a. A citizen survey with close to 1,000 participants;
- b. Interviews with leaders in various sectors;
- c. A survey of informal businesses.

The study was conducted to, firstly, understand the lived experiences of the people in Mbizana municipality. Secondly, it sought to better understand what was the worst performing municipality on GGA's GPI. A detailed report on the outcome of the survey was published in October 2017. In April 2019, as a continuation of GGA's research into local government, the second GPI was launched.

Using the AGSA's *Consolidated General Report on the Local Government Audit Outcomes – 2015/2016* and a survey of 1,346 respondents, this study sought to survey the relationship between audit performance and service delivery.

Assumption:

A better audit performance (which reflects prudent financial management) should result in better service delivery. The study seeks to establish the correlation between audit performance and service delivery.

The general assumption is that better financial oversight should result in better service delivery and higher levels of satisfaction among citizens. Good service delivery reflects good governance.

Questions:

Does this assumption reflect the actual case on the ground and the lived experience of people at grassroots level? Does a clean audit translate into improved service delivery and higher levels of governance and satisfaction among citizens?

In an attempt to test the above-mentioned hypothesis and answer the research questions, the following methodology was applied.

METHODOLOGY

This is an exploratory study geared towards comparative analysis. A mixed methodology approach was adopted, combining both qualitative and quantitative methods. A mixed sampling technique was applied comprising of purposive sampling in the selection of provinces and municipalities and convenience sampling during data collection at the study sites. Provinces were selected based on their aggregate audit performance rating sourced from the *Auditor-General's Consolidated General Report on the Local Government Audit Outcomes – 2015/2016*. In the report, provinces were categorised into three groups:

- a. High performing
- b. Middle performing
- c. Low performing

Figure 1 and 2 illustrate the provincial audit outcomes. According to the AGSA report, a clean audit outcome or unqualified audit with no findings, refers to financial statements without any material misstatements and no evidence of non-compliance with legislation. A provincial aggregate is classified with an unqualified audit opinion when its financial statements contain no material misstatements and some small reporting discrepancies relating to predetermined objectives and non-compliance. A qualified audit has financial statements that contain material misstatements, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated. Those with an adverse audit have misstatements in their financial statements, which are not confined to a specific amount, and these misstatements represent a substantial portion of the financial statements. Finally, a disclaimer refers to an audit outcome where the relevant province provided insufficient evidence and documentation on which to base an audit opinion. The lack of sufficient evidence represents a substantial portion of the information contained in the financial statements submitted.

Figure 1: Provincial audit outcomes of entities over two years

Source: Consolidated General Report on the Local Government Audit Outcomes for 2015/2016

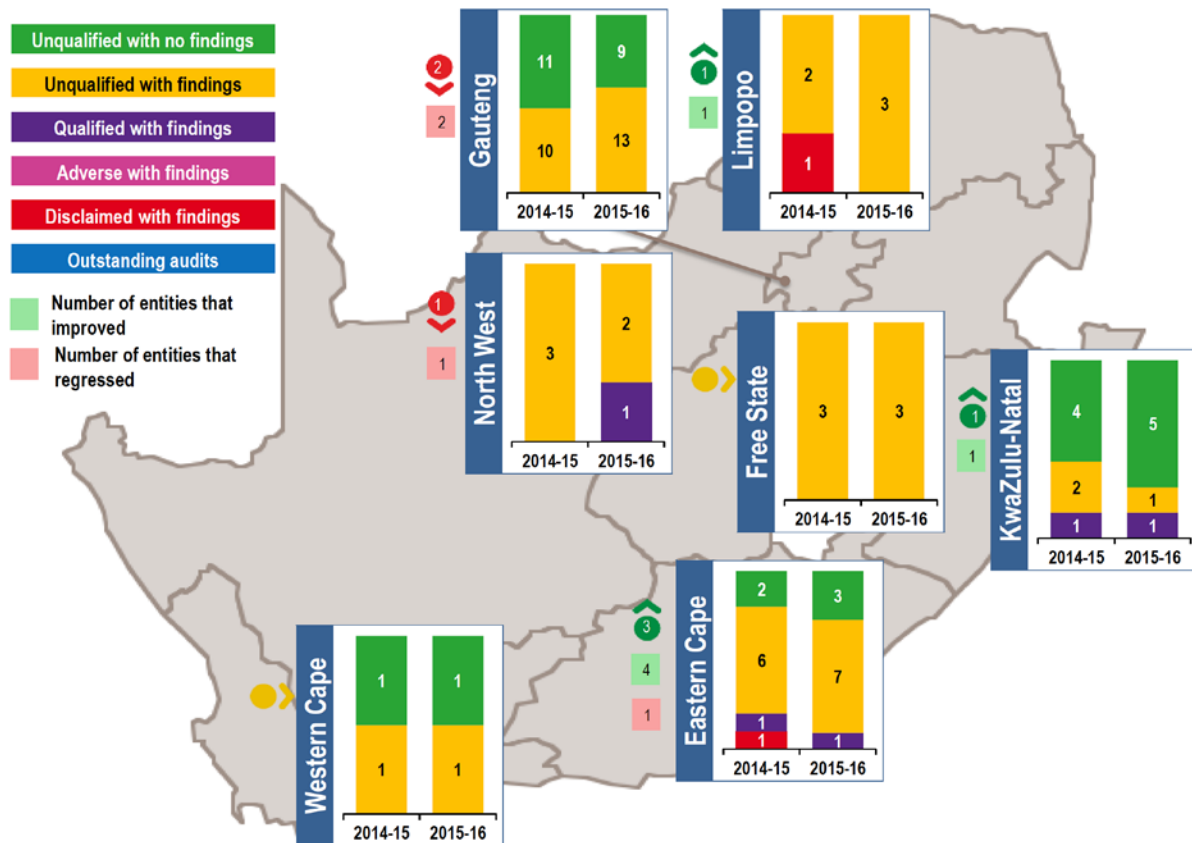
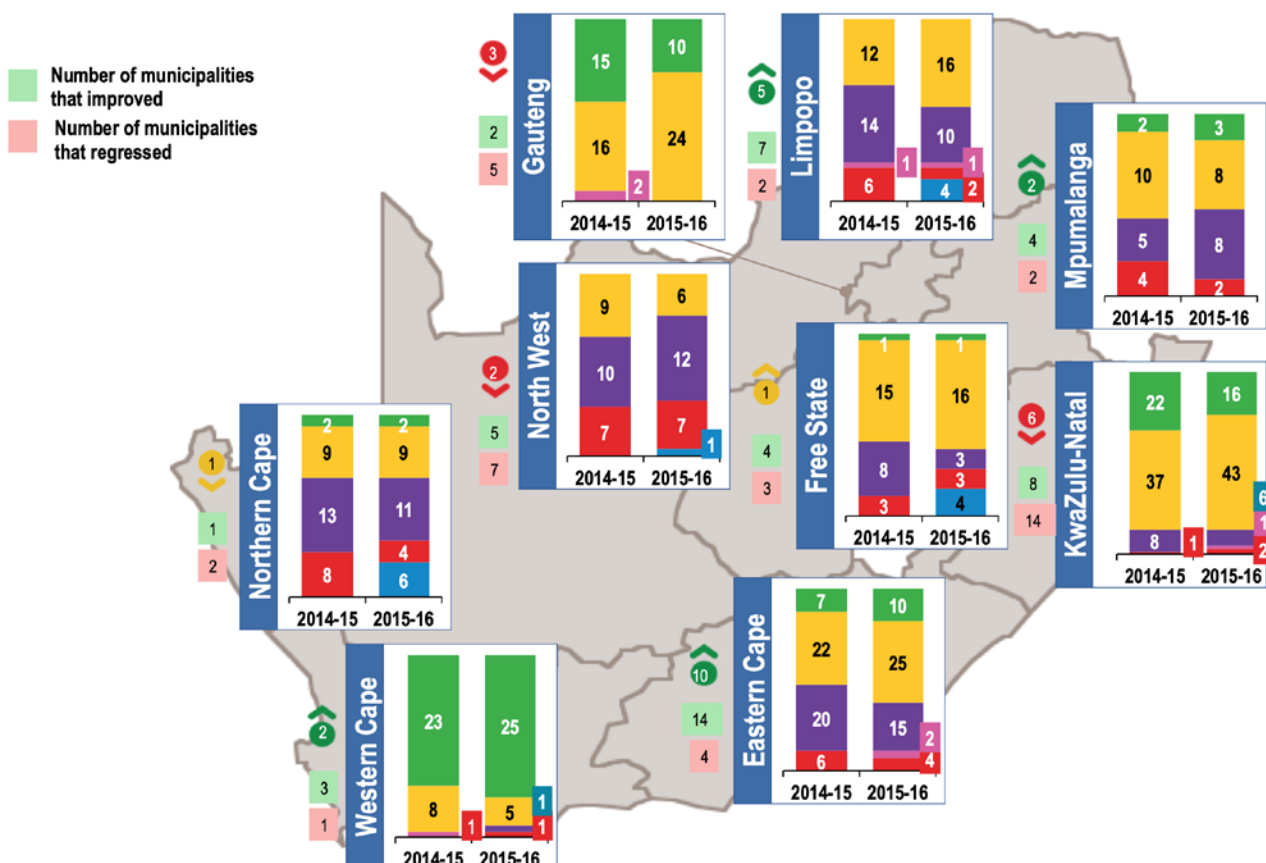


Figure 2: Movements per province

Source: Auditor-General of South Africa, MFMA Presentation, 2017



RESEARCH SITES

North West

Moretele Municipality

In the North West municipality, fieldworkers started collecting data at the Moretele local municipality on May 28, 2019. Moretele has a population of 188 533 (2011 census). The Moretele local municipality, which falls under Bojanala Platinum district, situated in the Eastern region of the North West Province. The area borders Limpopo and Gauteng provinces. The Moretele municipal demarcation area consists of 66 villages and 10 semi-commercial farms. The Moretele local municipality has a highly rural population living in traditional areas. There are a few individuals residing in urban areas and some in smallholdings. The most commonly spoken or dominant language is seTswana. More than half of the population is female; there were more than twice as many women as men. Due to the scattered nature of villages in the municipality, the survey was conducted at the local clinic, supermarket and police station. The community was very welcoming and they were eager to participate in the research.

Bojanala Municipality

On May 29, 2019, fieldwork was also conducted within the Bojanala Platinum District. The municipality has a population of 1 507 505 (2011 census). Bojanala is in the north-east of North West Province and is bordered by the Waterberg district to the north, West Rand district municipality to the south-east, the City of Tshwane metropolitan municipality to the east and Dr Kenneth Kaunda district municipality to the south. The local municipalities are Kgetlengrivier, Madibeng, Moretele, Moses Kotane and Rustenburg.

The survey was conducted in Brits within the Bojanala district. Brits is a large town in the North West Province of South Africa. Brits has a population of 53 511 (2011 census). The research was completed by visiting the CBD, because people living in different areas are found in the CBD during working hours. Within the CBD fieldworkers had access to the malls and the taxi rank. This was helpful in terms of meeting our targets. However, in terms of safety, it was not safe for the fieldworkers to be carrying tablets. Some of the community members were welcoming and some were not.

Free state

Tokologo Municipality

In the Free State, fieldwork began on May 29, 2019. Data was first collected in Tokologo local municipality, which is located within the Lejweleputswa district municipality. Tokologo municipality is among the smallest municipalities in South Africa and consists of three former Transitional Local Councils, namely Boshof, Dealesville and Hertzogville. Boshof is the capital, situated in the centre, with a population of 3843 (2011 census). Boshof is the administrative seat of the Tokologo local municipality. The town is located approximately 124 km to the west of Bloemfontein and 53 km to the east of Kimberley, along the R64 (old Bloemfontein/Kimberley road). Most commercial and industrial activities are situated in Boshof itself and the CBD can be broadly demarcated between Oranje, Fourie and Fontein streets. The business component of Seretse and Kareehof is weakly developed and consists mainly of lower-order businesses such as corner shops and taverns. Kareehof and Seretse are predominantly dormitory towns for the low-income groups with very few economic activities, save for corner shops and informal traders. Primary activities in Boshof are restricted to agriculture, which includes livestock farming, game farming and crop farming. Longstanding drought conditions have led to

a decline in the agricultural sector's ability to absorb labour. The commercial sector mainly consists of service provision to the agricultural community in the rural hinterland. In the Tokologo study sites there were slightly more females than males.

Lejweleputswa Municipality

On May 30, 2019, fieldwork was conducted in Lejweleputswa, the name Lejweleputswa. The name, which means "grey rock", describes an area with a history rich in gold prospecting and mining. The Lejweleputswa district is rich in gold deposits and lies at the heart of the province's goldfields. But Lejweleputswa's golden qualities extend above ground as well; it's a major maize and sunflower producer. The Lejweleputswa district municipality area is situated in the north-western part of the Free State and borders North West to the north. Lejweleputswa is one of the Free State's five districts and has its seat in Welkom, which is where fieldwork was conducted on the second day, and where it was assumed most people were Sotho speakers. The district makes up almost a third of the province and consists of five municipalities - Masilonyana, Tokologo, Tswelopele, Matjhabeng and Nala - with approximately 18 towns distributed throughout: Masilonyana, Tokologo, Tswelopele, Matjhabeng and Nala. Matjhabeng local municipality is an administrative area in the Lejweleputswa district that includes Welkom, the second-largest city in the Free State, which is located about 140 km north-east of Bloemfontein, the provincial capital. Welkom's Sesotho name, Matjhabeng, means "where nations meet", derived from the migrant labour system whereby people from various countries such as Lesotho, Malawi and Mozambique met to work in the mines of the gold fields. Welkom is also known as "Circle City", "City within a Garden" and Mvela. In Lejweleputswa, the fieldworkers found that there were more men available for interviews than women.

People in both Tokologo and Lejweleputswa were resistant to being interviewed because they thought the fieldworkers were representing the government.

Western Cape

West Coast Municipality

28 May, 2019, fieldwork was carried out on the Western Cape's west coast in Vredenburg and Saldanha. Vredenburg is the transportation and commercial hub of the west coast area. It is also the administrative centre of the Saldanha Bay local municipality, with a population of 38,382 (2011 census) and is located 12 km inland from the coast on Cape Columbine peninsula, 138 km north of Cape Town.

Saldanha, also known as Saldanha Bay, is a town of 21,636 people (2001 census). It is situated on a naturally sheltered harbour, which has led to its development as a port for exporting iron ore from Sishen in the northern Cape, brought to the coast on the Sishen-Saldanha railway line. The port is one of the largest exporting ports of ore in the whole of Africa, and it is able to handle ships as large as 200 000 tons deadweight.

The Saldanha Bay local municipality covers a total area of 2,015 km², which includes the west coast peninsula, also known as the Vredenburg peninsula, and stretches southeast to include the West Coast National Park and the area around Hopefield. It borders on the Bergrivier municipality to the north and the Swartland municipality to the east and south.

According to the 2011 census, the municipality has a population of 99,193 people in 28,835 households. Of this population, 55.8% describe themselves as “coloured”, 24.5% as “black African”, and 18.0% as “white”. The first language of 72.5% of the population is Afrikaans, while 16.4% speak Xhosa, 6.6% speak English and 1.2% speak Sotho.

Oudtshoorn Municipality

On May 30, 2019 the second phase of the fieldwork was conducted in the Oudtshoorn municipality, which is located in the Western Cape province. Most of the municipality’s residents live in the town of Oudtshoorn, which as of 2011 had a population of 61,507. The municipality covers an area of 3,537 km² in the Little Karoo, stretching from the Swartberg mountains in the north to the Outeniqua mountains in the south, and from the Gamkaberg in the west to the Kammanassie mountains in the east. It borders the prince Albert municipality to the north, the George municipality to the east, the Mossel Bay municipality to the south, the Hessequa municipality to the southwest and the Kannaland municipality to the west.

According to the 2011 census, the municipality has a population of 95,933 people in 21,910 households. Of this population, 77.3% describe themselves as “coloured”, 12.5% as “white”, and 9.1% as “black African”. The first language of 91.0% of the population is Afrikaans, while 4.8% speak Xhosa and 2.3% speak English.

The 2017-2018 AGSA report, which applied aggregate data from 2014-2016 and was released on June 26, 2019, was the latest data available when the research was initiated.

Province selection criteria and Sampling

Out of South Africa’s nine provinces, the Western Cape was the best-performing province in Category 1. According to the AGSA’s MFMA 2015-16, the Western Cape had 80% unqualified audits with no findings, 14% unqualified audits with findings, 3% qualified with findings and 3% adverse with findings.

The Free State was the most constant performer over time. The province had 4% unqualified audits with no findings, 53% unqualified audits with findings, 13% qualified audits with findings, 13% disclaimed audits with findings, and 17% outstanding audits. These audit outcomes qualified the Free State as the middle performing province in Category 2.

North West performed the worst overall, according to the audit outcomes. The province did not have a clean audit (unqualified with no findings), 17% unqualified with findings, 49% qualified with findings, 30% disclaimed with findings and 4% outstanding audits. North West had the highest number of disclaimed audits over a three-year audit outcome. This qualified the province as the low performer in Category 3.

In each of the selected provinces, high and low performing municipalities were randomly selected – one with an unqualified audit with no findings (or the best recorded level of performance), and the other with a disclaimer audit with findings (or the worst level of performance). These are represented in Table 1 below.

Table 1: Selected Municipalities

Municipality Rating	Western Cape	Free State	North West
High Performer (HP)	West Coast	Lejweleputswa	Moretele
Low Performer (LP)	Oudtshoorn	Tokologo	Bojanala

These municipalities were randomly selected according to the category (Table 2) in which they are found best or worst performer. The following selection criteria were applied in selecting the high- and low-performing municipalities:

Table 2: AGSA Municipality Categories

Category 1	Municipalities that have received clean audits for three consecutive financial years (2015-16, 2016-17 and 2017-18).
Category 2	Municipalities that have received unqualified with findings audit outcomes for three consecutive financial years (2015-16, 2016-17 and 2017-18).
Category 3	Municipalities that have received qualified audits for three consecutive financial years (2015-16, 2016-17 and 2017-18).
Category 4	Municipalities that have received disclaimers for three consecutive financial years (2015-16, 2016-17 and 2017-18).

Convenience sampling was applied to determine the target population. The study aimed to survey a total of 1,200 respondents. Two hundred participants were targeted in each municipality. Gender balancing was applied at these sites, with a target sample of 100 women and 100 men per site. The methodology had two phases as outlined below.

Phase One

GGA implemented its citizen survey, which has been used in previous initiatives of this nature using the CommCare Survey platform. The questionnaire was available in five languages: Afrikaans, English, seSotho, seTswana and isiXhosa. The respondents had to select their preferred language. CommCare consultant Ameera Hamid was commissioned to upload the questionnaire onto the tablets, transforming the tablets into research tools. CommCare version 2.45.2 was used. The CommCare application was built by Dimagi and all data is backed up on multiple servers in Cape Town and in the United States. All the CommCare databases are HIPAA compliant (Health Insurance Portability and Accountability Act). The HIPAA is international legislation that provides security provisions for data privacy. CommCare administrators can review data remotely in real-time reports and export data to their analytics platform of choice. The CommCare form-builder also allows for intergration of SMS notifications, audio and video recording as well as GPS locations.

Fieldworkers were carefully selected, using GGA’s grassroots approach, and were commissioned for data collection under the guidance of GGA team leaders. The fieldworkers were all from their respective provinces and were fluent in the local languages. Data was collected in six municipalities as highlighted in Table 1 above. The fieldworkers participated in a full-day training session in Cape Town (Western Cape), Bloemfontein (Free State) and Moretele (North West).

As part of GGA’s local government and grassroots democracy approach, the fieldworkers were recruited from local municipalities to empower the local community. The municipal offices were contacted and asked for a database of young unemployed people. They were vetted and deemed proficient in their local language for effective communication in the respective municipalities. The fieldworkers’ education levels comprised matric, diplomas and certificates, while some fieldworkers were also currently university students.

The training in Cape Town took place in the city centre and fieldworkers, making up an all-female team, were sourced from several townships throughout the area. Training in Bloemfontein, Free State was conducted at the University of Technology. Most of the fieldworkers were university students who were familiar with using tablets. Training in Moretele local municipality, North West ensured that all interviewers administered the questionnaire in the same manner so that

the data could be collected uniformly. Training covered making initial contact, asking the questions, probing, recording the answers and terminating the interview. It also ensured that fieldworkers could use the tablet and understand the kinds of questions they would be asking participants. Fieldworkers showed comprehensive understanding of the research tool and this was demonstrated during field work.

Free State Training



North West Training



Western Cape Training



Phase Two

Fieldworkers collected data over two days in total, one day per municipality in each province. Respondents gave their verbal consent to taking part in the survey. Their participation was voluntary and they could withdraw their consent at any time during the interview. Once collected, the data was analysed and interpreted to produce this outcome report.





Limitations of the Study

1. The sample size and the number of study areas were reduced due to limited resources.
2. Given the purposive sampling and gender balancing of the targeted population, the sample size may not accurately represent the dynamics or the size of the population in a municipality.
3. Some fieldworkers faced language challenges in Tokologo because a combination of Tswana and Afrikaans was predominantly spoken.
4. This was an exploratory study using a convenience sampling technique. Therefore, the findings of the study cannot be generalised.
5. Some local communities were reluctant to participate or have their pictures taken out of fear of being reported to the municipality.
6. Fieldworkers and team leaders were threatened and intimidated in Tokologo municipality. There were instances when they had to flee.
7. Fieldworkers in Bojanala municipality observed that some participants were afraid to answer truthfully.

RESEARCH FINDINGS

The findings are presented first at a provincial level followed by municipal level. A case study of the informal economy will also be discussed in the final segment. Five sections will be addressed:

- Demographics
- Local Government Performance and Service Delivery
- Administration
- Economic Development and Informal Economy
- Needs Assessment and Prioritisation

DEMOGRAPHICS

The total sample consisted of 1,345 respondents, of which 1,142 consented to participate in the study while 203 did not give their consent and hence were excluded as the interviews were conducted on a voluntary basis.

The predominant survey language was English, with 71% of all the respondents selecting English as their preferred language, followed by Afrikaans with 17%, SeTswana, SeSotho and isiXhosa had 7%, 4% and 1% respondents respectively. The gender dynamics of the sample were skewed towards males in Lejweleputswa and Moretele municipalities with 59% and 57% male respondents respectively. Bojanala municipality was relatively on balance with 50% female, 49% male and 1% other. On the other hand, Tokologo, Oudtshoorn and West Coast were skewed towards females with 56%, 54% and 54% female respondents respectively.

The respondents were probed on how they generate a livelihood; 10% confirmed that they collect grants, 9% rely on family support, 3% own businesses and 8% rely on temporary work also known as "piece jobs". Just under 1% confirmed that they are forced to resort to crime, while the remaining 69% did not respond to the question.

Western Cape

West Coast HP

In the Western Cape municipality of West Coast 213 surveys were conducted. Fifty three percent of the respondents were female, 43.2% were male, 1.4% were other and 1.6% did not respond. Respondents were between the ages of 18 and 82.

Forty two percent of the respondents indicated that they had completed secondary school, 33% had a matric certificate,

13% had a post-matric qualification and 4% did not respond. Only 1% of the respondents had not completed schooling.

Chart 3 shows that close to 40% of the participants were employed, while 17% had an income grant and 13% were self-employed. More than three quarters of the respondents stated that they were looking for a job (81%).

Chart 1: Gender Distribution

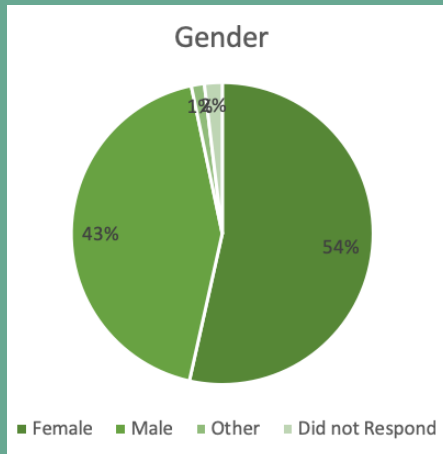


Chart 2: Education

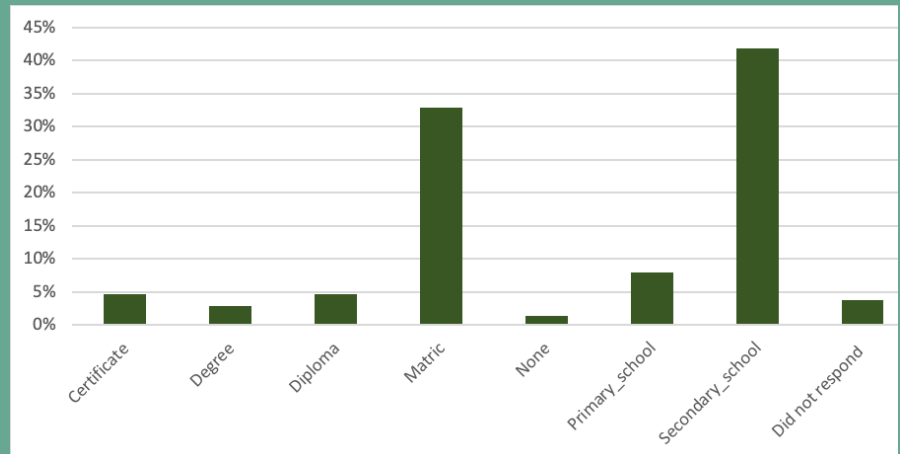
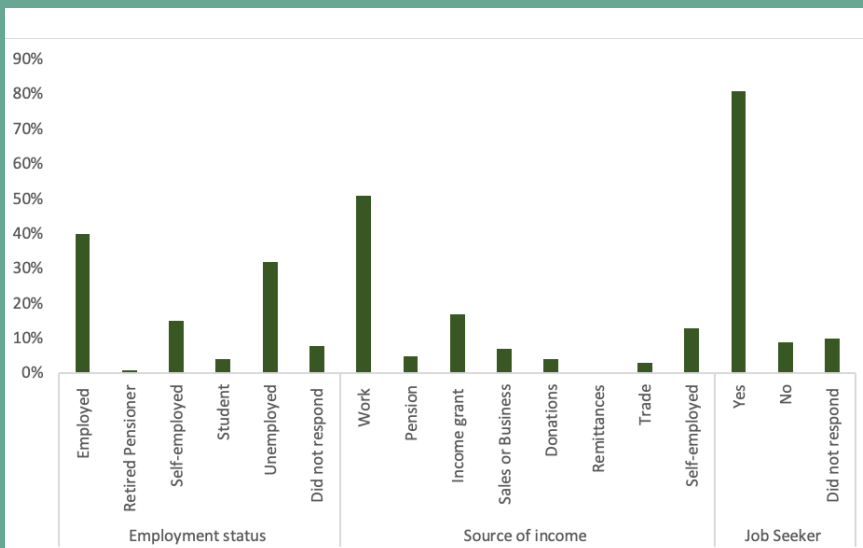


Chart 3: Employment and Income



Oudtshoorn LP

The total sample in the Oudtshoorn municipality was 247. Just over half (54%) of the respondents were female, 41% were male and their age was between 18 and 85. Most participants (42%) had a secondary school qualification, 25% matric and 9% had attained primary school level.

Chart 5 illustrates that 41% of the respondents were unemployed, 25% were employed and only 8% were self-employed. About a third (35%) of the participants stated that they generated their income through work, 25% relied on social grant income, 15% on pension and 10% were self-employed. The unemployment percentage was fairly high compared to the percentage of those that were employed. Those who were unemployed were asked if they were seeking employment opportunities; out of the 41% who were unemployed, 71% were job seekers and 22% were not - and at least 7% did not respond to the question.

Chart 4: Gender Distribution

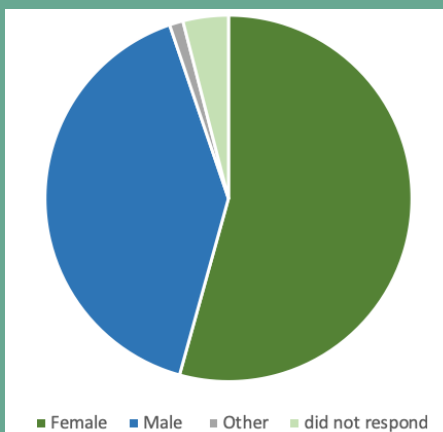


Chart 5: Employment and Income

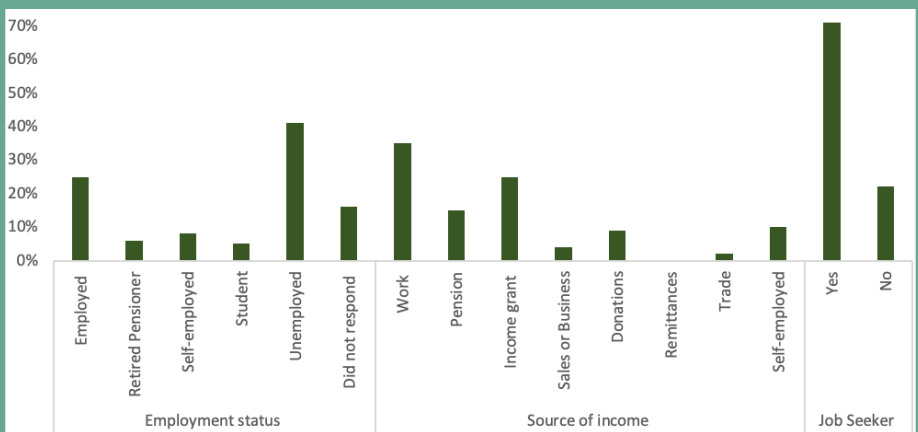
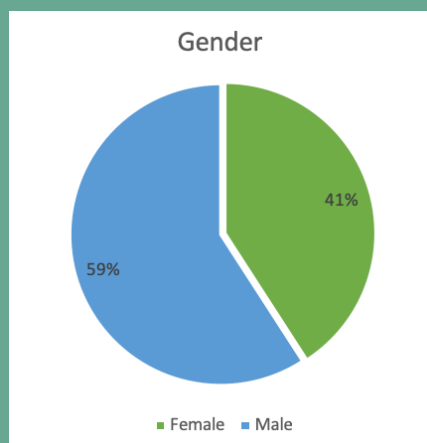


Chart 6 Gender Distribution



Free State Province

Lejweleputswa District Municipality HP

In Lejweleputswa district municipality, 194 people consented to participate in the survey. Respondents were between the ages of 18 and 79.

Of the respondents, 40.7% were female and 58.8% male. There was a slight gender imbalance towards men in this municipality. This was perhaps due to high unemployment and the presence of mostly retrenched mineworkers.¹

Most of the participants (49%) from this municipality had their matric. Based on the data above, we can see that very few respondents (3%) have a university level education or higher.

Chart 8 shows that almost half (44%) of the respondents were unemployed, 23% were employed, 15% were students, 14% were self-employed, and 2% were retired or on pension. Of those who were unemployed, 73% stated that they were looking for a job and 27% were not.

Chart 7: Education

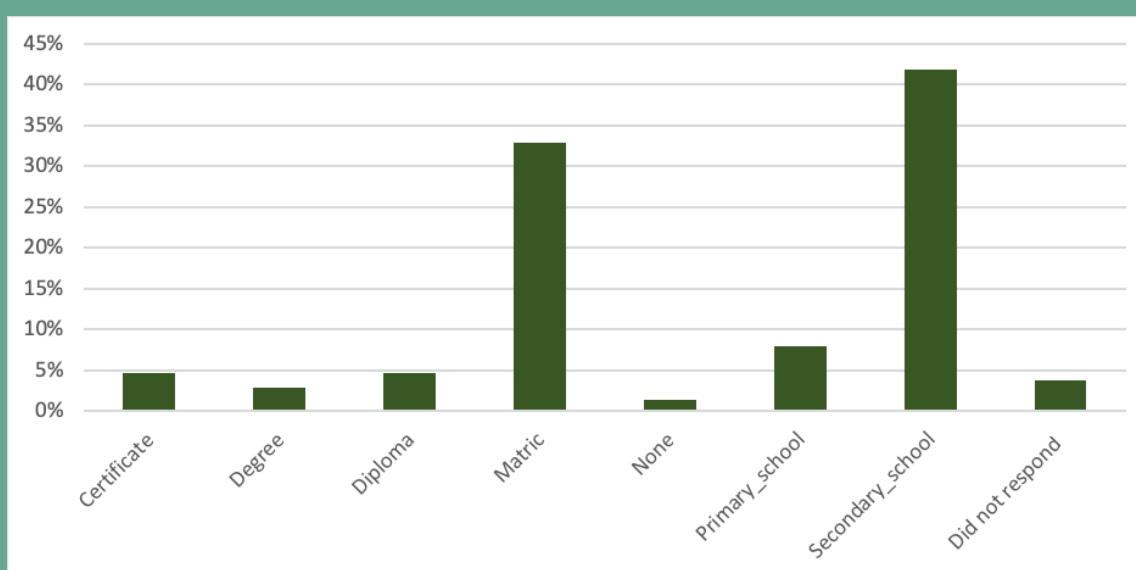
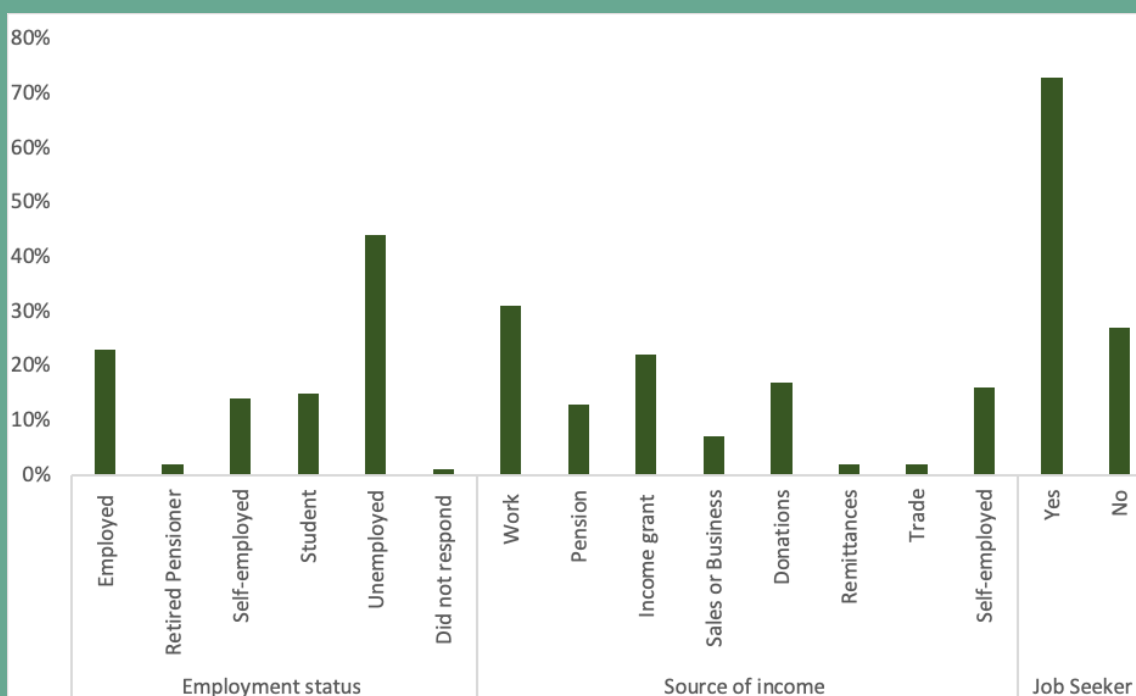


Chart 8: Employment and Income



¹ <https://www.vukuzenzele.gov.za/uif-brings-service-ex-mineworkers-0>

Tokologo LP

In this municipality, 126 respondents consented to participate in the study. Chart 9 illustrates that the majority (56%) were female and 44% were males, with their ages ranging from 18 to 83. More than half (54%) had a secondary school education, 16% primary school and 14% matric.

The findings show a high percentage (56%) of unemployment, while 17% of the respondents were employed, and 13% were retired pensioners. Only 12% were self-employed and at least 2% did not respond. Of these participants, 29% stated that their source of income was a pension, 23% lived on grants and only 21% were generating an income through work. Out of the 56% respondents who were unemployed, 73% were seeking employment and 27% were not looking for a job.

Chart 9: Gender Distribution

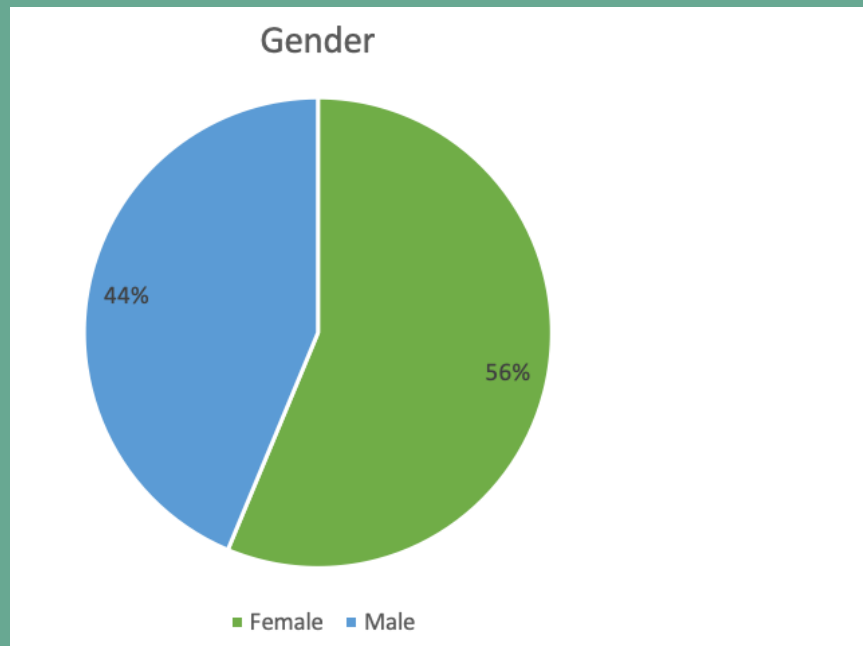
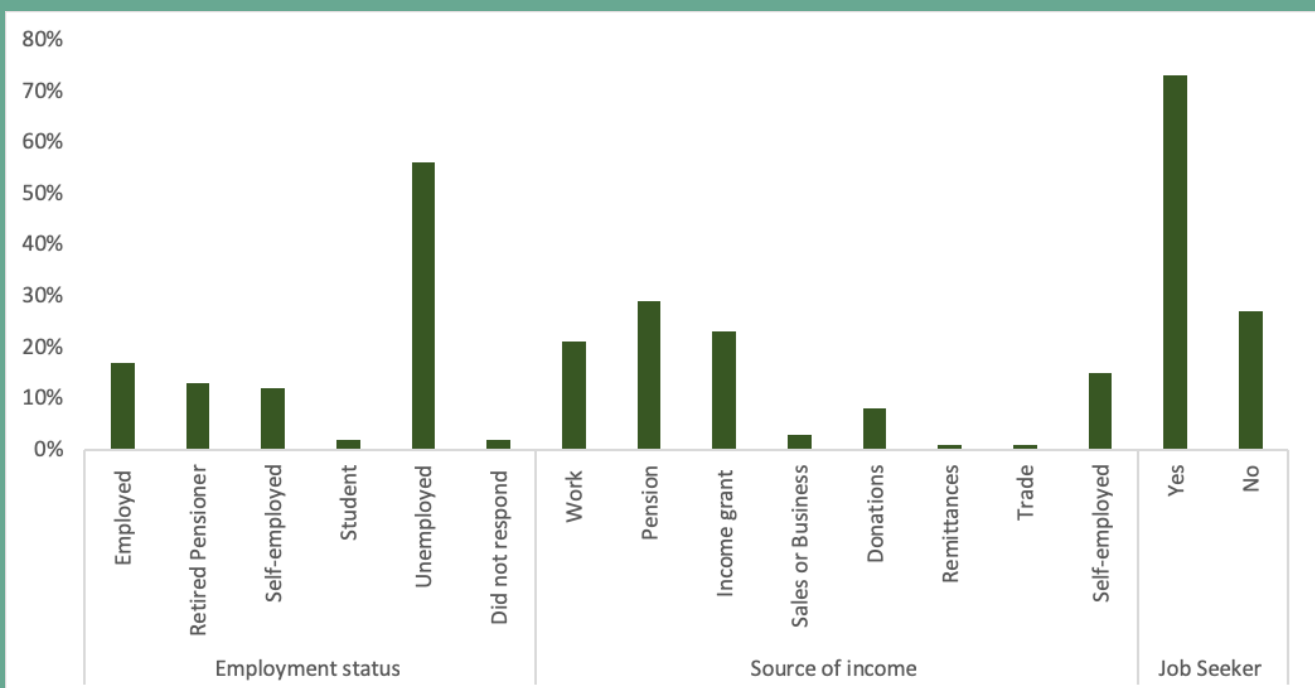


Chart 10: Employment and Income



North West Province Moretele Local Municipality HP

A total of 219 respondents were approached within the municipality; of these 73% consented to taking part and 27% declined. The high rate of refusal might be explained by recent protests that took place in the province. Of the respondents, 42.8% were women and 56.6% men. The age of the respondents ranged from 18 to 85.

Regarding the educational background of the respondents, 41% stated that they had completed matric, 31% said they had completed secondary school, 9% had a post-matric qualification, 5% had no schooling and only 1% did not respond.

When asked about their employment status, 45% of the respondents said they were unemployed, 26% were employed, 15% were self-employed, 12% said they were retired/on pension, 1% stated that they were students and only 1% did not respond. To understand the survival strategies of those who were unemployed, respondents were required to state their source of income. Respondents reported receiving financial and non-financial (e.g. food, housing, clothing and emotional) support from various sources. Twenty four percent stated that they were receiving an income grant, while 10% said that they relied on donations. When asked if they were looking for a job, 90% said they were, while 8% said they were not looking for a job.

Chart 11: Gender Distribution

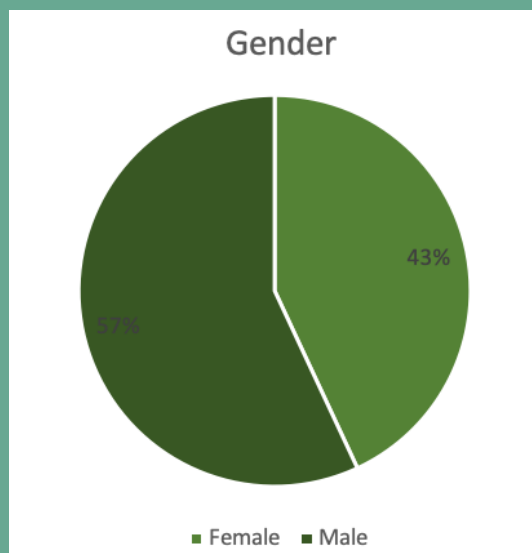


Chart 12: Education

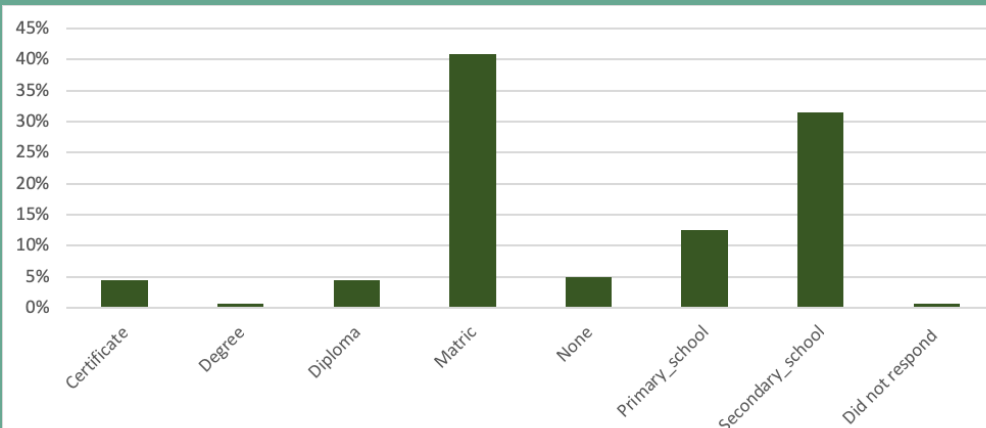
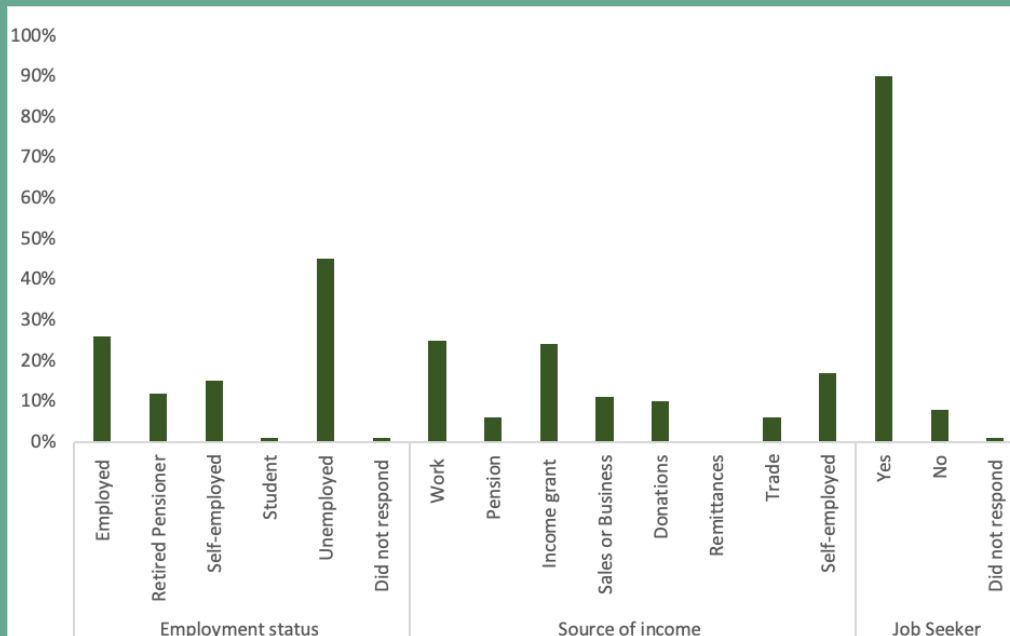


Chart 13: Employment and Income



Bojanala District Municipality LP

The total number of the sample in this municipality was 219, with 7% declining to participate in the study and 203 (93%) agreeing to take part. Those who declined did not participate for fear of being reported to the municipality. About half (50,2%) of the respondents were female and 48,8% male. Their age ranged from 18 to 84. The chart below illustrates that 44% of the respondents had matric and 26% had a secondary school qualification.

The chart below shows that 41% of the respondents were employed, 29% were unemployed, 21% were self-employed and 5% were pensioners. Of these, 38% generated their income through work, 21% through self-employment and 13% through grants. Among the 41% of respondents who were unemployed, 83% were looking for employment, another 14% were not seeking employment and at least 3% did not respond to the question.

Chart 14: Gender Distribution

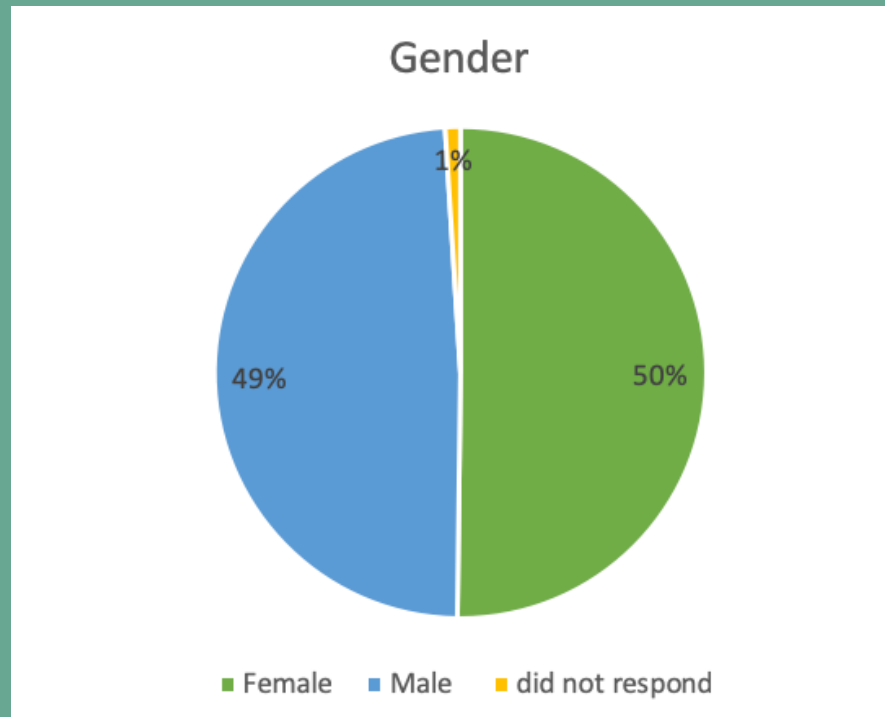
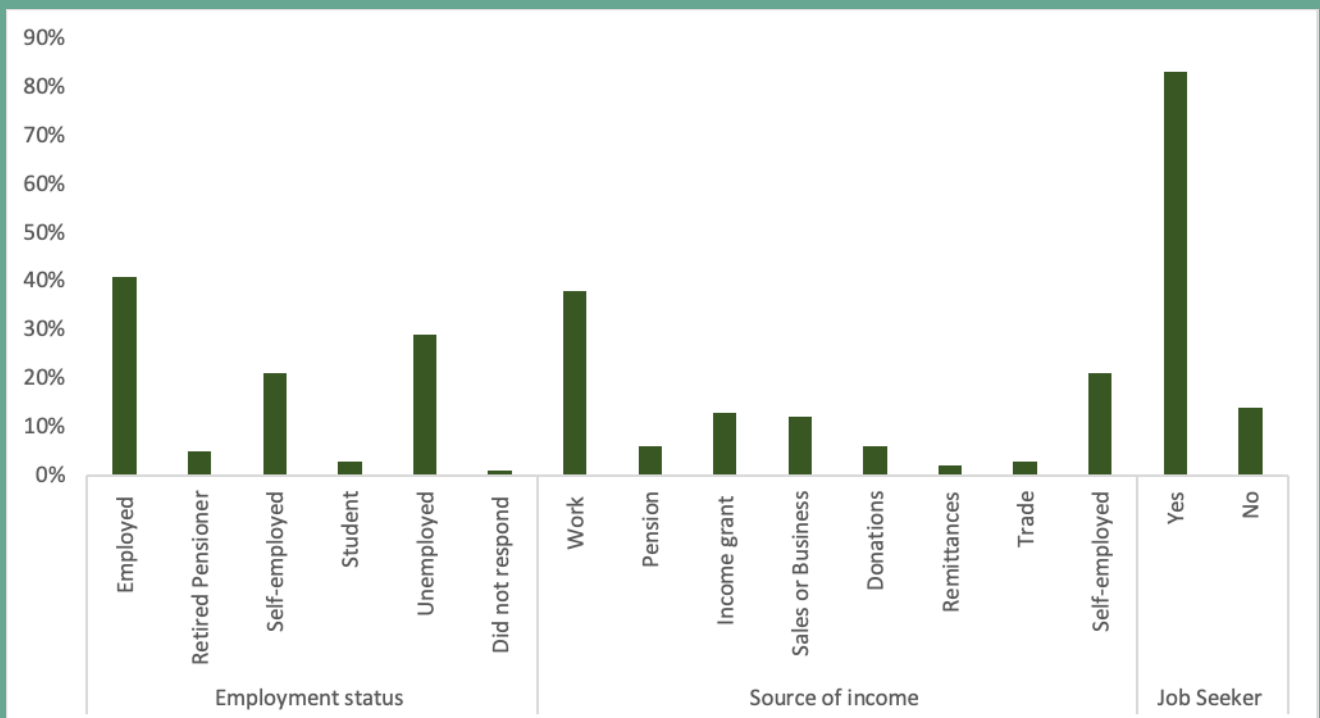


Chart 15: Employment and Income



LOCAL GOVERNMENT PERFORMANCE AND SERVICE DELIVERY

The hypothesis under examination was tested in each municipality and as indicated in Chart 16 the outcome of the data proved a separate result from the hypothesis. While the expectation is that good audit outcomes result in good service delivery and high satisfaction, which translates into good governance, Chart 16 shows that in all municipalities, high and low performing, there were high levels of unhappiness with local government. Overall, service delivery outcomes also presented similar traits. This section provides a detailed breakdown of the service delivery perceptions in the light of the high and low performing municipalities.

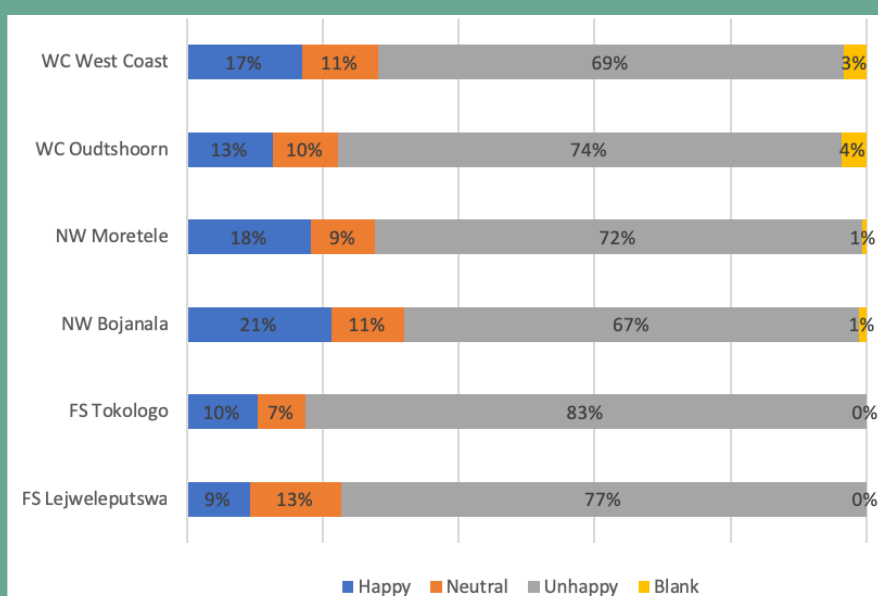
Experience of Local Government

The survey explored the respondents' views and experience of local government. In the Western Cape's high-performing municipality, the West Coast, just under 70% were unhappy with their local government. Chart 16 shows that only 17% were happy with local government, while 11% were neutral

and 3% did not respond to the question. A similar pattern was observed in the Western Cape's low-performing municipality, Oudtshoorn, with 74% of the respondents unhappy with local government, 13% happy, while 10% were neutral and 4% did not respond to the question. Given that the West Coast is a HP municipality, the expectation would be that respondents from that area would be happier with their service provision. However, in this province one finds that the high performing area, the West Coast (70%), is highly unhappy with their local government similar to Oudtshoorn (74%), the regions' LP locality.

In the Free State's HP municipality, Lejweleputswa, 77% of the respondents were unhappy with their local government. Only 9% were happy and 13% were neutral. In the LP municipality of the Free State, Tokologo, 83% of the respondents were unhappy, 10% were happy and 7% were neutral. In the North West's HP municipality, Moretele, 72% of the respondents were unhappy, 18% were happy with local government, 9% were neutral and 1% did not respond. In the LP municipality, Bojanala, 67% were unhappy with local government, 21% were happy and 11% were neutral. It was expected that there would be more unhappiness with local government in the low performing municipalities than in high performing municipalities. However, the results show that this was not the case in North West Province. Despite audit outcomes, in all municipalities on average 74% of the majority of the respondents were unhappy with their local government.

Chart 16: Experience with local Government

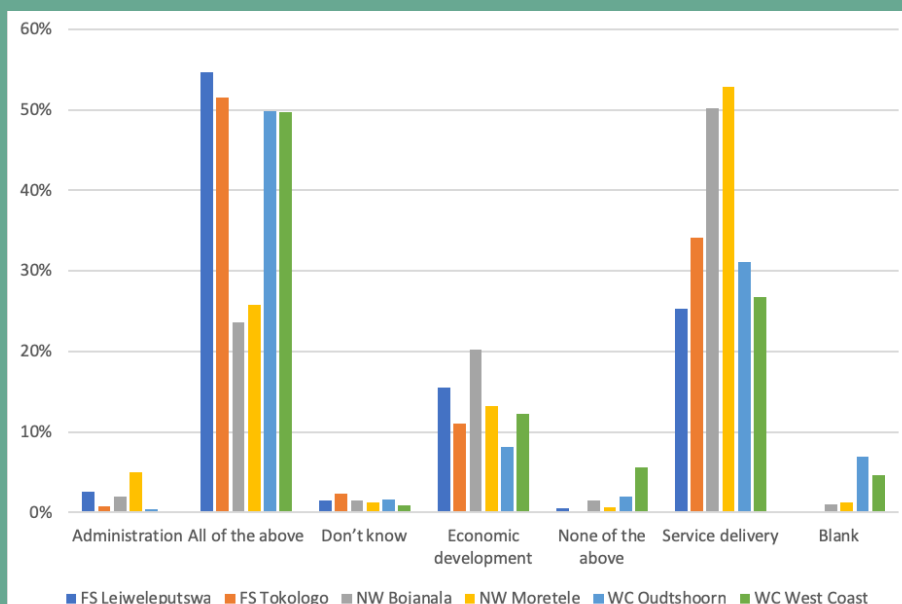


Areas of Improvement

In line with their experience of local government performance, the respondents were also asked which area of government could be improved.

Chart 17 shows that the Western Cape HP West Coast municipality and LP Oudtshoorn municipality both had a 50% majority of respondents stating that service delivery, economic development and administration (all of the above) could be improved. A similar trend was observed in the Free State with HP Lejweleputswa (55%) and LP Tokologo (52%) municipalities both indicating that all of the above could be improved. In the North West, however, about half of respondents in the HP Moretele municipality (53%) and the LP Bojanala municipality (50%) considered that service delivery could be improved. This need for improvement could be linked to service delivery protests in the North West.

Chart 17: Area of Government to Improve



Access to Service Delivery

Respondents' access to service delivery, as well as their satisfaction with the quality of service delivery provided by their municipalities, was also important to analyse.

Access to Piped Water

In the Western Cape, in both the HP West Coast and LP Oudtshoorn municipalities, more than 50% of respondents have access to piped water inside their homes. Chart 18 shows that the HP Lejweleputswa municipality in the Free State had 54% of respondents with access to piped water inside the house and 39% inside the yard. In LP Tokologo municipality, 29% of the respondents had piped water inside the house, while 68% had piped water inside the yard. The HP Moretele municipality in North West had only 5% of piped water inside the house, 43% inside the yard, 17% outside the yard more than a five-minute walk away and 12% outside the yard under a five-minute walk away. It seems that municipalities surveyed from the Western Cape, a high audit performer, have greater access to water services inside the house than those in the middle (Free State) and lower (North West) audit performing provinces.

Quality of Water

The respondents were also asked if they were happy with the quality of water. In the Western Cape, West Coast, 49% of the respondents were unhappy, 46% were happy and 5% did not respond to the question. In Oudtshoorn, 45% were unhappy with the quality of water, 51% were happy and 4% did not respond to the question. In the Western Cape, the LP municipality had more respondents who were satisfied with the quality of water compared to the HP municipality, which was not the general expectation. In HP Lejweleputswa municipality in the Free State, 62% of the respondents were satisfied with the quality of water, while the LP Tokologo had 82% of respondents who were satisfied with the quality of water. A similar trend was observed in the Western Cape, whereby the LP municipality had greater satisfaction with service delivery than the HP municipality. Again, this was contrary to the general expectation that high performing municipalities would have higher satisfaction levels and better service provision than

low performing municipalities. In North West province, the HP Moretele municipality had 62% of respondents highlighting that they were unhappy with the quality of water, 38% were happy and only 1% did not respond. In the LP Bojanala municipality, 74% of the respondents were unhappy with the quality of water, 25% were happy and 1% did not respond. In the North West, Bojanala LP had more respondents who were dissatisfied with the quality of water than Moretele HP. Given the levels of dissatisfaction with water services, it is evident that the results in the North West are in line with the expectation that good audit outcomes translate into good service delivery.

Access to Working Toilets

Chart 19 illustrates that in the Western Cape, the HP municipality West Coast had 60% of the sample with working toilets inside their house, 13% outside the house and 8% within the community. The Western Cape's LP Oudtshoorn municipality had 53% of the respondents with access to a working toilet inside their homes, while 6% were outside the house, 16% within the community less than a five minute walk from the house and 18% within the community more than a five minute walk from a toilet. In the Free State HP Lejweleputswa municipality, 52% of the sample

had access to a working toilet inside the house and 41% outside. In LP Tokologo municipality, 33% of the participants had access to a working toilet inside the house, while 63% had access outside the house. In the North West HP Moretele municipality, only 7% of the sample had access to a working toilet inside the house; 84% had access outside the house.

Quality of Sanitation

Regarding the quality of sanitation in the West Coast HP, Western Cape, 56% were satisfied, 38% were not satisfied and 6% did not respond to the questionnaire. In LP Oudtshoorn, 47% were happy with the quality of sanitation, equally 47% were unhappy with the quality of sanitation and 6% did not respond. In the Free State, 59% of the Lejweleputswa HP municipality sample was satisfied with the quality of sanitation and 41% of the sample was unhappy.

Chart 18: Access to Piped Water

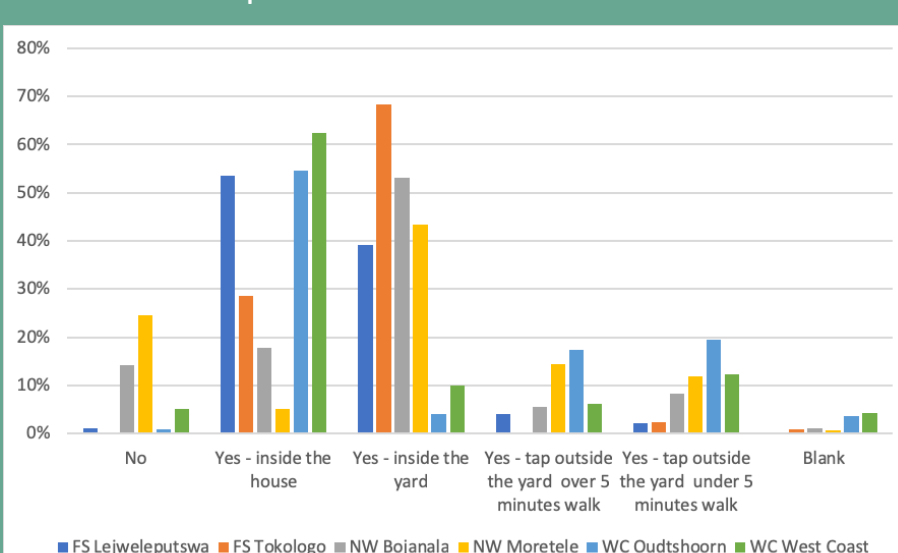
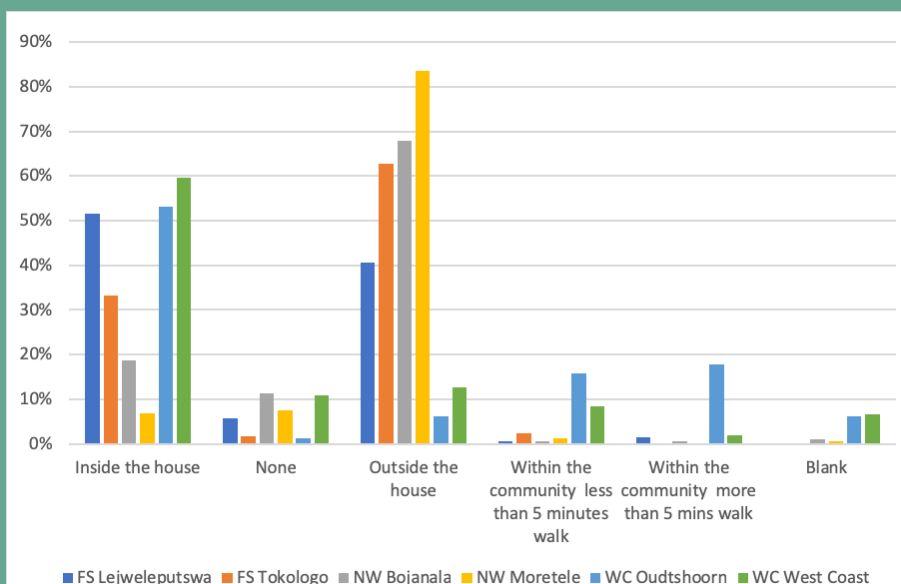


Chart 19: Access to Toilet

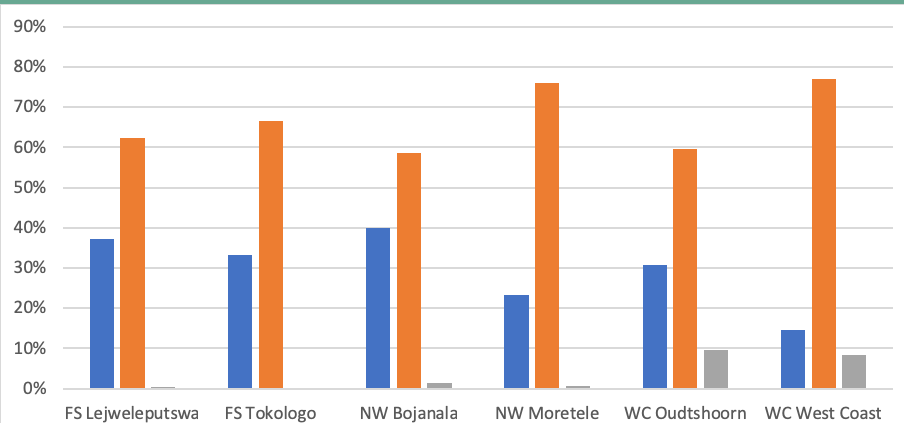


In Tokologo LP, 45% of the sample was happy with the quality of sanitation, 53% unhappy and 2% did not respond to the question. In the Moretele HP municipality in North West, 38% of the sample was satisfied with the quality of sanitation and 60% were not, while only 2% did not respond. In Bojanala LP, 40% were happy, 59% were unhappy with the quality of sanitation and 1% of the sample did not respond. In the North West the LP had slightly higher levels of satisfaction with sanitation than the LP. This result is contrary to the expectation that the HP would have had higher levels of satisfaction than the LP.

Access to Refuse Removal

In all six municipalities, an average of 66% of respondents had access to refuse removal in their areas. The Western Cape HP municipality, West Coast, has 77% access to refuse removal. Oudtshoorn LP has lower access at 60%. In Lejweleputswa HP, in the Free State, 62% of the participants had access to refuse collection. This was slightly lower in Tokologo LP, Free State,

Chart 20: Access to Refuse Removal



where 67% had access. This result is contrary to the expectation that the HP will have more access to refuse removal than the LP. In Moretele HP, North West, 76% of the respondents had access, while only 59% in Bojanala LP, North West, had access to refuse removal.

Frequency of Refuse Removal

The survey also investigated the frequency of refuse removal.

Almost half (47%) of the respondents from all six municipalities had their refuse removed weekly. The West Coast municipality, Western Cape, had 75% of respondents with access to weekly removal, while only 56% from Oudtshoorn LP did. Low performing Tokologo municipality (Free State) had 8% of respondents with access to weekly refuse removal. However, the province's HP Lejweleputswa municipality had 26% of respondents saying that their refuse was collected weekly, while North West's low performer, Bojanala, had a fairly high percentage of 42%.

Chart 21: Access to Electricity

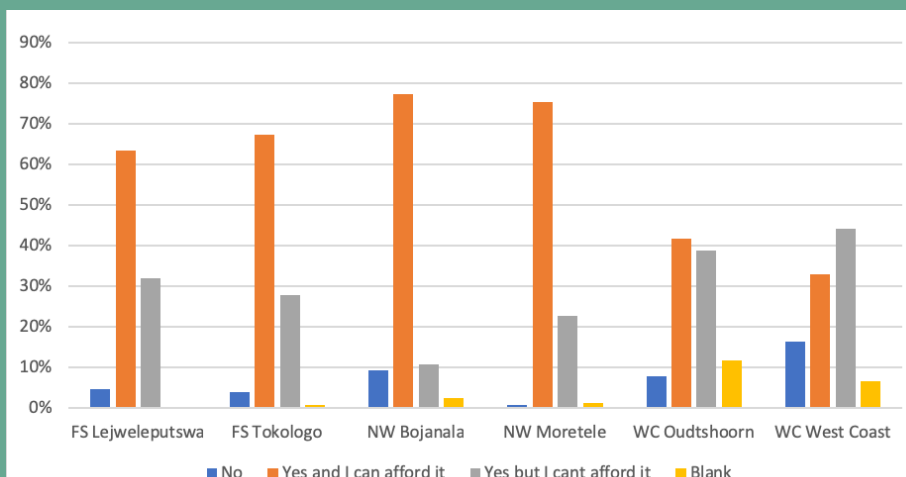
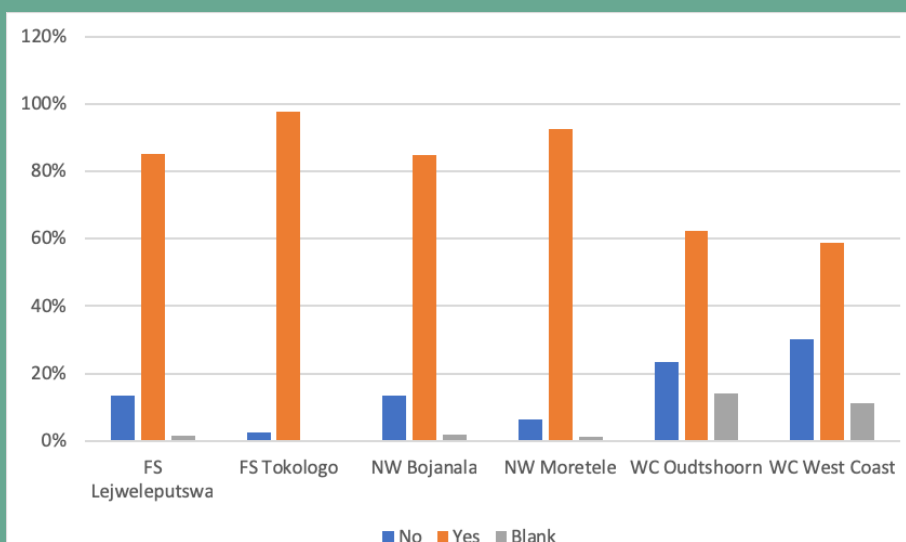


Chart 22: Access to Healthcare



Access to Electricity

The participants were asked if they had access to electricity and if they could afford it. Overall, 58% had and could afford it. The low-performing Bojanala Platinum District had the highest percentage (77%) of respondents who said they had access and they were able to afford it. This is contradictory to the expectation that the high performing municipality in the high performing province would have the best access to affordable electricity. The results show that the lowest performing municipality in the lowest performing province has the highest number of respondents with access to affordable electricity. West Coast, the Western Cape's high-performing municipality, had the least number of respondents (33%) who had access to electricity and could afford it.

Consumption of Electricity

The respondents were probed on their use of electricity. In the Free State, 84% in Lejweleputswa municipality stated general household use, 11% used electricity for cooking only, 2% did not use electricity at all, while 3% did not respond to the question.

In Tokologo, 93% stated that they use electricity for general household uses, 5% stated that they use electricity for cooking only, 1% did not use electricity at all and 2% did not respond to the question.

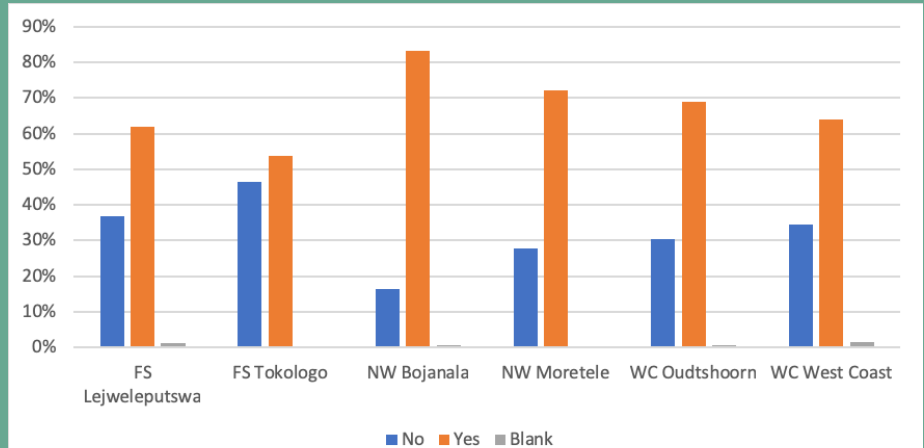
In North West, the majority (48%) in Bojanala municipality stated that they use electricity for household while a significantly higher number of respondents (32%) in this municipality stated that they use electricity for cooking only; 8% use electricity for lights only, 3% do not use electricity at all and 8% did not respond to the question. In Moretele, the majority (65%) stated that they use electricity for general household use, 19% for cooking only, 8% for lights only, 1% for business and 8% did not respond to the question.

In the Western Cape, the majority (46%) in Oudtshoorn stated that they used electricity for general household use, 17% for cooking only, 1% for lights only, another 1% did not use electricity at all and 31% did not respond to the question. In the West Coast municipality, 54% majority stated that they use electricity for general household use, 13% for cooking only, 1% for business, another 1% did not use electricity at all and 31% did not respond to the question.

In all municipalities under study, the majority of respondents used electricity for general household use. In the Free State none of the respondents used electricity for lights only or for business. In all municipalities, less than 5% did not use electricity at all. The overall municipal averages are as follows; 62% use electricity for general household use, 17% for cooking only, 35% for lights only, and an average of 1% of respondents don't use electricity at all, combined with those who use electricity for business, and 17% of the sample did not respond to the question.

Overall, 30% had access to electricity, but they could not afford it. The majority (44%) of the respondents were from

Chart 23: Satisfaction with Healthcare



the high-performing municipality, West Coast, and the lowest performing municipality Bojanala had 11%. The respondents were also asked about the reliability of electricity. Overall, 61% said yes, the electricity supply was reliable. North West's highest performing municipality, Moretele, had a high percentage (86%) of respondents who agreed that the electricity supply was reliable, while Tokologo, Free State's lowest-performing municipality, had 41% of respondents in agreement.

Access to Health-care Facilities

The rate of people who have access to a health-care facility in the Western Cape in the low-performing municipality is more than in the high-performing municipality. In the Western Cape, Oudtshoorn had 62% of respondents having access, which is higher when compared to high-performing municipality West Coast, where 59% had access to a health-care facility. Thirty percent of the participants of high-performing West Coast municipality have no access to a health-care facility, while 23% of low-performing Oudtshoorn have no access.

In North West Province HP municipality Moretele 92% had access to a health-care facility, while in LP Bojanala 85% of the participants had access to a health-care facility. In Moretele municipality, 6% had no access to health-care services compared to 13% in Bojanala municipality.

In the Free State, a different pattern was observed whereby LP Tokologo had 98% access, while HP Lejweleputswa had 85% of participants with access. In Free State's high-performing Lejweleputswa, 13% of participants have no access to a health-care facility, while in low-performing Tokologo only 2% had access. Overall, all six municipalities had relatively good access to health-care facilities.

In North West Province's HP Moretele 28% of the participants were unhappy with the health-care facility, while in LP Bojanala 16% of the people were unhappy with the health-care facility. Participants were also questioned about their level of satisfaction with health-care facilities in their selected provinces. In North West's HP Moretele, 72% of participants were satisfied with their health-care facility, which is lower than in LP Bojanala (83%).

In the Free State, 46% of LP Tokologo's respondents were

Chart 24: Satisfaction with Healthcare Personnel

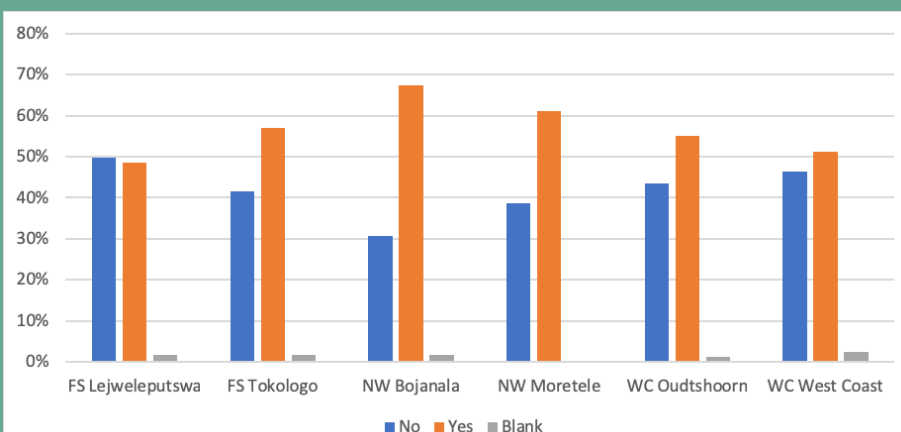
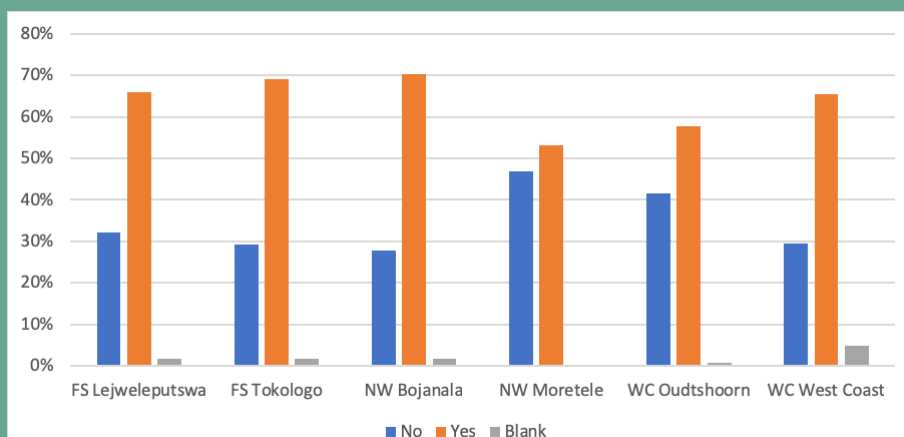


Chart 25: Availability of Medication



unhappy with the health-care facility, compared to 37% for high-performing municipality Lejweleputswa. In the Free State's LP Tokologo, 54% of respondents were satisfied with their health-care facility; lower than HP municipality Lejweleputswa (62%).

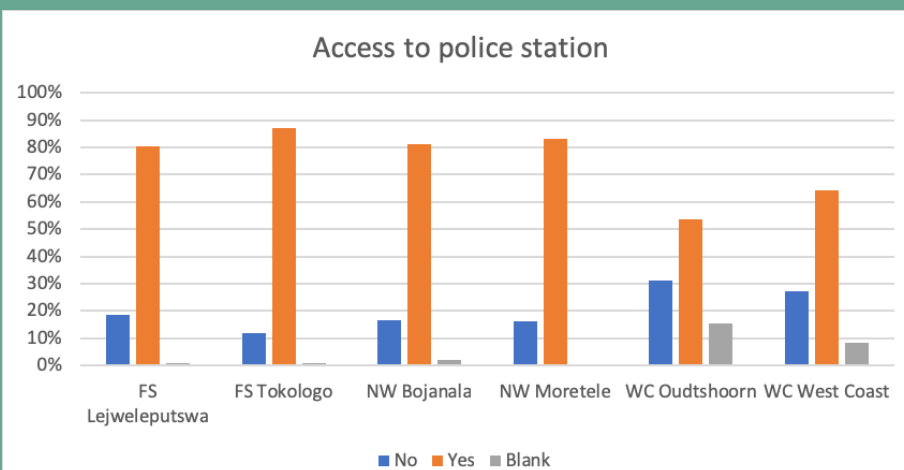
In the Western Cape, West Coast municipality had 34% of participants unhappy with health-care services compared to the LP Oudtshoorn, which was 31%. West Coast municipality had 64% of participants satisfied with health-care services. This was lower when compared to the low-performing Oudtshoorn (69%). Here, one would expect the LP province North West municipalities to have the lowest levels of satisfaction with health-care services. However, the opposite is true. North West local governments had the highest levels of satisfaction with health-care than Free State and Western Cape municipalities.

Chart 26: Satisfaction with Health Care



In North West, the highest number of participants happy with health-care personnel were in LP Bojanala (67%), while the lowest number of people happy with personnel were in HP Moretele (61%). This is contradictory to the expectation that the HP would have the highest number of respondents who were happy with health-care personnel. In the Free State, in LP Tokologo, the rate of respondents happy with health-care personnel was 57%, which is higher when compared to HP municipality Lejweleputswa (48%). In the Western Cape, HP West Coast municipality had 51% of participants happy with health-care services personnel, lower compared to LP municipality Oudtshoorn, where 55% of the participants were happy.

Chart 27: Access to Police Station



In North West Province the highest number of participants who were unhappy with the health-care personnel was in HP Moretele (39%), while in LP Bojanala 31% of people were unhappy. In the Free State's LP Tokologo, the rate of respondents unhappy with their health-care facility was 41%, lower than HP Lejweleputswa, where 50% of the participants were unhappy. In the Western Cape, 46% of HP West Coast municipality's participants were unhappy with health-care services personnel compared to LP municipality Oudtshoorn, where 44% of the participants were unhappy.

In the Free State's LP Tokologo municipality, the number of respondents unhappy with the

availability of medication was at 29% compared to 32% for Free State's HP Lejweleputswa. Western Cape's HP West Coast municipality had 30% of participants unhappy with the availability of medication from health-care services, while in LP Oudtshoorn 42% were unhappy. In North West, the highest number of unhappy participants (47%) were in HP Moretele, while 28% in LP Bojanala were unhappy with the availability of medication.

Looking at those respondents happy with the availability of medication, of those in the Free State's LP Tokologo municipality, 69% were happy with availability, while in HP Lejweleputswa 66% of participants were happy with the availability of medication within their health-care facility. Western Cape's HP West Coast municipality had 66% happy participants, while LP Oudtshoorn had 58% respondents happy with the availability of medication. In North West the highest number of participants happy with the availability of medication was LP Bojanala (70%), with HP Moretele having 53% happy with the availability of medication.

The expectation was that there would be higher levels of happiness with availability of medication in the high performing municipalities than in the low performing municipalities. These results are contrary to expectations in the Free State and particularly in North West, where the LP Bojanala had the highest level of happiness with availability of medication

Chart 26 refers to the number of participants who were unhappy with service delivery. Western Cape's HP West Coast municipality had 54% of participants unhappy with service delivery at their health-care facility, lower than LP Oudtshoorn (58%). In North West, the highest number of participants unhappy with service delivery at their health-care facility was HP Moretele at 46%. In LP Bojanala, the percentage of unhappy respondents was 31%. In the Free State's LP Tokologo municipality, the number of respondents unhappy with service delivery at their health-care facility was 80%, low when compared to HP Lejweleputswa, where 73% were unhappy.

In the Western Cape, West Coast had 46% of participants happy with service delivery, compared to LP Oudtshoorn municipality where 40% were happy with service delivery at their health-care facility. In North West, 67% were happy in LP Bojanala Moretele, while in HP Moretele the percentage was 53%. In the Free State 20% of respondents in LP Tokologo were happy with service delivery at their health-care facility compared to 27% in HP Lejweleputswa.

Chart 28: Access to Police Services

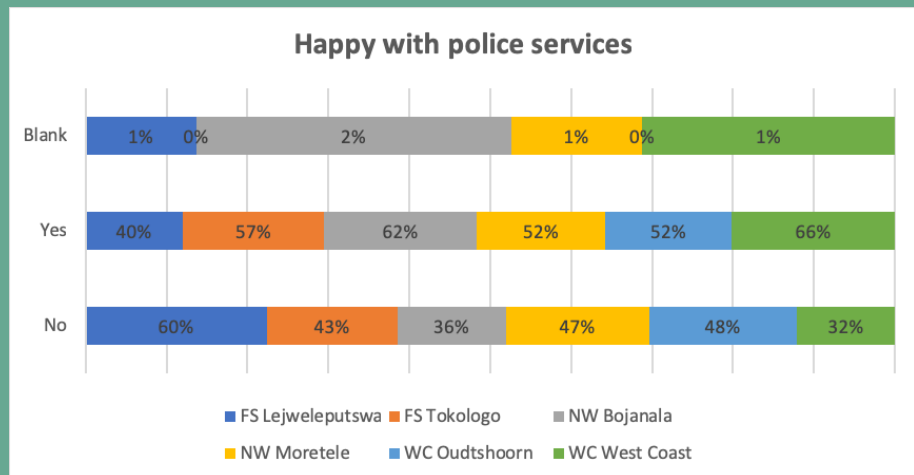
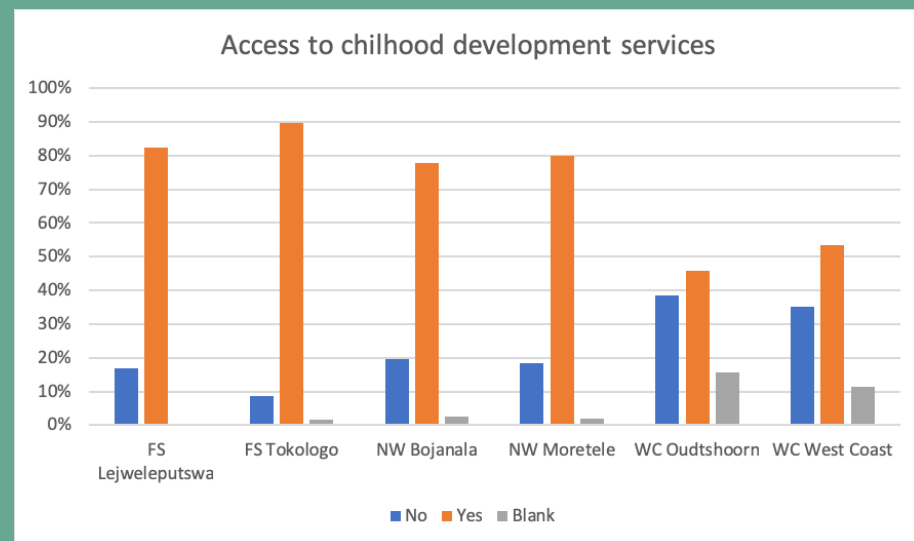


Chart 29: Access to Childhood Development Services



Access to Police Services

Looking at participants who did have access, Western Cape's LP Oudtshoorn had 53% and West Coast had 64% with access to police services. In the North West, HP Moretele municipality had 83% of people with access to police and LP Bojanala had 81% of participants with access to police. In the Free State, 87% of LP Tokologo's respondents had access to police services, while HP Lejweleputswa had 80%. All municipalities had relative access to a police station.

In Free State's LP Tokologo municipality, 57% of respondents were happy with police services compared to HP Lejweleputswa at 40%. In Western Cape, HP West Coast has 66% of participants happy with police services and LP Oudtshoorn has 52%. In North West, Bojanala LP has 62% happy with police services and 52% in HP Moretele.

Free State's LP Tokologo has 43% of respondents dissatisfied with police services in their area. The rate is higher in HP Lejweleputswa, where 60% of the participants were unhappy with police services. Western Cape's HP West Coast municipality had 32% unhappy people, compared to LP Oudtshoorn, which had 48% unhappy with police services. In North West, HP Moretele had the highest number (47%) of participants unhappy with the police, compared to LP Bojanala at 36%.

Childhood Development Services

With regard to access to childhood development services, in the Western Cape's HP West Coast municipality 54% of the participants have access to childhood development services, compared to 46% in LP Oudtshoorn. In the Free State, HP Lejweleputswa had 82% of participants with access to childhood development services, where Tokologo had 90%. In North West, HP Moretele had 80% of people with access to childhood development services, compared to LP Bojanala, where 78% of participants had access to childhood development services.

In terms of lack of access, Western Cape's West Coast municipality had 35% of participants with no access to childhood development services, while 38% of LP Oudtshoorn had

Chart 30: School-going children in Household

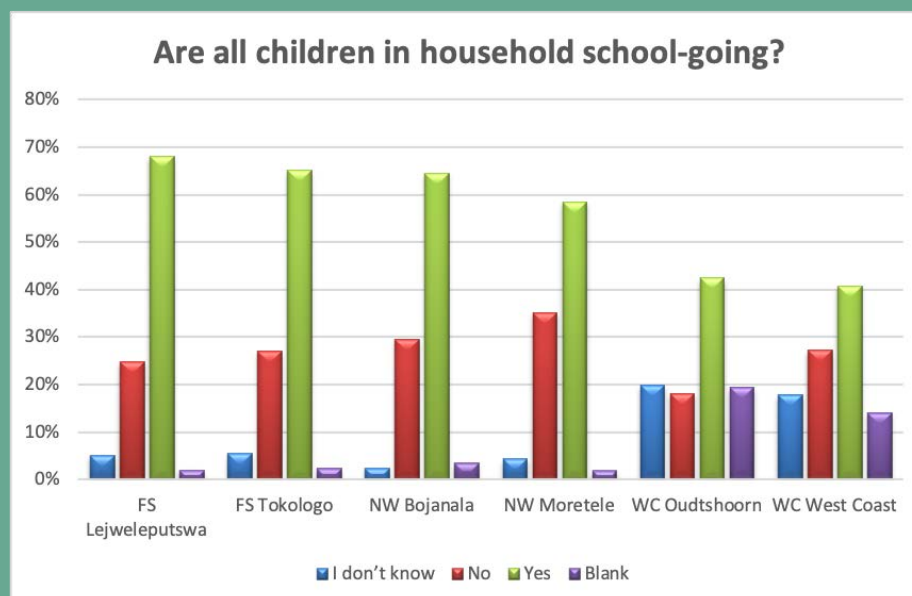


Chart 31: Satisfied with Education

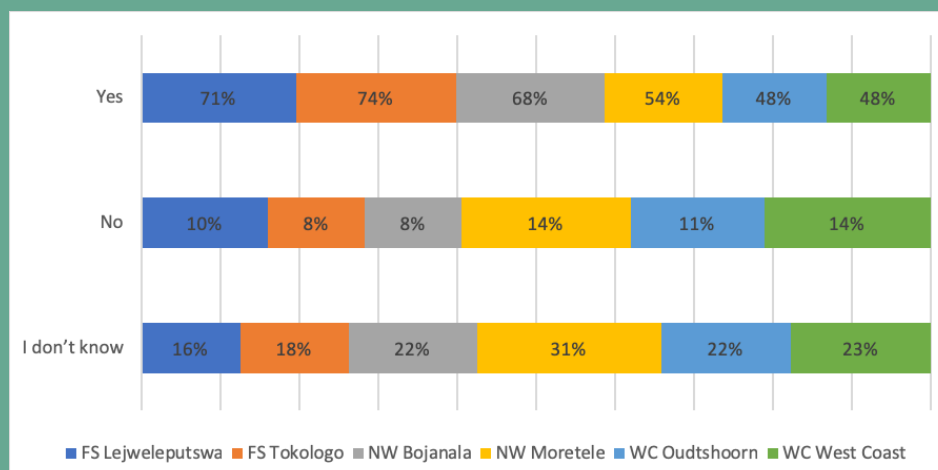
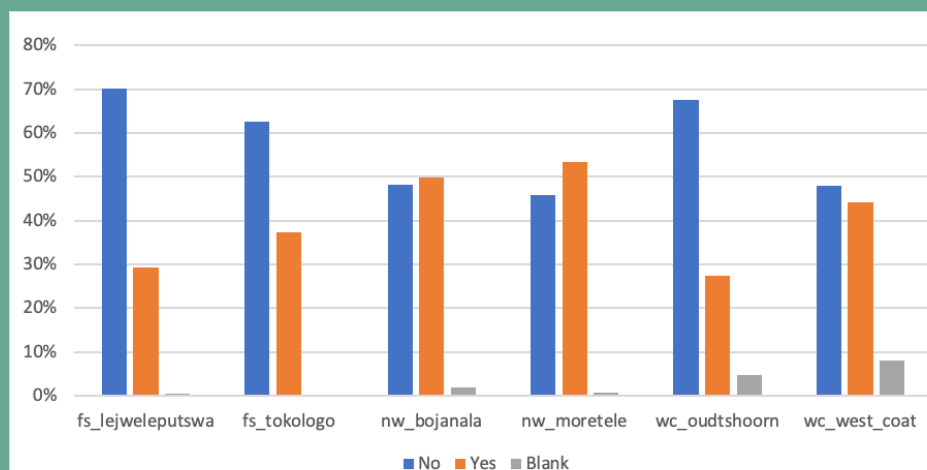


Chart 32: Access to Formal Work Opportunities



none. In the Free State, 17% Lejweleputswa's participants had no access to childhood development services, 9% of LP Tokologo had no access. North West's HP Moretele had 18% of respondents with no access to childhood development services, while LP Bojanala had 20% of participants who had no access.

Education

In the Western Cape's HP West Coast municipality, 41% said they had children under 16 who did attend school, while 43% in LP Oudtshoorn had children under 16 who attended school. In the Free State's HP Lejweleputswa, 68% of participants had children under 16 who attended school, while in LP Tokologo the percentage was 65%. In North West, in HP Moretele, 58% said they had children under 16 who attended school. In LP Bojanala, meanwhile, 65% of participants had children under 16 attending school. There were more children attending school in Free State, followed by North West, than in the Western Cape municipalities – the highest provincial audit performer.

In the Free State, 8% of LP Tokologo's respondents were unhappy with the quality of education, compared to 10% of HP Lejweleputswa's. In Western Cape's HP West Coast municipality, 14% of participants

were unhappy with the quality of education, compared to LP Oudtshoorn at 11%. In North West, 14% of HP Moretele were unhappy with the quality of education, while the percentage was 8% in LP Bojanala.

In the Free State, LP Tokologo had the highest rate of respondents at 74% who were happy with the quality of education, while for HP Lejweleputswa the percentage was 71%. In the Western Cape, both HP West Coast and LP Oudtshoorn had 48% of respondents happy with the quality of education. The Western Cape's low rate may be explained by its low access to educational services in the two municipalities. In North West, LP Bojanala had a higher percentage of parents happy with the quality of education (68%) than HP Moretele (54%).

In the Western Cape's HP West Coast municipality, 48% had no access to formal work opportunities, while 68% in LP Oudtshoorn had no access. In the Free State, Lejweleputswa had the highest rate among all six municipalities with 70% of participants who had no access to formal work opportunities, while LP Tokologo had 63% with no access. In North West, the HP municipality, Moretele, the lowest rate of all six municipalities, had 46% of respondents with no access to formal work opportunities – by comparison the rate was 48% for LP Bojanala. Overall, the North West fared better with the lowest rates of respondents having no work opportunities at an average of 47% for the province. This is contrary to our study's expectation given that the municipalities in this province are the lowest performer and had the worst audit outcome results.

In the Free State, LP Tokologo municipality had 85% of respondents dissatisfied with work opportunities, while in HP Lejweleputswa the percentage was 91%. In the Western Cape, HP West Coast had 77% of respondents dissatisfied with work opportunities, lower than LP Oudtshoorn at 81%. In North West, 76% of HP Moretele's respondents were dissatisfied with work opportunities, while LP Bojanala was slightly lower at 75%. It appears respondents in all six municipalities in the three provinces studied are highly dissatisfied by the lack of work opportunities.

In the Western Cape HP West Coast municipality 65% of participants thought the municipality did not create sustainable work opportunities and 70% of LP Oudtshoorn's participants agreed. In the Free State, 88% of HP Lejweleputswa's participants thought the municipality did not create sustainable work opportunities, while in LP Tokologo 84% thought the

Chart 33: Satisfied with Work Opportunities

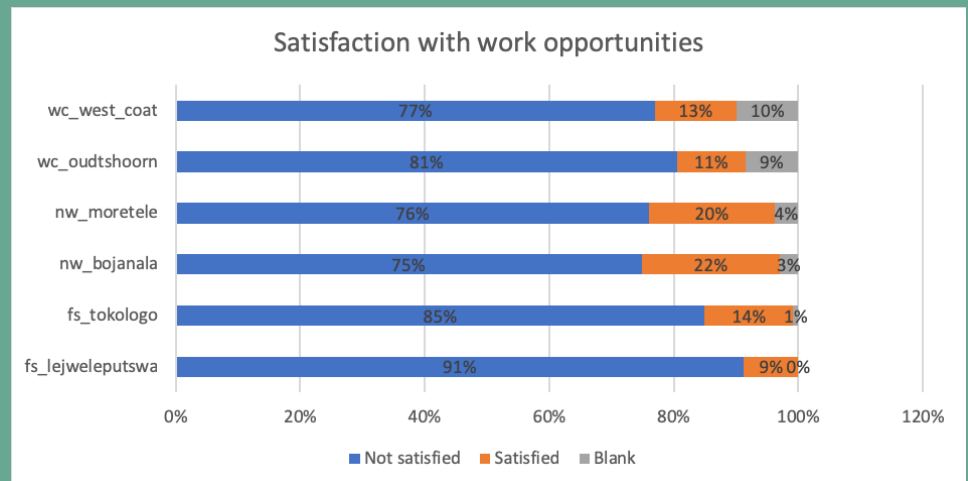
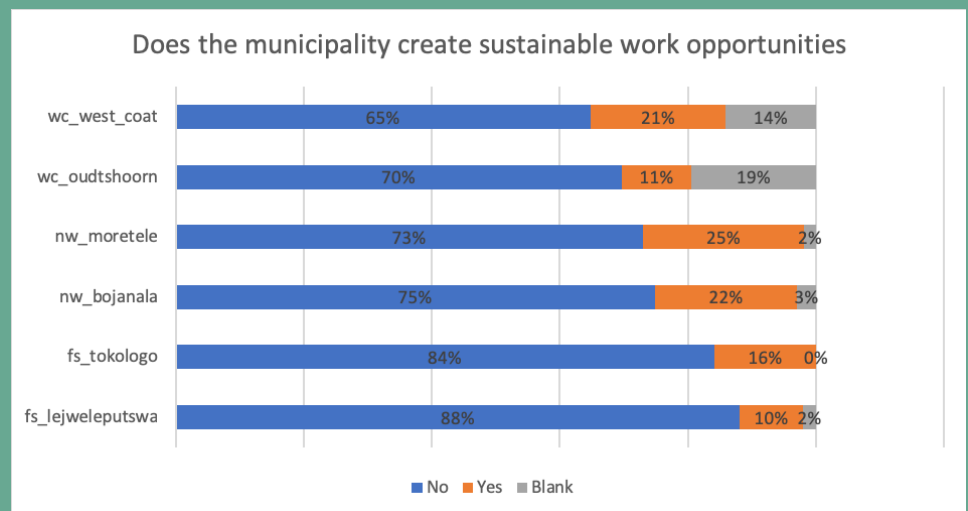


Chart 34: Work Opportunities



same. In North West, 73% of HP Moretele's respondents thought the municipality was not creating sustainable work opportunities, while the percentage was slightly higher (75%) in LP Bojanala. Overall, the majority of respondents surveyed consider that local government is not providing sustainable work opportunities in their respective municipalities.

In the Western Cape's HP West Coast municipality, 28% of respondents thought conditions in their municipality were favourable for doing business, while in LP Oudtshoorn 16% thought so. In the Free State's HP Lejweleputswa, 54% of participants thought conditions were favourable for business, while LP Tokologo had a lower percentage of 51% who thought the same. In North West, HP municipality Moretele had 40% of respondents who thought conditions were favourable for business, compared to LP Bojanala where 36% agreed.

The respondents had the following occupational skills in their respective municipalities: 37% in Lejweleputswa, 30% in Tokologo, 24% in Bojanala, 27% in Moretele and 35% in the West Coast were in civil, electrical, and mechanical trades. The exception was in Oudtshoorn, where 21% of the respondents had occupational skills in business and administration.

Chart 35: Environment for Business

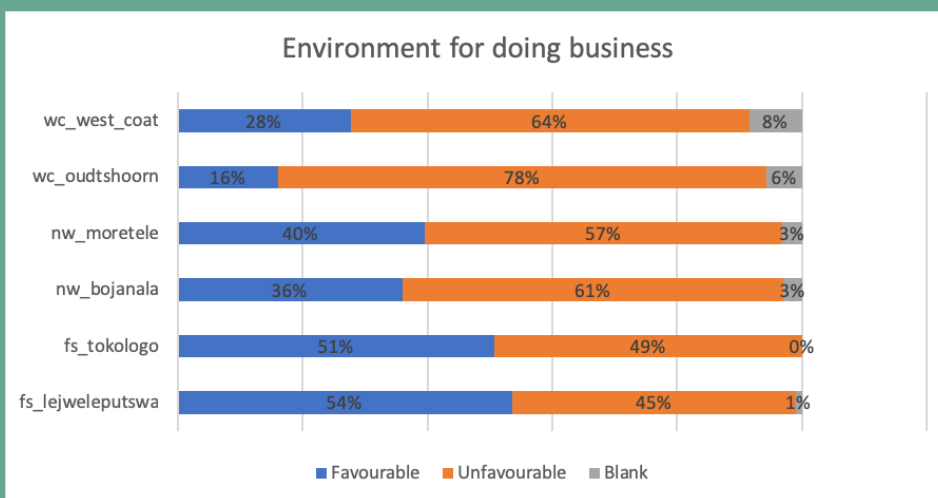


Chart 36: Occupational Skills



In the Western Cape HP West Coast municipality 23% of participants had occupational skills compared to LP Oudtshoorn with 19%. In the Free State's HP Lejweleputswa 43% of participants had occupational skills, while LP Tokologo had 53%. In the North West's HP Moretele, 50% of people had occupational skills, compared to LP Bojanala with 31%

In the Western Cape, HP West Coast municipality had 65% of respondents with no occupational skills, while LP Oudtshoorn had 71% with no occupational skills. This high rate may be due to lack of educational or training opportunities in the Western Cape municipalities. In the Free State, HP Lejweleputswa 56% of participants had no occupational skills, while in LP Tokologo the percentage was 46%. These results contradict the assumptions of this study, unlike the result of North West municipalities.

In North West, HP Moretele had 46% of respondents with no occupational skills compared to LP Bojanala with 68%. Here, the HP municipality has a better outcome with less numbers with occupational skills than those in Bojanala LP area.

In the Western Cape's HP West Coast municipality, 64% believed conditions were unfavourable for business, while in LP Oudtshoorn 78% said the same. In the Free State, HP Lejweleputswa had 45% of participants who believed the municipality did not have favourable conditions for business, while in LP Tokologo the percentage was 49%. In the North West, 57% of HP Moretele's respondents believe there are no favourable conditions for business, compared to LP municipality Bojanala, where the rate was 61%.

ADMINISTRATION

The administration of municipalities is linked to how they are governed. The respondents were asked questions to determine the perception of good governance in the administration of the municipalities. On average, across all six municipalities under study, 83% of the respondents did not think municipal expenses were well spent.

Respondents were asked if they could see the benefit of municipal expenditure. The results show that over 70% of the sample in both high performing and low performing municipalities stated that they could not see the benefit of municipal expenditure.

The respondents were also asked if they had heard of any problems pertaining to municipal corruption. More than 60% of the Free State and North West municipalities confirmed that they had heard about corruption in their municipality. Contrary to this, in the Western Cape more than 60% of the respondents in both HP and LP municipalities had not heard about corruption in their municipalities. It can be assumed that there are lower levels of corruption in HP than in LP municipalities.

Chart 37: Spending of Municipal Finances

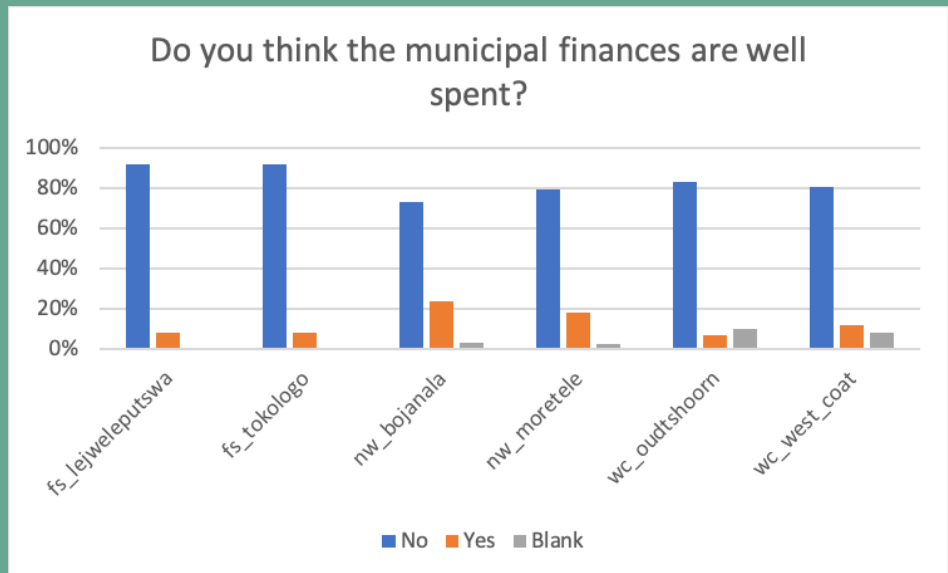


Chart 38: Benefits of Municipal Expenditure

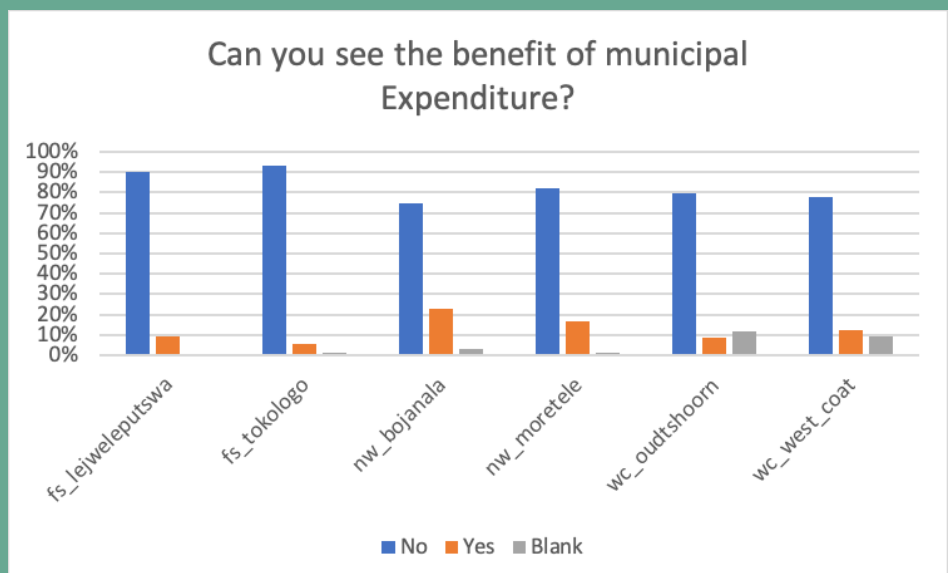
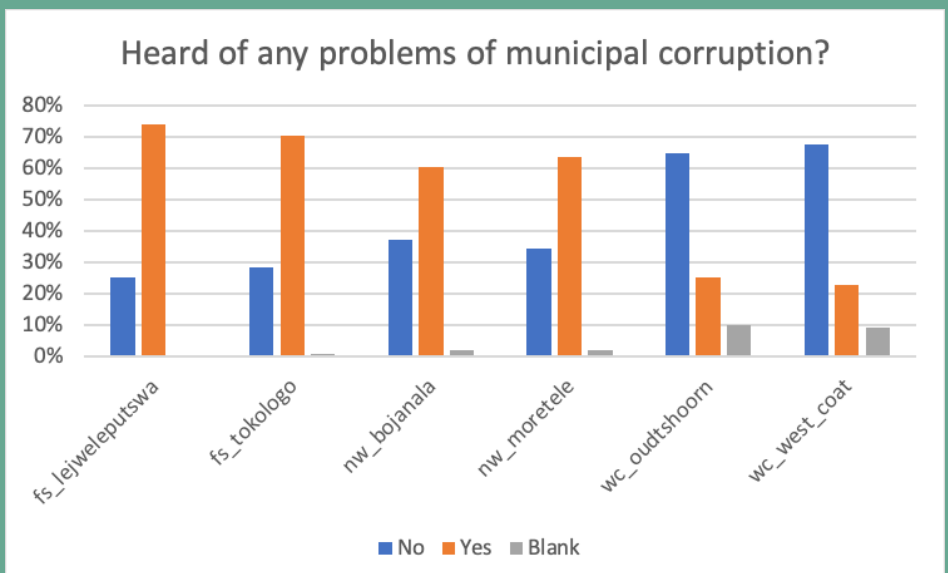


Chart 39: Municipal Corruption





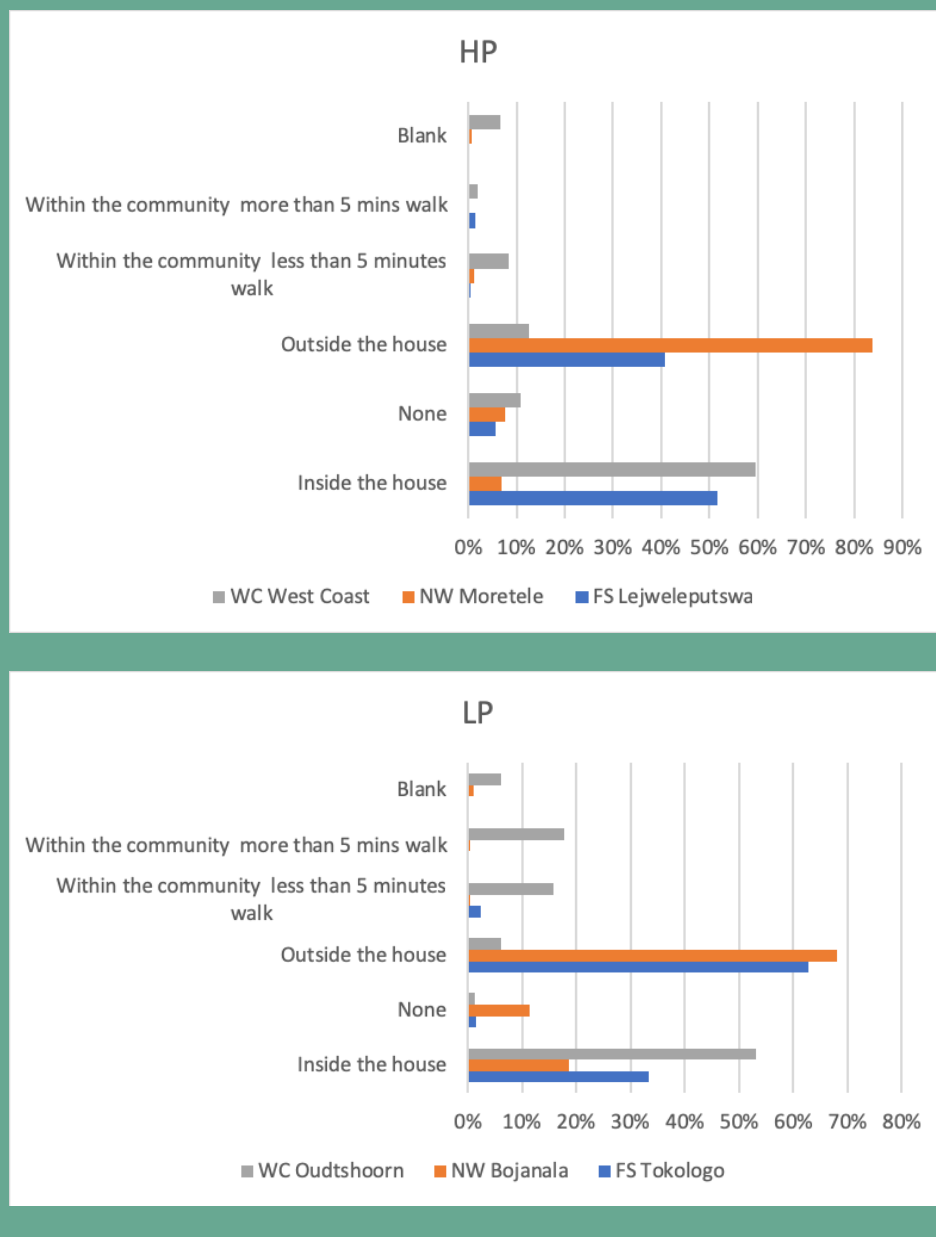
CROSS ANALYSIS OF HIGH AND LOW PERFORMING MUNICIPALITIES

The survey explored to what extent the level of audit performance influenced service delivery performance and governance at the municipal level. This study conducted a cross analysis of the average results of LP and HP municipalities. HP municipalities were expected to have good service delivery (as well as good governance) while LP municipalities were expected to have less service delivery.

Water and sanitation facilities are essential services, which promote health and facilitate progress in local communities. The main service providers of these amenities are local government. HP municipalities have better access to water inside the house (43%) compared to LP municipalities (36%).

Chart 40 shows that most LP households access their water in the yard (35%). This is consistent with the study's anticipated hypothesis between audit outcome and access to service delivery. Despite unequal access to water services, participants in HP and LP municipalities were evenly satisfied/dissatisfied with the quality of water. On average, 49% of high performing municipalities were content with the quality of water. This is similar to 48% of the participants from low performing municipalities. HP municipalities satisfaction with water services do not overly surpass those of LP localities. For example, HP Moretele lags a great deal on access to water inside the house.

Chart 41: Access to Sanitation



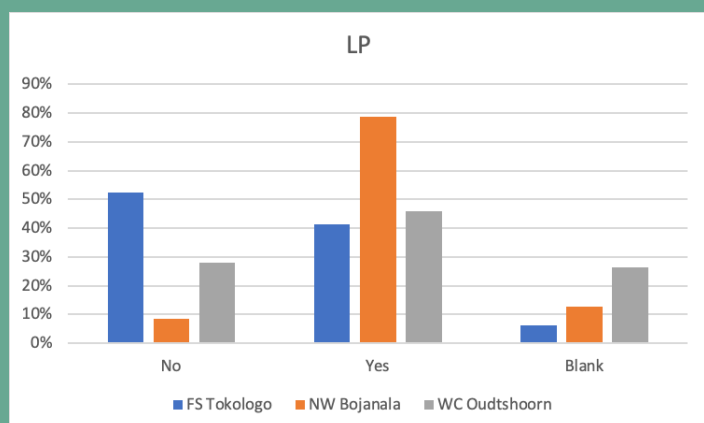
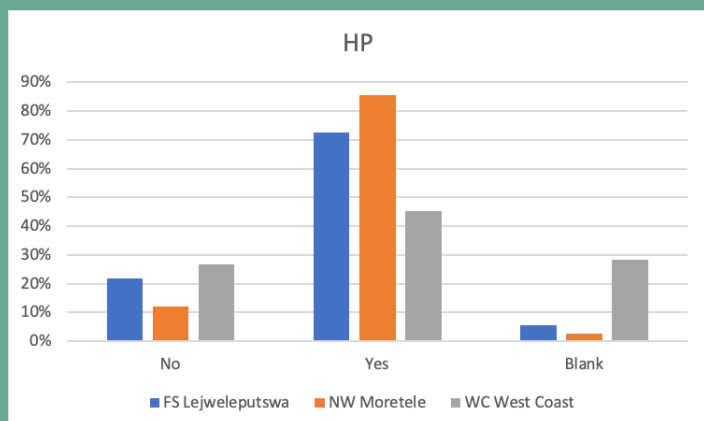
Sanitation is important to maintaining health. As shown in Chart 41, 42% of the respondents from HP and 40% from LP municipalities have access to sanitation outside the house. Among the participants from HP areas, 52% were satisfied with sanitation services. On the other hand, 52% from LP localities were dissatisfied with sanitation amenities. In this instance, HP municipalities which have higher audit outcomes have better access to, and satisfaction with, sanitation amenities. Similarly, LP municipalities had lower access to sanitation and were to a greater extent dissatisfied with sanitation than HP areas.

Waste management also contributes to the wellbeing of local societies and to the protection of the environment.

Local municipalities are effectively ensuring access to refuse removal in HP (65%) and LP (61%) areas. This is encouraged by the frequency of refuse collection and removal, which occurs weekly in both HP (54%) and LP (41%) localities. Again, here one finds the expected outcome stated in the hypothesis where HP municipalities with high audit performance have better access to, and frequency of, refuse removal and LP areas have lower access to refuse services provision.

Just over half of the respondents from HP (55%) and LP (58%) communities had access to electricity and could afford it. This result is contrary to this study's expected relationship between audit outcome and service delivery, with LP areas having higher

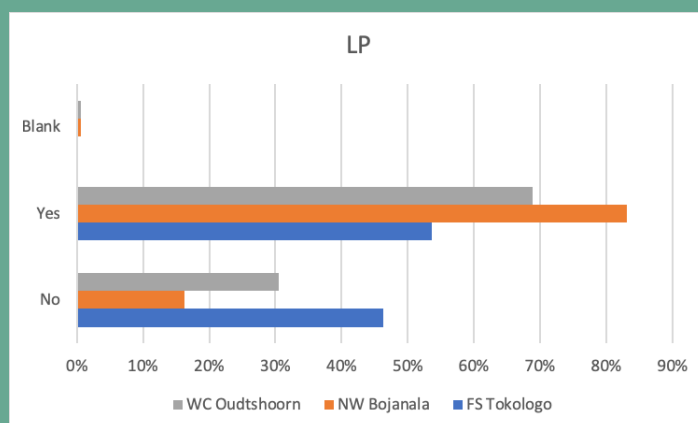
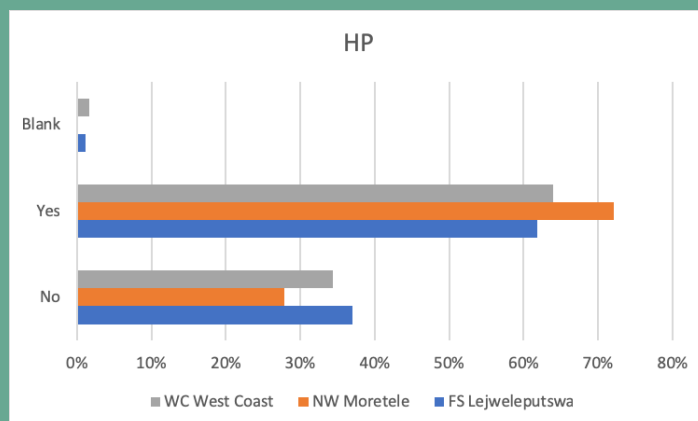
Chart 42: Satisfaction with Electricity



access to electricity than HP municipalities. Chart 42 shows that 66% of participants from HP and 56% from LP municipalities were satisfied with the reliability of electricity. Despite having lower access to electricity, participants from HP areas are better satisfied than LP municipalities. This is in line with the anticipated results proposed by the study's assumptions.

Most respondents from both HP (77%) and LP (78%) municipalities had access to health care facilities. Some 66% of participants from HP and 70% from LP localities were also satisfied with health-care facilities in their areas. Likewise, 64% of those surveyed in HP and LP municipalities were equally satisfied with the availability of medication. However, 58% in high performing and 54% in low performing municipalities were dissatisfied by the time taken to receive satisfactory care. The study expected to find a link between audit outcome and service delivery. The results on health-care services are an

Chart 43: Satisfaction with Health care



exception to the study's assumption. Here, one finds that HP municipalities with high audit performance had lower access and satisfaction with health-care facilities and time taken to receive satisfactory care. The opposite is true for LP localities.

Chart 44 illustrates that the majority of respondents in HP (75%) communities had slightly higher access to police than those in LP (71%) areas. It was found that 57% of those from LP were dissatisfied by the responsiveness of the police, while 52% of participants from HP areas were also unhappy with police services. The level of audit performance may have influenced access to police, with HP municipalities having higher access and lower dissatisfaction with police services than LP areas.

Administration

Local government administrators ensure effective service delivery and governance at the municipal level. Among

Chart 44: Access to Police Services

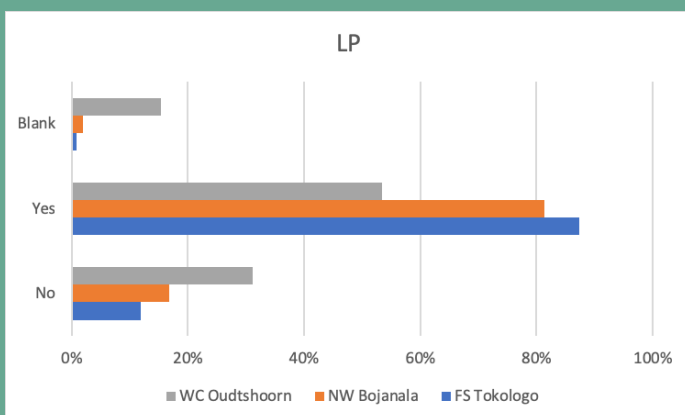
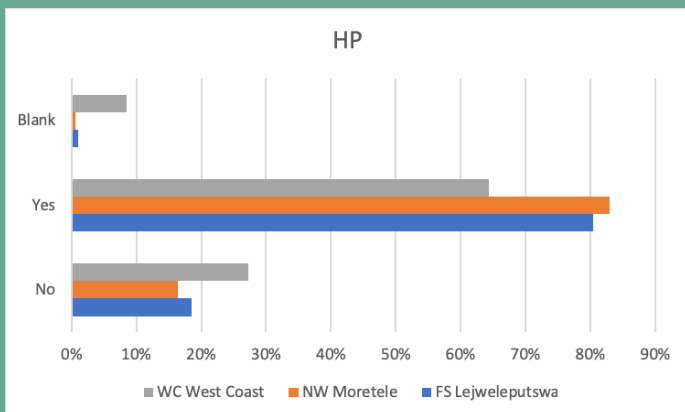
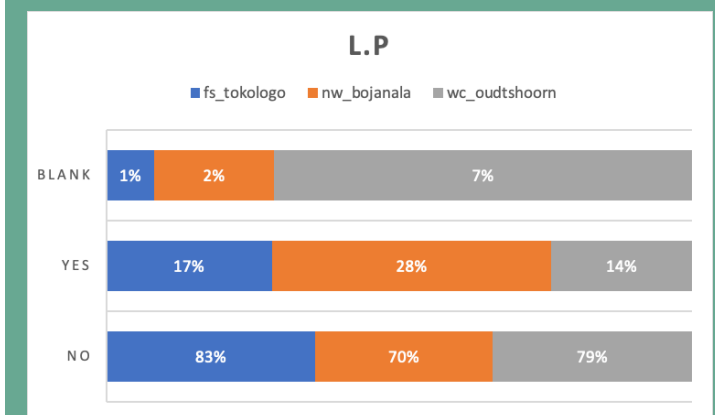
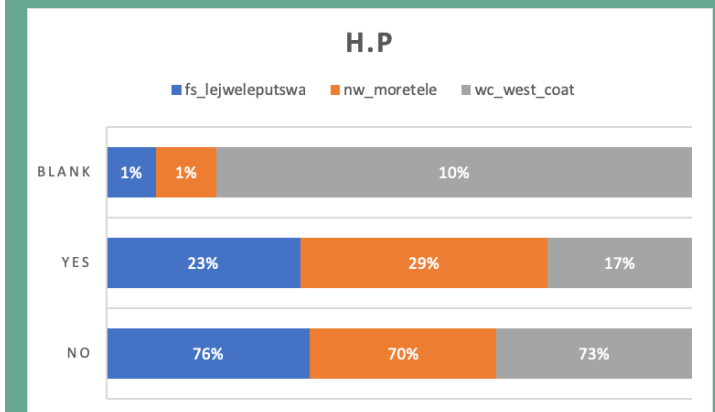


Chart 45: Satisfaction with Services Provided by Ward Councillors



respondents, 63% of those from HP communities and 55% from LP areas surveyed knew who their ward councillor was. Of respondents from HP areas, 56% and 66% from LP localities did not have direct access to their ward councillor. Furthermore, 49% from high performing and 52% from low performing municipalities were unaware of what the ward councillor did. The majority (78%) in both HP and LP localities did not know who supervised the ward councillors.

Chart 45 shows that participants from HP (73%) and LP (77%) municipalities were dissatisfied by the services their ward councillors provided. While 78% from the HP and 81% from the LP areas studied thought their municipality was not well-managed, 84% of respondents from HP and 81% from LP considered that this included financial mismanagement. This was because 83% of the participants from HP and 81% from LP

localities did not see any benefit from the money that was spent by their municipalities.

The study reveals that HP municipalities have better access to water services, waste management and to reliable electricity. They are also more satisfied with sanitation, water and police services. Despite having lower audit outcomes, LP localities had better access to electricity and higher satisfaction with the health-care services. This is despite higher levels of dissatisfaction on how the municipality is managed in LP (81%) compared to HP (78%) municipalities.

Overall, high performing municipalities (72%) are almost just as unhappy with their local government as participants from low performing municipalities (73%).



Chi-squared Tests

A chi-square statistic is a test that measures how expectations compare to actual observed data or model results. It tests to see whether distributions of categorical variables differ from each other. In other words, the tests assess the “goodness of fit” between a set of observed values and those expected theoretically. In this study the general expectation is that better financial oversight should result in better service delivery and higher levels of satisfaction among citizens; and that good service delivery reflects good governance.

A very small chi-square test statistic means that your observed data fits your expected data extremely well. A very large chi-square test statistic means that the data does not fit very well; in other words, there is no relationship.

The chi-square statistic is commonly used for testing relationships between categorical variables. The null hypothesis of the chi-square test is that no relationship exists on the categorical variables in the population; they are independent.

Happy with quality of water?

With the chi-squared value = 8,268 and using a benchmark of 0.05 p-value, there isn't enough evidence to conclude if there is any correlation between quality of water supplied and audit performance across selected municipalities. The chi-squared value is not statistically different from zero. Therefore, the response of each municipality is a random outcome of satisfaction levels from local citizens' experience of the quality of water supplied, as all selected municipalities are independent of one another. With a statistical outcome of 8,268 we accepted the null hypothesis and rejected the hypothesis as it did not hold.

Happy with quality of water service?

Using a benchmark of 0.05 p-value, with the chi-squared value = 2,14. There is not enough evidence to conclude if there is any significant correlation between water service delivery and audit performance across selected municipalities. The chi-squared value is not statistically different from zero and the response of each municipality is a random outcome of satisfaction levels from each of the municipalities on water service delivery. This shows municipalities are independent of one another. With a statistical outcome of 2,14 we accepted the null hypothesis and rejected the hypothesis as it did not hold.

Happy with sanitation?

With the chi-squared value = 1,4 and using a benchmark of 0.05 p-value. There is no significant correlation between sanitation and audit outcomes across selected municipalities.

The chi-squared value it is not statistically different from zero. Therefore, the response of each municipality is a random outcome of satisfaction levels from local citizens on sanitation. This shows that they are independent of one another. With a statistical outcome of 1,4 we accepted the null hypothesis and rejected the hypothesis as it did not hold.

Happy with health-care facility?

With the chi-squared value = 4,8 and using a benchmark of 0.05 p-value. There is no significant correlation between health-care services and audit outcomes across selected municipalities. The chi-square value is not statistically different from zero, therefore the response of each municipality is a random outcome of satisfaction levels from local citizens' experience of health-care services. This shows that they are independent of one another. With a statistical outcome of 4,8 we therefore accepted the null hypothesis and rejected the hypothesis as it did not hold.

Happy with availability of medication?

With the chi-squared value = 0,003 and using a benchmark of 0.05 p-value. There is a significant correlation between the availability of health-care providers and audit outcomes across selected municipalities. Therefore, the response of each municipality is not a random outcome of satisfaction levels from local citizens' experience. However, the way medication is supplied across all municipalities is the same regardless of whether they are low or high performing. This shows that although they might be independent of one another, their procedures are the same. We therefore reject the null hypothesis and accept the hypothesis under study as it holds true to some extent.

Happy with police services ?

With the chi-squared value = 0,0005 and using a benchmark of 0.05 p-value. There is a significant correlation between the availability of police services across selected municipalities. Therefore, the response of each municipality is not a random outcome of satisfaction levels from local citizens' experience. However, the way police services are rendered across all municipalities is the same. All citizens seem to have undifferentiated access to police services. So, even though the municipalities might be independent of one another, their procedures are the same regardless of whether the municipality is a high performer or a low performer. However, the services rendered might differ in speed, quality and turnaround. We therefore rejected the null hypothesis and



accepted the hypothesis under study as it holds true to some extent.

Happy with quality of education?

With the chi-squared value = 2,9 and using a benchmark of 0.05 p-value. There is no significant correlation between the quality of education and audit outcomes across selected municipalities as it is not statistically different from zero. Therefore, the response of each municipality is a random outcome of satisfaction levels from local citizens' experience of the quality of education they receive. This shows that they are independent of one another. With a statistical outcome of 2,9 we accepted the null hypothesis and rejected the hypothesis as it does not hold.

Happy with quality of service delivery time on health care?

With the chi-squared value = 2,6 and using a benchmark of 0.05 p-value. There is no significant correlation between quality of time taken to receive medication and audit outcomes across selected municipalities as it is not statistically different from zero. Therefore, the response of each municipality is a random outcome of satisfaction levels from local citizens' experience of the quality of time taken to receive medication. This shows that they are independent of one another. With a statistical outcome of 2,6 we accepted the null hypothesis and rejected the hypothesis as it did not hold.

Happy with reliability of electricity?

With the chi-squared value = 4,8 and using a benchmark of 0.05 p-value. There is no significant correlation between reliability of electricity and audit outcomes across selected municipalities as it is not statistically different from zero. Therefore, the response of each municipality is a random outcome of satisfaction levels from local citizens' experience of how reliable their power supply of electricity is. This proves that they are independent of one another. With a statistical outcome of 4,8 we accepted the null hypothesis and rejected the hypothesis as it did not hold.

Overall, the statistical tests proved that while there was a weak significant relationship between some service delivery variables such as availability and provision of medication and police services, there was a greater sense of independence among all other service delivery variables and audit outcomes.

For the two tests where the hypothesis was accepted, it is important to note that the result was similar in the low performing municipalities. In other words, the municipalities with good audit outcomes and the municipalities with adverse audit outcomes both had good levels of availability and provision of medication and of police services.

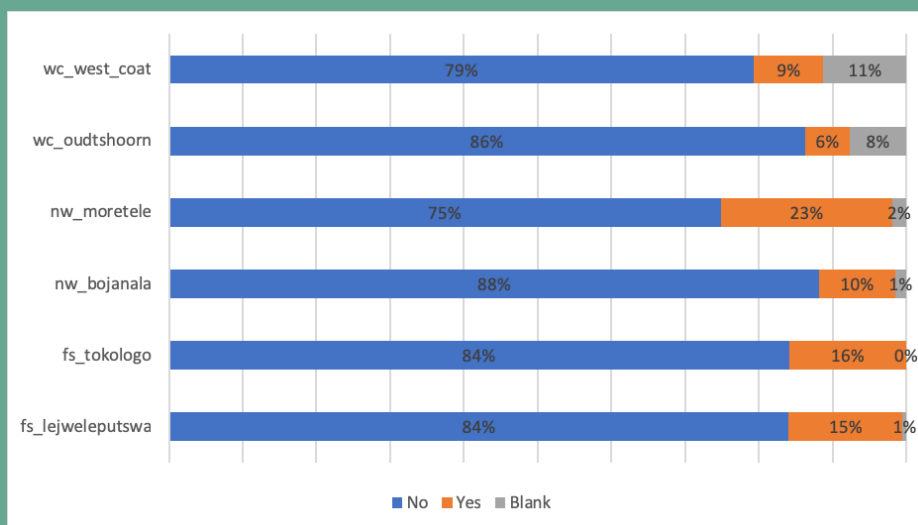
The findings of the study demonstrated that the hypothesis holds true for availability and provision of medication and police services; it does not hold for all other service delivery variables. Therefore, good audit outcomes do not always translate into good service delivery, high levels of satisfaction and good governance.

NEEDS ASSESSMENT AND PRIORITISATION

Respondents were asked to highlight their top three priorities.

Municipality	Priority 1	Priority 2	Priority 3
West Coast	Health and nutrition	Employment	Land and housing
Oudtshoorn	Health and nutrition	Employment	Water and sanitation
Lejweleputswa	Employment	Education	Land and housing
Tokologo	Employment	Safety and security	Water and sanitation
Moretele	Employment	Water and sanitation	Education
Bojanala	Employment	Water and sanitation	Local economic development

Chart 46: Undertake Business Activity



CASE STUDY: ECONOMIC DEVELOPMENT AND THE INFORMAL ECONOMY

This section examines to what extent respondents in the different municipalities surveyed are involved in the informal economy.

The participants were asked if they undertook any business activities. The majority (83%) of respondents across the municipalities did not undertake any business activities, although in the Moretele municipality (North West) 23% did take part in business activities and 49% of these businesses were formally constituted. Of the 13% of those that do have businesses, at least 38% of these were formally constituted.

Most (68%) of the respondents who had businesses stated that these were services, including transportation, hairdressing, cleaning services, cooking, selling vegetables and nursery schools. These services were offered daily.

The majority, 36%, of the respondents from all six municipalities retail food and beverages, followed by 15% health and beauty products. Fifty two percent of the clientele in all six municipalities are from the local community, 8% are students and 6% are pensioners and vehicle drivers.

Seventeen percent of respondents from Lejweleputswa, Free State, provide hairdressing services and 22% other unspecified services. In Tokologo, 23% provide services in other unspecified activities and 15% in food services. In the North West, Moretele, 17% provide services in maintenance and 13% in food services. In Bojanala, 19% provide transport services, 19% food and 19% in other, unspecified, services. In the West Coast, Western Cape, 20% provide food and other, unspecified, services, and in Oudtshoorn 17% provide maintenance services.

Overall, 30% of respondents would like to start their own business, including 52% in Tokologo (Free State) and 16% in Oudtshoorn (Western Cape). Respondents in

Chart 47: Nature of Business Activity

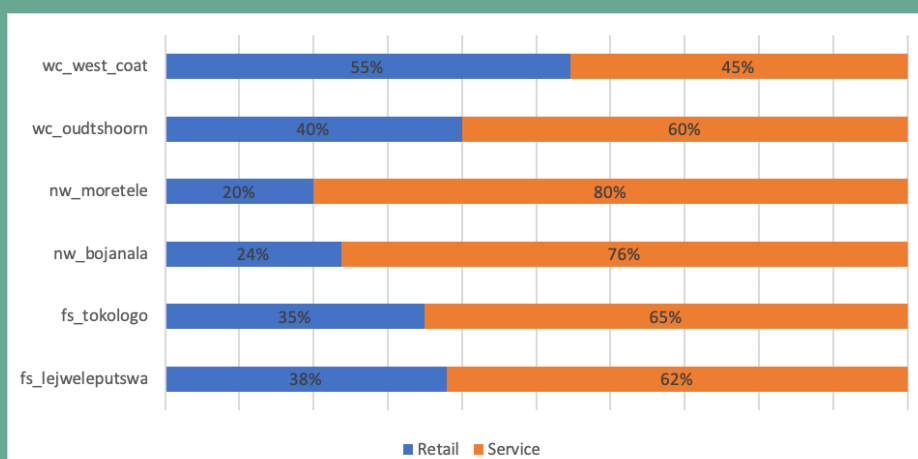


Chart 48: Would like to start Own Business

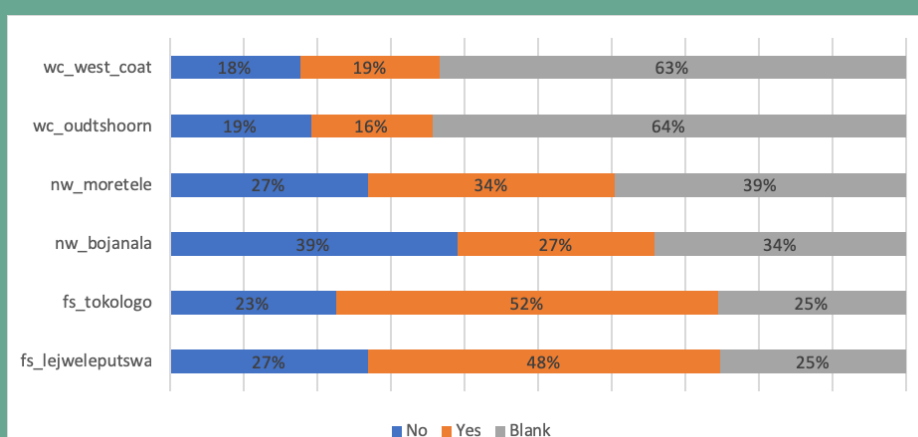
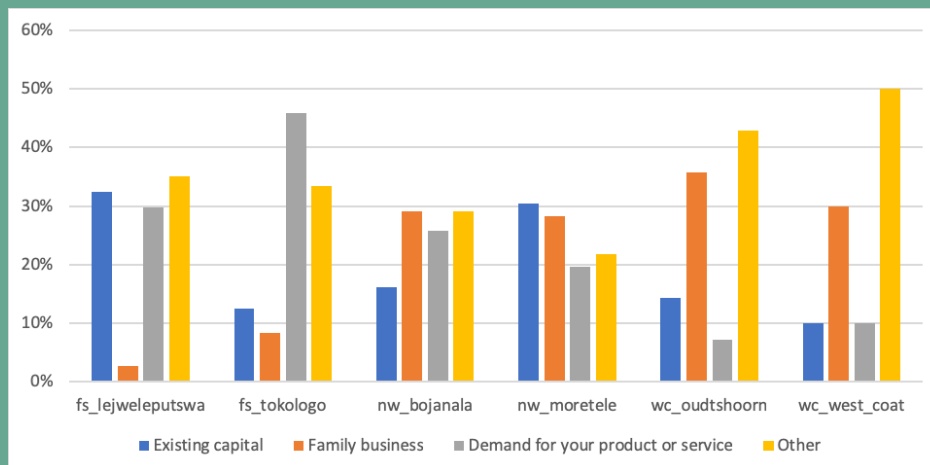


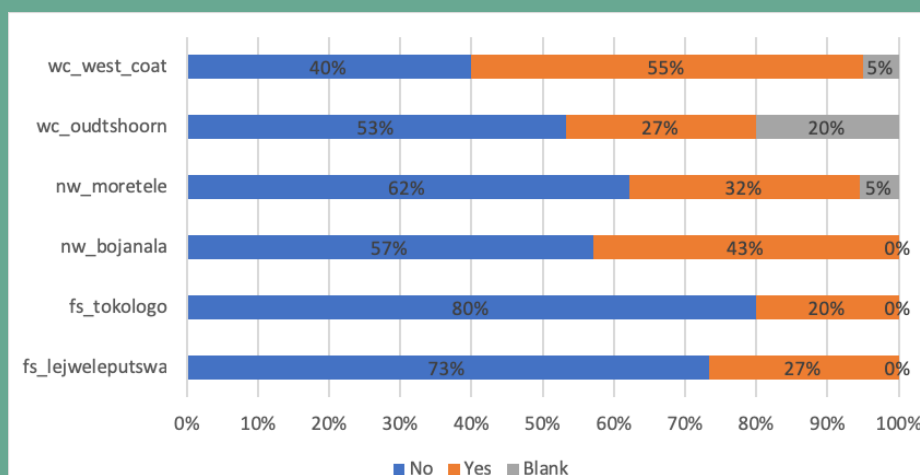
Chart 49: Reasons for starting Business



the Free State province showed greater enthusiasm for starting their business, 48% and 52% respectively for Lejweleputswa and Tokologo. Overall, 25% were not keen on starting their own business and most (44%) did not respond to this question.

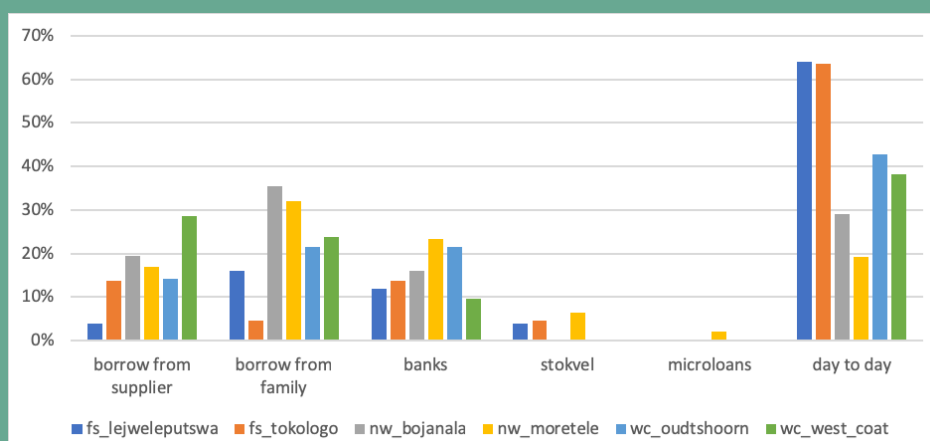
The survey investigated the reasons why participants wanted to start a business. Overall, 24% of respondents stated their main reason was mainly demand for their product or service (46% in Tokologo municipality [Free State] and 7% in Oudtshoorn [Western Cape]). Another 22% said that it was the availability of existing capital that influenced their reason for starting a business, 32% in Lejweleputswa municipality and at least 10% in Oudtshoorn.

Chart 50: Access to Financial Services



The chart left illustrates the respondents' access to financial services. Overall, more than half (62%) did not have access to financial services; the majority (80%) in Tokologo and at least 40% in Oudtshoorn. Overall, 34% of the respondents had access, more than half (55%) in West Coast (Western Cape) and at least 20% in Tokologo (Free State). The survey further investigated the types of financial services the participants were using. Overall, 75% used banks, all (100%) of the respondents in West Coast municipality (Western Cape) and at least 56% in Bojanala (North West). An overall of 25% used online money transfers, 44% in Bojanala (North West) and at least 20% in Tokologo (Free State).

Chart 51: Business Financing



The majority (39%) of respondents' revenue is from their day-to-day earnings - this is the case with more than half (64%) in Tokologo and Lejweleputswa and some (19%) in Moretele. Overall, 24% of the respondents borrow from their families - 35% in Bojanala and at least 5% in Tokologo. Less than a quarter (16%) borrow from suppliers - 29% in West Coast and a few (4%) in Lejweleputswa. Overall, the percentage of respondents financed by banks was 17% - 23% in Moretele and 10% in West Coast municipality.

During the survey, respondents were asked to state which assets they used to run their businesses. Some 43% of the overall



population who took part in the survey stated that they used a car, 32% stated that they used trade tools (trade tools are used just to simplify work), 14% stated that they used electrical (goods), 6% stated that they used a motorcycle, and 6% stated that they used a bicycle.

Participants from Lejweleputswa and Tokologo municipalities in the Free State, Bojanala and Moretele municipalities in the North West, and Oudtshoorn and West Coast municipalities in the Western Cape were asked if they owned assets to run their businesses. The study found that 61% of the overall population that took part in the survey owned assets, 31% did not own assets and 8% did not reply. The Bojanala municipality had the highest percentage of respondents who owned assets (71%). The value of assets for the informal business owners ranged from R25 to R700,000, while the value of the most expensive goods or service for respondents ranged from R15 to R1 million.

When informal business owners were asked if they had any employees, 67% stated that they did not have employees, 25% stated “yes” and only 8% did not respond. Some 36% stated that they employed one person, 31% stated that they employed two people and 14% stated that they employed four employees. All the workers were employed temporarily when the need arose and were paid soon after the work was completed (even though the informal sector employs the biggest proportion of the population, it is mostly self-employment i.e. one is not ready to employ another person due to lack of funds to finance the business). It was found that the weekly gross turnover ranged from R300 to R300,000 and the total amount paid to employees ranged from R300 to R28,000.

The main challenges faced by running their business were customer related, 34% in Lejweleputswa (34%), Free State, 38% in Bojanala and 26% in Moretele, North West. The other main challenges encountered were financial: 30% in Tokologo, Free State, 13% in Oudtshoorn, 15% in West Coast, Western Cape.

Chart 52: Assets used for Business

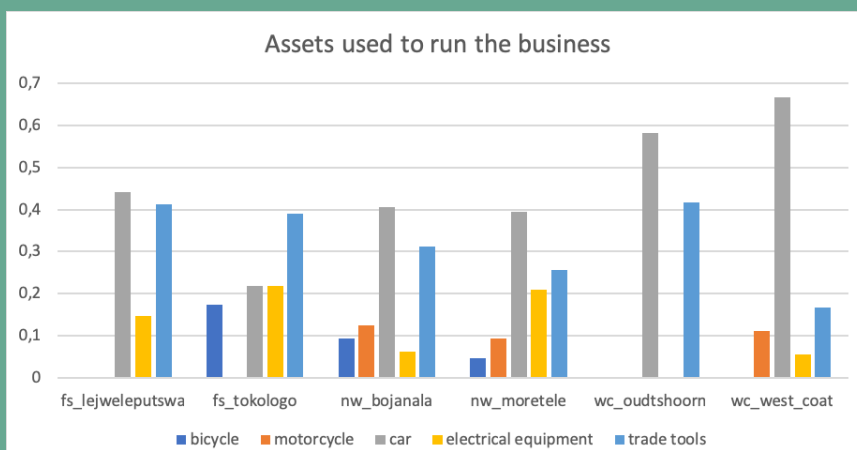


Chart 53: Assets Owned

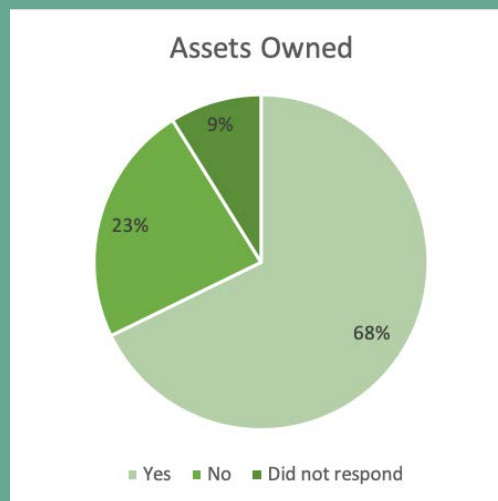
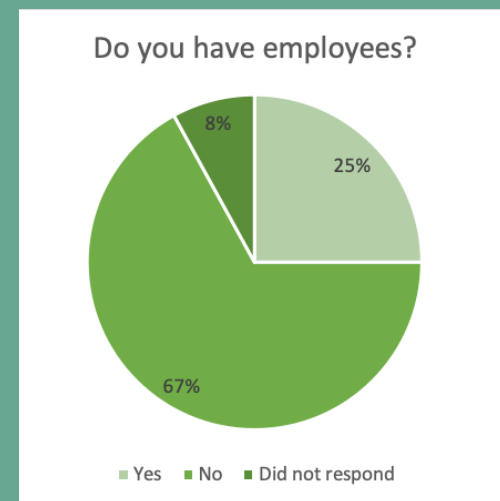


Chart 54: Employees in Business



CONCLUSION

This study sought to outline the relationship between audit performance and service delivery. The hypothesis was that better audit performance should result in better service delivery and governance satisfaction.

The study conducted fieldwork in multiple municipalities in three provinces, Western Cape, Free State and North West, to test this assumption. The results revealed that each municipality was unique and respondents had varied opinions regarding service provision. Those from the Western Cape's West Coast and Oudtshoorn highlighted their need for housing, water and sanitation, employment and land and housing. In Lejweleputswa and Tokologo in the Free State, contrary to the Western Cape, education and safety and security were also recognised as important services community members needed. This may be explained by Tokologo's high rate of dissatisfaction with police services and the lowest education rates of matric out all six municipalities. And in the North West, respondents from Bojanala and Moretele emphasised the need for employment opportunities and local economic development, given the rural location of their communities. The participants from these municipalities are the most dissatisfied with water and sanitation because for the majority their sanitation services are located outside of the house. The importance of education in these areas, shown by their high rates of education, are maybe due to the local and cultural value / importance that respondents have in education and employment opportunities that education may provide.

Given that HP municipalities have better audit outcomes, our expectations were that they would have better service delivery and, therefore, higher satisfaction from its community members. However, the study showed that citizens in HP areas are just as unhappy with their local municipalities as are those from LP municipalities. This is contrary to what the hypothesis expected. This may be due to respondents' opinions from HP areas regarding their access to, or the quality of, electricity and health-care services and financial mismanagement by their local governments.

Overall, the statistical findings demonstrated that the hypothesis holds true for the availability and provision of medication and police services, but does not hold for all other service provider variables under study. Therefore, good audit outcomes do not

always translate into good service delivery and high levels of satisfaction and good governance for amenities such as water, sanitation, refuse removal, electricity, education and healthcare services.

RECOMMENDATIONS

1. Improve service delivery in both high- and low-performing municipalities.
2. The West Coast local government should consider prioritising access to health and nutrition, employment opportunities, access and availability to land and housing in the community.
3. Oudtshoorn's local government should look into training health-care personnel and improving access to health-care facilities and medication while also providing employment opportunities and improving the quality of water and sanitation services.
4. Lejweleputswa's local government should contemplate improving local educational services and access to land and housing. The municipality should also expand its employment opportunities through vocational training facilities and by encouraging self-employment.
5. Tokologo's local government should prioritise employment and access to better quality water and sanitation services. The municipality should also consider collaborating with police and local security services to ensure safety and security in the community.
6. Moretele's local government should consider creating employment through local development and encouraging self-employment in the informal economy, improve access to water and sanitation inside homes, and expand access to educational services.
7. Bojanala's local government should cultivate employment opportunities, provide better access and quality of water and sanitation inside homes, and encourage local economic development because of its rural location.



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Africa Survey 2019-2020



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Maps
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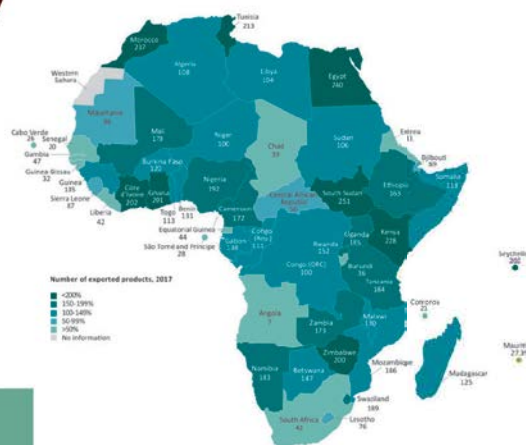
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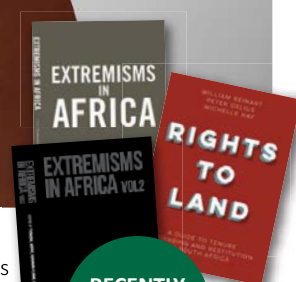
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