

**THE EFFECTIVENESS OF INTERNAL AUDITING IN THE PUBLIC SECTOR IN
ZAMBIA**

BY

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*A Dissertation Submitted to the University of Zambia in Partial Fulfilment of the
Requirements for the Award of Master of Business Administration in Finance.*

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DECLARATION

I, **Olivia Mwanza**, do hereby declare that this research study has not been submitted to any other university or institution for similar purposes. Any other works done by other scholars have been duly acknowledged and cited.

Date:

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APPROVAL

The dissertation by **Olivia Mwanza** is, approved as a fulfillment of the requirements for the award of the degree of Master of Business Administration in Finance.

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ABSTRACT

This paper aims at examining factors that have an impact on internal audit effectiveness in the public sector. The objective of this study was to devise a model that can be used in the public sector to enhance a sound internal auditing system that will boost financial accountability and quality audit work. The study focused on three independent variables such as management support for internal audit activity, organizational independence on the internal audit work, and the adequacy of competent internal audit staff. In order to achieve this, a quantitative survey research design was chosen as the research paradigm underpinning the study using structured questionnaires as data collection tool to a sample of 172 respondents comprising of internal auditors and users of internal audit services who were systematically randomly sampled. The study findings revealed that both management support and organizational independence were low and that internal audit office of the sampled ministries and parastatals had low technical staff proficiency which limited its capacity to provide effective service. In line with the findings, the study recommended that: (i) the management should appreciate the role of IA by providing the necessary resources and trainings. (ii) Government should ensure that the independence of IA is guaranteed for them to work without fear or interference. (iii) Government should recruit and retain Internal Audit candidates based on their qualifications, experience, training attained and certification by the IIA. The research is limited with the issue of generalizability on other settings; therefore, a similar study can be conducted in the private sector using a mixed method approach.

Keywords: *Internal Auditing, Effectiveness, Financial Irregularities, Public sector, Internal control.*

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ACRONYMS AND ABBREVIATIONS

AICPA American Institute of Certified Public Accountants

IA Internal Auditing

ICA Institute of Chartered Accountants

IIA Institute of Internal Auditors

QMS Quality Management System

SPSS Statistical Package for Social Sciences

PAC Public Accounts Committee

FIC Financial Intelligence Centre

PFM Public Finance Management

PMRC Policy Monitoring and Research Centre

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

According to the Institute of Internal Auditors (2014), internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations in the following ways; Firstly, it helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Amongst a plethora of other purposes, internal audit serves to evaluate controls in areas like operational efficiency, data and information security, and financial compliance. It provides assurance that the organization's systems of control are designed properly and operate effectively (Spira and Page 2012). Secondly, it evaluates whether the company's processes, plans and standards are best suited to achieve and serve its objectives and serve its stakeholders in a legal and ethical manner. Thirdly, it examines a company's tolerance for risk, its plans for detecting and mitigating risk and communicating and monitoring risk appropriately. Fourthly, internal audit identifies areas of concern, presents them to management, and advises on the appropriate course of action (Berman, 2017).

Thus, recognising the benefits that accrue to internal auditing, the Zambian government through the Public Finance Management Act of 2018 recognizes and emphasizes the role of the internal audit department charged with the responsibility of managing and controlling of public funds and auditing of public resources. Internal audit is an important component of the governance system in both public and private sectors (Cohen et. al., 2002). As a consequence, internal audit is receiving a lot of attention in many countries including Zambia as an integral part of government financial management (Wangui, 2012). Within the globalized economy, internal auditing is established as a vital means for management of any business economic resources (Wangui, 2012).

To this effect, a number of studies have been conducted with an effort to explore factors that impact on effectiveness of internal audit in the public and private sectors (Baharud-din et al., 2014; Mupeta, 2017). The reason is that an effective internal audit can positively impact quality of management. The findings of a study in Adamawa state, Nigeria pointed out that non-

effectiveness of the internal audit can be attributed to lack of independence and shortage of staff (Modibbo, 2015). Other factors associated with ineffectiveness of internal audit were insufficient internal control systems in the area of authorization, approval, supervision and personnel control.

Baharud-din et al., (2014) reports a significant positive association among the factors such as auditor competency, auditor's independence, objectivity and management support. Among the factors analysed, management support was the most influencing factor that influenced difference in quality of audit work. Another study also made similar observations that management support had a positive and significant relationship with effectiveness of internal audit (Baheri et al., 2017)

The present study conducted an analysis of the effectiveness of internal auditing in the public sector in the context of Zambia. The study embarked on understanding, through the effectiveness of internal auditing, why the public sector has a high prominence of financial irregularities.

The Public Finance Management Act of 2018 of the laws of Zambia provides for the - establishment of audit committee for each ministry, department, and statutory corporation to ensure sound financial management. Each ministry or government department, therefore, has internal audit personnel charged with the responsibility of investigating whether there are adequate measures and procedures for the proper application of sound economic, efficient and effective management of public funds. (PFM, 2018)

With this legal framework in place, it is expected that internal auditing in the public sector should be able to adequately achieve its objectives in ensuring a sound financial management system. However, this is not the case as the public sector is marred by poor financial management- a sign of ineffective internal controls. According to an Audit Report by the Auditor general on the Accounts of the Republic for the three-year period (2018-2020) highlighted gross financial irregularities as shown in the table below:

Table1.1: Irregularities Raised in The Auditor General’s Report-2018-2020

Summary of Findings	2020	2019	2018
	K	K	K
Unaccounted for revenue	971,488.00	528,431.00	143,179.00
Unaccounted for funds	21,146,508.00	183,886.00	26,000.00
Misapplication of funds	531,047.00	7,455,275.00	62,431,136.00
Unretired accountable imprest	2,031,431.00	480,660.00	667,703.00
Unvouched expenditure	28,331,334.00	1,539,431.00	1,033,754.00
Unaccounted for stores	4,190,203.00	56,220,368.00	133,815,072.00
Irregular payments	19,991,742.00	8,952,156.00	12,767,837.00
Non recovery of loans and advances	84,196,274.00	-	201,572.00
Failure to follow procurement procedures	234,070,294.00	504,500.00	879,000.00
Undelivered materials	3,553,820.00	23,510,118.00	9,195,241.00
Non submission of expenditure returns	1,149,432.00	502,250.00	301,830.00
Wasteful expenditures	1,417,521,900.00	3,730,864.00	222,534.00
Overpayments	6,693,986.00	1,109,176.00	15,824,166.00
Misappropriation of funds	-	-	61,354.00

Source: Auditor General’s Report 2020

A cross cutting analysis of reports in the past have revealed an upward trend of gross financial irregularities and embezzlement (Auditor General’s Report, 2020 of the Republic of Zambia). According to the 2020 Financial Intelligence Centre (FIC) reports, Zambia has been losing millions of dollars through mismanagement of public resources. The trend has continued to rise despite Public Accounts Committee (PAC) recommendations.

In the light of the above, there is need to investigate the factors that affect the effectiveness of internal audit in the public sector in Zambia. If no inquiry is made, the country will continue to lose colossal amounts of money to embezzlement and misappropriation (Baheri et al., 2017). In the long run, this would hinder the country’s ability to implement public policy and foster development as the intended beneficiaries of public resources do not benefit from public resources. In addition, the annually rising figures of financial misappropriation would continue to heavily dent Zambia’s image and consequently reduce donor confidence in the country (Auditor General’s Report, 2020 of the Republic of Zambia). This will compromise Zambia’s ability to acquire resources from the international community.

1.2 Problem Statement

The Public Finance Management Act No.1 of 2018 of the laws of Zambia provides for the establishment of audit committee for each ministry, department and statutory corporation to

ensure sound financial management. There is, therefore, a growing need to ensure that the allocated resources are used for the intended purpose through internal auditing. Under the Ministry of Finance website, the responsibilities of Internal Audit department states that the department is responsible for the management and control of government resource usage and ensures that adequate, effective prudential measures and controls are in place in the process of utilizing the resources. Therefore, the main goal of the department is to promote accountability in all government ministries, spending agencies and statutory bodies and parastatal organizations.

With this legal framework in place, it is expected that internal auditing should effectively achieve its objectives in ensuring a sound financial management system and prevent misappropriation and misallocation of resources.

In spite of various pronouncements on internal audit in the Zambian Public Sector, the general opinion according to extant literature is that most of the public enterprises have failed to deliver on the purposes for which they were established. Many people accuse managers of public enterprises in Zambia of ineffectiveness and inefficiency in terms of resource control. They argue that poor application of internal audit principles and procedures leads to blatant diversion of scarce resources with its attendant consequences on the traditional accountability of government to the public. Hence the purpose of this paper is to examine the public sector internal audit effectiveness in Zambia so as to recommend strategies that can be used to enhance sound internal audit systems which will booster financial accountability and quality audit work.

Further, because these studies are conducted mostly in the developed countries, many developing country contexts such as Zambia are under-researched, limiting generalizability of prior research conclusion (Mupeta, 2017). Thus, the aim of this study is to fill this gap. This is necessary because most of these studies have been undertaken in the developed nation's context leaving a dearth of knowledge in under-researched context of Zambia.

1.3 Aim and Objective of the study

The aim of the study is to investigate the factors that affect the effectiveness of internal auditing in the public sector.

1.3.1 General Objective

The general objective of the research is to device a model that can be used in the public sector to enhance a sound internal auditing system that will boost financial accountability and quality audit work.

1.3.2 Research Objectives

In arising from the background and problem statement this study seeks to address the following specific objectives:

1. To explore the effect of top management support on internal audit operations in the public sector.
2. To determine the level of independence of internal audit in the public sector.
3. To assess the level of internal Audit Technical competency and skills in the public sector.

1.4 Research Questions

In arising from the research objectives this research seeks to address the following questions:

1. What is the effect of top management support on internal audit effectiveness in the public sector?
2. What is the level of independence of internal audit in the public sector?
3. To what extent is the technical competency of internal audit staff in the public sector?

1.5 Ethics Statement

Ethical issues in research include issues such as informing participants of the purpose of the study, refraining from deceptive practices, and sharing information with participants (including the role of a researcher), being respectful of the research site, reciprocity, using ethical interview practices, maintaining confidentiality, and collaborating with participants (Creswell 2014). The study adhered to all ethical issues such as getting consent from the participants before administering research instruments as well as confidentiality on participant's views and only used data for academic purposes.

1.6 Significance of the Study

1. The study will generate information that will help the government identify major factors affecting internal auditing and make appropriate changes to ensure sound internal auditing systems in various governmental departments.
2. By building on the knowledge generated by this research, scholars will be able to provide more information to individuals, governments, and the international community to further understand the challenges that internal auditing is faced with and the possible measures that can be taken to curb the growth of an inefficient and ineffective public financial management system.
3. This study will provide a basis for further research on the factors that affect internal auditing in public institutions.

1.7 Scope of the Study

This study is an attempt to identify and explore factors that affect the effectiveness of internal auditing in the public sector, and it takes a quantitative approach. It was primarily constrained to 6 government ministries (education, health, finance, provincial administration, commerce and community development sector) that have a high incident of financial irregularities and 3 parastatals (ZRA, NAPSA and ZESCO) in Lusaka, Zambia. Thus, this research is restricted to the Internal Audit departments of sampled government ministries and parastatal organizations.

Primary data was collected directly from the respondents through the questionnaire as they reported for work. Literature was not later than 10 years of publication to ensure that only current research is reviewed. The study location was restricted to Lusaka where all ministry have a presence and centralized audit departments.

1.8 Organization of the Study

The research is organized and structured as follows; Chapter one (Introduction) presents the background to the study, the research objectives and questions, the scope of the study and finally, the significance of the study.

Chapter Two (Literature review) reviews relevant journals and other academic materials. It discusses the Conceptual and theoretical framework for this study, concludes by identifying the gaps in literature and demonstrating how this study might fill those gaps.

Chapter Three (Research Methodology) It lays out the research methodology, research philosophy, research design, and plan of work. It describes the population and sample methods used, as well as the instruments used in data collection process and justification for the choice.

Chapter Four (Findings and Analysis) presents the results of the quantitative research. A profile of the case is first given before going into the details of the findings. It first presents the demographic profile of respondents then looks at the main items relating to factors surrounding internal audit effectiveness.

Chapter Five (Discussions, conclusion and recommendations) a follow-up to the research results in chapter four. Here discussions, conclusions as well as the recommendations are made based on the findings.

1.9 Chapter Summary

The chapter gave an overview and background of what the entire research is set to achieve. It identified the research problem, stated the aim and objectives of the study, scope, significance and organization of the study. The next chapter will review literature of other scholars on the topic: The effectiveness of internal audit in the public sector in Zambia.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature on factors associated with effectiveness of internal auditing in the public sector. The chapter concludes by identifying the gaps in literature and demonstrating how this study might fill those gaps.

2.2 Overviews

The objectives of internal audit are unarguably broad but governments differ in their commitment to them. This is why it is generally asserted that the effectiveness of internal audit can only be as good as the commitment of government to pursue these objectives. According to Unegbu and Obi (2012), internal audit is part of the internal control system put in place by management of an organization to ensure adherence to stipulated work procedure and as aid to management. They believe that internal audit measures, analyses and evaluates the efficiency and effectiveness of other controls established by management in order to ensure smooth administration, control cost minimization, capacity utilization and maximum benefit derivation. This implies that internal audit is an integral part of a complex system designed by the management of any organization to ensure orderly conduct of its business and prevent abuse of asset.

It must be noted that the development of internal Audit profession has brought in changes in the way Internal Auditors are perceived. Previously, Internal Auditors were seen as inspectors or external auditors but this has now evolved to be considered as an independent profession which is playing a role in the management of an organization. In the context of the republic of Zambia, public sector offices are part of the public body which is partly or wholly financed by government services to the whole society.

According to Herdman (2002), an effective internal audit system is considered “crucial to the success of an organization in stemming fraud and abuse, and in the preparation of accurate financial statements”. In Zambia, there is growing concern among various stakeholders over the abuse of public resources highlighted in the Auditor General’s report (Auditor General’s report, 2020). Annually, the Government of the Republic of Zambia is involved in the

collection and expenditure of hundreds of billions of Kwacha through Zambia Revenue Authority and other ministries and agencies. Owing to the colossal sums involved there is need for accountability and this call for the government to put up measures that will ensure efficient and effective management of public resources. Therefore, all government entities including ministries and agencies are supposed to keep accurate and reliable accounting records for the purpose of auditing (Ali et al., 2007).

Owing to the fact that many of these studies were done in countries other than Zambia, with obvious cultural and environmental differences as well as contrasting findings, it becomes necessary for a similar study to be carried out in the Zambian context. Furthermore, with reference to the poor rating of Zambia by the Transparency International in terms of corruption indices, a study on effectiveness of internal audit becomes not just necessary but imperative. Therefore, this study attempts to fill these research gaps by establishing the influence of the factors affecting the effectiveness of internal auditing in the Zambian public service.

2.2.1 Internal Audit Definition

According to Courtemanche (2016), "there were two primary notions of internal auditing: the conventional and the modern." Accounting is considered the true discipline of internal auditing, accounting control is considered the genuine concern of internal auditing, and the audit committee of the board of directors is considered the true client. The current idea of internal auditing does not deny the conventional definition's essence, but rather tries to expand it beyond its restricted boundaries. Modern internal auditing claims an infinite scope, reserves the right to draw from numerous disciplines, and considers senior management as additional clients separate from the audit committee of the board of directors."

While some of the audit techniques underlying internal auditing are borrowed from the management consulting and public accounting professions, Sawyer (2002), frequently referred to as "the father of contemporary internal auditing," developed the theory of internal auditing.

According to Gleim (2004), "Internal auditing is a management-oriented subject that has grown fast since World War II." Internal auditing, which was originally solely concerned with financial and accounting concerns, now encompasses the whole spectrum of operational operations and provides a similarly broad range of assurance and advisory services. Internal auditing grew in popularity as organizations grew in size and decentralization, as their

operations became more complex and technologically sophisticated, necessitating the need for an independent, objective means of evaluating and improving their risk management, control, and governance processes" (Gleim, 2004, p.2).

The IIA (2014) defined internal auditing as follows:

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.”

Several common aspects emerge in this definition, most notably assurance, risk, and control. The risk-driven activities of the internal auditor give significant insights to other governance actors, including the audit committee and management. In fact, some now refer to the IAF as the audit committee's "eyes and ears." Furthermore, this definition defines internal auditing as assurance and consultancy operations that offer value to the firm while improving financial and administrative performance.

According to the researcher, all prior definitions of internal auditing provide a clear image of IA duties that include not just financial tasks but also administrative functions. In addition, the presence of IA is seen as a support to other control systems within an organization.

2.2.2 Development of Internal Auditing

According to Pickett (2005), "internal auditing is now a fully-fledged profession." A person who worked in internal audit 10 years ago would find themselves in an unfamiliar scenario in terms of the function of internal audit, the services given, and the strategy used. To fully comprehend internal audits, it is vital to trace these developments back in time and project patterns into the future. It is critical to understand the origins of internal auditing and how it has evolved through time. Internal auditing arose as an extension of the role of external auditing in assessing the dependability of accounting records that contribute to the publication of financial statements" (Pickett et. al., 2005, p.3).

Cascarino and Van Esch (2005) state that “the profession of internal auditing, like many other professions, has its roots in the nineteenth-century Industrial Revolution." Existing experts

were trying to keep up with the rapid development of the business sector. Specialists emerged to deal with advances such as corporation law, banking provisions, and bankruptcy. This resulted in the development of a slew of organizations and associations, which eventually merged to become the British Institute of Chartered Accountants ICA and the American Certified Public Accountants ACPA in their respective nations" (Casarino & Van Esch, 2005, pp.3-4).

The approach of obtaining professionalism in the bodies was the fundamental distinction between the two bodies at the time. The American body developed a style that blended the academic and commercial worlds, producing professionals who were a combination of the two. The British institute followed the more typical English trading course.

2.3 Internal Audit Functions and attributes

Internal audit functions include the following, according to Chambers et al. (2017): (i) reviewing accounting systems and related internal controls, (ii) examination of financial and operating information for management, including detailed testing of transactions and balances, (iii) reviewing the reliability and integrity of financial and operating information, and means used to identify measures, classify, and report such information, and (iv) assessing the economy and efficacy. Furthermore, internal audit duties include assessing operations or programs to see whether outcomes are consistent with defined objectives and goals, and whether operations or programs are carried out as intended.

In addition, the other duty is to assess the system in place to guarantee compliance with those policies, plans, procedures, and regulations that may have a substantial impact on operation and report to decide if the business is compliant. Internal auditors, according to Millichamp (2016), give vital information to management for decision making and the proper running of the firm. The scope and goals of the internal auditor may vary based on the given tasks, the size and structure of an institution, and the internal auditor's abilities and experience. The majority of internal audit in the public sector performs compliance audits, financial audits, performance audits, and internal control system evaluations, all of which are part of the internal audit systems that are impacted. Forensic audits are often performed by external auditors from the Auditor General's office.

As a result, it is critical that internal auditors demonstrate the following characteristics in their duties: continual learning, integrity, connection building, partnering, communication, and teamwork. Internal audit should be given access to cutting-edge tools that will help them perform better. This is possible through a combination of formal training, development programs, certification, and rotating assignments. They demand trust and quality work so that external auditors may depend on the internal audit function's work. Internal audit must foster trust and respect among other professionals in order to eliminate opposition throughout the auditing process and embrace the audit consultative role. They should be able to influence people and have strong communication abilities that deliver a clear message (IIA, 2012).

2.4 Internal Audit and its role in the organization

Internal audit plays a variety of roles, the most important of which is to support senior management's governance responsibility; internal audit provides independent and objective assessments of the information used for decision making and on the relationship between risk, control, and the achievement of the organization's objectives, as well as reporting on the internal control system. The head of internal audit is expected to provide an opinion to the business through the audit committee on the sufficiency and effectiveness of the firm's overall internal control system, as well as the extent to which it can be relied on. The auditor has stockmen on other operations that the corporation is liable for and that the internal audit service must evaluate. The head of the internal audit unit expresses his or her view on whether or not the control arrangements, including those for economy and effectiveness, are appropriate and correctly implemented (Delaney and Gleim, p.74).

Internal auditing is intended to assist organizations in achieving their goals. The achievement of organizational objectives defines the company's success. Business objectives are the aims of the business and what the firm hopes to achieve. They are, in reality, assessment criteria of the organization's performance if they are cohesive and measurable. The organization's goals are stated in mission and vision statements. The mission statement expresses who the organization is and what it hopes to accomplish today. A vision statement expresses expectations for what the organization hopes to accomplish in the future (Reding et al. 2013)

Business objectives' categorization is a matter of discussion and believes. COSO (Committee of Sponsoring Organizations of the Treadway Commission) categorizes them as follows (Reding et al., 2013):

- Strategic objectives are about what managements do and plan (strategy) in order to create value for the organization's stakeholders
- Operations objectives focuses on organization's operations in order to increase effectiveness and efficiency
- Reporting objectives are about reporting internal and external information and the level of its reliability
- Compliance objectives concentrate on existing laws and regulations and their implementation in the organization

According to Reding et al. (2013), business objectives are measurements of organizational performance, but for an internal auditor, they serve as the foundation for engagement objectives. Engagement objectives are internal auditor goals that must be met inside the organization. The role of an internal auditor is to assist the organization in achieving its goals. As a result, it is critical to have a clear and complete description of engagement objectives inside a specific firm.

Another critical aspect for achieving company goals and long-term performance is an effective risk management, control, and governance approach. The internal auditor's responsibility is to analyze and enhance these procedures (Reding et al., 2013):

- Governance process is an achievement of the organization's objectives by authorization, directions and overseeing management by the board of directors
- Risk management is the process through which an organization's management understands and deals with uncertainty. Uncertainties include all hazards and possibilities that might have a detrimental or positive impact on an organization's capacity to fulfill its goals.
- Control is the process of reducing risk to a level acceptable to the organization's management.

Overall, the governance process is carried out (led and guided) by the board of directors, while risk management and control activities are carried out by management. The collaboration of the board of directors and management is critical to the proper implementation of all operations. The function of the internal auditor is to review, enhance, and advise such procedures. As a result, internal auditing is a critical component of the equation (Reding et al. 2013).

According to Pickett (2005, p.8), internal auditors are able to assist top management with the following:

- Monitoring activities that top management cannot monitor itself
- Identifying opportunities and minimizing risks of failure
- Validating reports to senior management
- Protecting senior management in technical analysis that is beyond their knowledge
- Providing information for the decision-making process
- Reviewing for the future as well as for the past
- Helping line managers manage by pointing to violation of procedures and management principles

Internal auditing's primary function is to bring value to the organization by undertaking assurance and consulting services. They must be operational, tactical, and strategic in order to improve operations. This job, however, might be interpreted in a variety of ways. Primary responsibilities of assisting with risk management, control, and governance procedures will offer value to the firm. In fact, it is dependent on the unique demands of organizations and the industry in which they operate. Reding et al. (2013)

Pickett (2010, p.335) mentions the following examples: compliance reviews will be a value-added auditing service for firms in the scandal-ridden industry. Consulting guidance on programs and initiatives will bring value to firms in rapidly developing areas. Building controls and combating fraud or corruption may be priorities for organizations in underdeveloped nations. For multinational firms, it might involve risk management and the logistics of coordinating information with the main office, among other things.

Pitt (2014, p.5) offers another classification of internal audit's role based on the kind of organization (public or corporate sector), rather than the company's environment, as Pickett suggested. Internal audit's function in the public sector will be centered on "efficient and effective use of public money." Internal audit's position in the corporate environment will be judged and focused on his capacity to satisfy stakeholders and assure profit.

The auditor will refer to the audit charter to determine the extent and interpret the function of auditing required. Professional standards, purpose, vision, and success criteria will also be required by the internal auditor. They should be tailored to the industry in which the

organization operates. Furthermore, assessing value-added auditing services should be based on The Institute of Internal Auditors' definition of internal auditing. It should also address Pickett's (2010, p. 337) questions: "How can we (auditors' ref. Pickett) better contribute to risk management, control, and governance services via both our assurance and consulting roles?"

Furthermore, Pitt (2014, p.13) suggests that knowing strategic goals will provide the internal auditor with insight into where value may be contributed. Furthermore, the internal auditor should "strive to exceed stakeholder expectations by implementing performance measuring systems that are focused on the most economical and effective use of limited resources". According to the Guidance Task Force, most audits already add value to the company by facilitating discussion with management concerning control structure and effectiveness (Reding et al., 2013). The most critical purpose of internal audit, however, is independence.

Internal audit is a key source of risk for the firm. It may end in fraud, monetary loss, a ruined reputation and brand, or the company's demise. As a result, "it is critical for the internal audit function to have independent power and reporting lines, as well as proper access to the audit committee." Internal audit activities should be adequately financed, manned, and trained, with suitable specialized capabilities based on the nature, size, and complexity of an organization's operational environment" (Ohja, 2012). Internal auditing services give overall value if they are of high quality. Compliance with professional internal auditing standards is one approach to do so.

2.5 Internal Audit and Management

It is crucial to highlight that the type and scope of activities, as well as the standing of an internal auditor, are set by management and vary from organization to organization based on the needs and views of various managements (Millichamp, 2002). The management is accountable for establishing a robust internal audit unit in order to be effective in improving financial management. In the lack of management support, the internal audit unit will be ineffective. In contrast, Badara (2012), quoting Thompson (2003), contends that internal auditing should not be limited to financial transactions alone. He believes that internal auditors can equally assist management by ensuring that adequate financial and management controls have been implemented and are operating effectively, or by identifying weaknesses in such systems and making recommendations for their improvement, which include, among other things, detecting errors in their early stages.

Furthermore, the existence of assets is verified in order to protect the organization's assets, errors in account can be corrected early once detected by the internal auditor, it acts as a moral influence on the staff and promotes efficiency by compelling officers to keep their books of account entered up to date, a detailed examination of the financial account submitted by contractors is facilitated, and cash disbursement, such as for wages and salaries, can be checked before disbursement. The function of an internal auditor should be independent in order to review properly internal control systems, regardless of whether they are established by an organization's management, by examining, evaluating, and reporting all adequate information as a contribution to the proper, economic efficiency, and effective use of resources (Millichamp, 2012). According to URT (2019), the accounting officer is responsible for establishing an effective internal audit unit for the evaluation of the internal control system and ensuring that the internal audit is correctly operating.

2.6 Public Sector financial management systems and sustainability accounting

In numerous ways, the public sector exists in economic life. In general, there is no market economy in the world in which the public sector is not intended to be more or less present, either directly or indirectly, as a force affecting and steering economic operators, respectively their behaviour. The evolution of events in this sector (the transition from a command economic system to a market economy) modified the management of activities as well as the consultancy and insurance of public entities' actions.

The public sector is the part of the economy that contains public property, and it includes public companies in the form of autonomous administrations, as well as the patrimony of the central, local, and social security public administrations, as well as a significant portion of agricultural real estate (Lucan, 2017). Given that the boundaries between the public and private sectors are not clearly defined, the public sector might be described as "the total of all activities carried out by the state" in an economic sense. As a result, it is critical for the government to have procedures in place to ensure openness and accountability.

According to Fourie and poggenpoel (2016) Public financial management is an essential instrument that assists the government in managing finances in a systematic, efficient, transparent, and legal manner. Three pillars underpin public financial management;

- Resource allocation (getting funds)

- Controlled delivery (spending funds)
- Accountability (Reporting on funds).

In this situation, the public sector should have mechanisms in place to guarantee that its goals are realized economically, efficiently, and effectively, and internal audit is one of the internal control systems that provides assurance on adherence to agreed-upon norms and standards. Other systems introduced include the Treasury Single Account (TSA), the Integrated Financial Management Information System (IFMIS), Output Based Budgeting (OBB), and sustainability accounting (Lienert, 2009)

Sustainability accounting advocates for the achievement of long-term development goals through the effective use of public funds. As a result, the government may stay sustainable through openness and accountability in the framework of corporate governance, which includes sustainability reporting on the public sector's long-term value through improving strategic operations and risk management. Sustainability accounting serves as a foundation for strategic management decision making and performance assessment, internal control, and reporting, and it has a direct influence on economic performance.

2.7 Importance of Internal Audit in the Public Sector

It's not arguable that auditors have a significant role to play in the detection and prevention of financial irregularities because they are not only agents of shareholders and stakeholders but their access to internal and external information makes them efficient monitor (Dyck et al., 2008). The existence and in fact, the high incidence of irregularities in the public sector brings to mind the question of competence, skills, due care and/or diligence, honesty, and integrity of auditors in the public sector. The foregoing qualities are expected to be displayed by an auditor every time and in every circumstance (Olofin,2005; Agbaje,2007). Furthermore, Lorsase (2004) noted that when financial irregularities occur in work place, the question asked is "where were accountants and auditors? Therefore, that an auditor has the responsibility for the prevention, detection, and reporting of financial irregularities, and other illegal acts and errors is one of the most controversial issues in auditing, and has been one of the most frequently debated areas amongst auditors, politicians, media, regulators and the public (Gay et al., (2002)

According to Herdman (2002), an effective internal audit system is considered "crucial to the success of an organization in stemming fraud and abuse, and in the preparation of accurate

financial statements”. In Zambia, there is growing concern among various stakeholders over the abuse of public resources highlighted in the Auditor General’s report (Auditor General’s report, 2017). Annually, the Government of the Republic of Zambia is involved in the collection and expenditure of hundreds of billions of Kwacha through Zambia Revenue Authority and other ministries and agencies. Owing to the colossal sums involved there is need for accountability and this call for the government to put up measures that will ensure efficient and effective management of public resources. Therefore, all government entities including ministries and agencies are supposed to keep accurate and reliable accounting records for the purpose of auditing (Ali et al., 2007).

According to Baharud-din (2014) internal audit is an essential internal assurance mechanism in the public sector. Internal audit aids government agencies such as Ministries and parastatals to achieve accountability and enhance implementation of government programs and activities. In addition, internal audit is employed as a tool for monitoring and evaluation of financial activities in government entities (Baharud-din, 2014). The role of IA is generally to establish that internal controls are in place by reviewing local policies and examine practices in government to avert abuse of public resources through loss of financial resources and noncompliance to financial regulations.

In a nutshell, the objectives of the internal audit department are to: evaluate financial and operational systems for effectiveness; verify the existence of government assets; determine the accuracy of financial transactions; and provide an advisory service to Controlling and Accounting officers.

2.8 Factors Associated with Effectiveness of Internal Audit

Globally, several studies have identified a number of factors associated with effectiveness of internal audit (Baharud-din, 2014; Krisnamoorthy, 2002; Madibbo, 2015). Specifically, a study in Malaysia reported a significant positive association between competency, auditor’s independence, objectivity, management support and effectiveness of internal audit (Baharud-din, 2014). However, the study suggested that variables of competency and management support had the greatest influence on effectiveness of internal audit. Another study on multistage approach to external evaluation of internal audit functionality identified objectivity, work performance and competence as key factors (Krisnamoorthy, 2002).

A study conducted in Nigeria attributed lack of independence and insufficient internal auditors to ineffectiveness of internal audit (Madibbo, 2015). It was suggested that the few staff are overwhelmed by internal audit work such as record keeping, checking, authorization and approval of documents like vouchers. According to the findings of study in Ethiopia, most organizations in Africa are plagued with several problems such as inadequate staff, unqualified staff who may possess inadequate skills and experience (Belay, 2007). A similar study pointed out that management support is critical to the effectiveness of internal audit (Aaron and Gabriel, 2010). The study suggested that other factors may even derive from the support rendered to internal auditors at different levels.

In view of the studies done elsewhere, it can be deduced that a number of variables can influence effectiveness of internal audit system. In general studies have identified management support, auditor's competence, objectivity and independence as some of the key factors associated with the function and success of internal audit work

2.9 Management Support

Management support for internal audit unit is an important factor that determines the extent to which the unit can fulfil its objectives. The commitment and support of top management is essential for the effective internal audit. Management can demonstrate its support for internal audit by emphasizing the value of independent and objective internal auditing in identifying areas for improving performance quality and by implementing the recommendations of internal audit (Dawuda et al., (2017)

A study conducted in Ethiopia reported on the impact of management support and commitment on the effectiveness of internal audit office (Aliyi, 2016). Specifically, the findings highlighted the attitude and leadership qualities of the head of the institutions as key issues that can affect success of audit work. Supportive management that allows auditors to freely access audit documents during audits enhance the success of such activities. However, environments where audit staff are intimidated and frustrated comprise the quality of audit reports and thereby lead to ineffective audits. In fact, it has been suggested from literature that the success of the internal audit office will depend largely on the strength of management support for the audit work (Aliyi, 2016).

A study by Ali et al., (2007) intimated that the internal audit system is liable to fail due to lack of management support and encouragement. This sentiment is also echoed by Ahmad et al., (2009) who stated that insufficient support from senior management leads to ineffectiveness of the internal audit work.

Baharud-din, et al., (2014) reports a significant positive association among the factors such as auditor competency, auditors' independence, objectivity and management support. Among the factors analysed, management support was the most influencing factor that influenced differences in quality of audit work. Another study also made similar observations that management support had a positive and significant relationship with effectiveness of internal audit (Baheri et al., 2017). These findings are in harmony with the Internal Audit capability model that describes five levels of internal audit activity in accordance with its set of capabilities. On the lower levels of the five, that is 1 and 2, capabilities are characterised by the absence of infrastructure, lack of adherence to established professional practices or partial compliance with professional standards, reliance on professional skills to perform audits, and audit planning based on management priorities (Mupeta, 2017).

Conversely, higher levels that is 3, 4, and 5 capabilities are characterized with professional standards, focus on independence and objectivity, documentation of processes, policies, and procedures; quantitative measurement and management risk, participation in the organization's governance and risk management.

Hence, a country like Zambia that is administered in a democratic policy, there is need for accountability in its use of public money and in providing effective, efficient and economic service delivery (Mupeta, 2017). In order for these objectives to be achieved the government has come up with the requirement for internal audit function as a mechanism for controlling and using of all scarce resources available in the corporate organization.

2.10 Independence and Objectivity of Internal Audit

Independence of Internal Audit According to Chun (1997), "independence is the core of auditing. This entails that; an internal auditor ought to be independent of both the personnel and operational activities of an organisation. Otherwise, the veracity of auditor's opinions, conclusions and pragmatic recommendations would be suspect. This means that independence is very critical and essential for the effective accomplishment of the function and objective of

internal audit. This independence is basically obtained mainly from two features-organisational status and objectivity’’

It has been argued by Aliyi (2016) that effectiveness of government internal audit system is influenced by an institutions independence and objectivity. Internal audit office that are independent and objective are in a position to perform their work without interference from any party. One of the main factors associated with effectiveness of internal audit is independence of the internal audit office in the public sector (Madibbo, 2015). The primary responsibility of internal audit is the provision of independence over internal control systems in the public sector entities (Internal Audit Guidelines, 2008). Altamonte springs (1999) has clarified that independence and objectivity are closely related as they involve the guaranteeing freedom to internal auditors as they carry out their functions. It therefore implies that internal auditors should conduct audit work without fear or favor (Aliyi, 2016).

Independence involves the internal audit staff executing their duties in conformity with professional ethics, relevant standards and pronouncements (Madibbo, 2015). An auditor should be answerable only to one office within an organization to avoid compromising their autonomy and independence. In Nigeria a number of studies have attributed ineffectiveness in the public sector to lack of basic tenets particularly absence of independence during audits (Tijjani, 2003; Dandago and Suleiman, 2005).

2.11 Competency

According to Baharud-din (2014), competency influences efficiency of the auditor, effectiveness of the internal audit and the quality of the audit work done in an organization. Competent internal auditors have the ability to conduct a systematic and disciplined audit to enhance the effectiveness of internal audit (Aliyi, 2016). Academic level, experience, skill and continuous professional development are all used to measure competency (Baharud-din, 2014). In fact, competency relates to the capacity of an auditor to execute their responsibility professionally based on traits such as educational level, experience and continuous professional development.

Another study was carried out by Mihret and Yismav (2007) on internal audit effectiveness in the Ethiopian public sector. Based on the findings of this study, it was found that the internal audit office of the organizations studied had low technical staff proficiency and high staff

turnover, which limited its capacity to provide effective service to the management. Furthermore, it was also found that most employees had a short-term employment contract and needed to upgrade their competencies to enable them to provide the expected high-quality service. It has been suggested that internal audit offices are more effective in the presence of sufficient staff with requisite competencies (Unegbu & Kida, 2011)

2.12 Review of Empirical Studies

Arena et al. (2016) conducted a study on internal audit in Italian organizations that was a multiple case study described the main characteristics of the departments of the internal audit in six Italian companies and to explore and analyze the impact instructions enacting them and through a comparative study between the departments of internal audit in these six companies and through interviews with the directors of internal audit in these companies and see samples of the internal audit reports and public documents and internal instructions relating to governance, the study found great diversity in the main characteristics of Internal audit departments, as well as the study highlighted the institutional pressures faced by internal auditors.

In this example, the interviews revealed that, in addition to institutional constraints, the following elements can influence the evolution of the performance of internal audit departments: (1) Training and culture as the advisory function of internal auditors, pushing them to know all stages of work in the firm; (2) personal and leadership characteristics that allow the internal auditor to persuade all levels of the organization, therefore strengthening and assigning activities; (3) Management's collaboration and responsiveness, as this cooperation is critical for the internal auditor's duty. It should be noted that the internal audit of the door of the key features of the internal audit departments was not sufficiently addressed in this study to assess the role of these sections in completing the tasks and accomplishing the objectives given to it.

Sarens et al. (2016) conducted another research titled "Internal auditors' perceptions of their role in risk management: a comparison of US and Belgian organizations." Whose aim was to clarify and describe the role of internal auditors in the risk management process and to compare internal auditors' understanding of their role in the risk management process in both the United States and Belgium.

To achieve this goal, the researchers conducted interviews with ten internal audit managers in both countries, and concluded the study that in the case of Belgium, internal auditors are focusing their attention on correcting any flaws in their companies' risk management systems and are playing a pivotal role in raising awareness and perception and the formulation of an appropriate system for risk management in their companies, but in the case of America, the merits of internal auditors and their views on risk management were estimated to be an essential part of the requirements of a modern outlook for the internal audit requirements.(Sarbanes-Oxley Act).

Furthermore, Jantan et al. (2008) conducted a study. This study examined the level of commitment of Malaysian listed companies to the Institute of Internal Auditors' Malaysian financial market standards. As well as determining whether compliance with these standards affects (IIA) on internal control systems in these companies, researchers have used the first two questionnaires to examine adherence to professional practice standards for internal audit, and the second to examine the impact of this commitment on the internal control system and use descriptive method to achieve this yen goals.

In this study, the analytical study concluded that professional versatility and thematic sections internal audit in companies listed on the Malaysian market for securities have a significant impact on the efficiency of internal control systems, and the scope of internal audit and professional performance in internal audit departments have an impact on the characteristics of Communication and Information ,Internal control system and features a system of internal control environment, as this study concluded that process management of the Internal Audit department and the performance of audit work and the internal audit plan and report. For internal audit work significantly affect the risk assessment attributes system control as well as internal control activities (Janten et al., 2008)

AL-Muhtadi et al. (2012) conducted a study on internal audit. The study looked at the relationship between the quality of internal audit operations and earnings management in joint stock businesses in order to test whether the quality of internal audit activities has an impact on earnings management practices. Statistical analysis findings indicated (1) There is an inverse relationship with a significant effect between the quality of internal audit and earnings management in joint stock companies, and (2) the size of internal audit work associated with the process of preparing and presentation of financial reports is the only variable which has an inverse relationship with a significant effect on earnings management. The researcher made

recommendations for further research that look at earnings management activities in joint stock businesses in the Gaza Strip to learn how earnings management activities may be used in the Gaza Strip in comparison to economic situations in other companies.

Dessalegn and Yismaw (2017) examined internal audit effectiveness in the Ethiopian public sector and revealed that the internal audit office of the company analyzed needed to enhance the technical competency of internal audit staff, minimize staff turnover, and foster audit effectiveness. The majority of the personnel are on a short-term contract and must improve their skills in order to give high-quality services. Internal audit offices do not establish strategic plans; thus, leaders' suggestions do not receive adequate consideration. Finally, the study revealed that the internal audit office's organizational status and internal organization are reasonably assessed, but internal audit's lack of budget power limits its supervision of resource use, limiting the scope of internal audit services to routine duties.

Kagashe (2018) analyzed the effectiveness of internal audit services unit in preserving public resources in Tanzanian LGAs using Kibaha District Council as a case study. To collect research data, a sample of 25 respondents was used. The study revealed that Internal Auditor's reports lack of sound internal control over the council's resources as a result of management laxity over instituting, supporting and supervising the internal control is in place. The investigation also revealed that the Internal Audit Unit lacks independence in carrying out audit responsibilities in terms of reporting mechanisms and work plans. Other issues noted by this research for Internal Audit Units were a lack of financial and material assistance, a lack of management support in implementing audit recommendations, a lack of essential competence, and insufficient knowledge and experience of Internal Auditors.

Nsengimana (2016) citing Mwakyonga (2009) who examined effectiveness of internal auditing in public sector in Tanzania and employed a sample of 32 respondents. The study revealed a number of factors limiting Internal Auditors' work, including the absence of audit units at lower levels in public organizations. Additionally, the study indicated that auditing sections were located at the headquarters, impacting auditing exercise. High operating expenses and a lack of communication between the headquarters and lower-level public institutions were among the critical factors limiting auditing efforts in the public sector.

Kunze (2010) examined the impact of organization structure on audit functions. The study revealed that organizational structure was a stumbling block to internal audit tasks. The study

also highlights issues with the reporting system and calls for reforms to improve internal audit capabilities in terms of autonomy and resources. The research also discovered management's unwillingness to build strong internal audit units, owing to their negative opinion of Internal Auditors, whom they consider as enemies.

Mulinda (2010) examined the role of internal audit in risk management and discovered that the majority of internal audit professionals lacked fundamental Information Technology (IT) skills, quality assurance machinery was inadequate, and monitoring and evaluation procedures were absent. Similarly, Samagwa (2010) a study to explore the effectiveness of internal audit in risk management control identified lack of internal audit charter and performance gap of the internal audit department as challenges facing internal auditors on assessing risk management in Tanzania.

Unegbu and Kida's (2011) research on the effectiveness of internal audit as a tool for enhancing public sector management in Kano state, Nigeria, revealed that Internal Auditors failed to effectively check frauds in public sector management. Internal audit units in Nigeria face issues such as insufficient personnel, the presence of a small number of public sector audit departments, and a lack of management support in implementing recommendations in audit reports. Other challenges included a lack of knowledge and experience on the use of computers and computer-aided audit programs, lack of progressive career structure, and lack of a conducive working environment for audit staff, inadequate staff remunerations, lack of accountability, and lack of professional officeholders as critical challenges facing audit units in the public sector in kano state.

2.13 Theoretical and Conceptual Framework

In the context of a plethora of internal auditing research, the use of neoclassical economic theories like the agency theory (Adams, 1994) and the transaction cost theory (Sprakman, 1997) have been deemed insufficient because they postulate a developed market economy environment characterized as having considerable transaction volume according to the economic development level throughout countries (Reed, 2012). As a result, the theories' ability to explain internal auditing in broad contexts is limited. To be more explicit, the agency theory cannot be immediately translated to the public sector as the principal may be ambiguous in the sense that the public may not have a single united interest.

For this cause, it must be accentuated that it is challenging to establish the existence of any interest discrepancy that may exist between managers and the public at large. In this context, Mandel (1977) criticized the earlier version of agency theory proposed by Alchian and Demsetz (1972) based on Marxist economics. Similarly, Watts and Zimmerman (1990) study indicated that neoclassical economics postulates that the organizational phenomena are driven by individuals' pursuit of self-interest maximization. In other words, neoclassical economic theories do not provide sufficient potential to explain the development of internal auditing in different settings (Mihret et al., 2010).

The aforementioned views are also criticized by institutional theories that hold that individual behaviour, whether as a product consumer or producer, cannot be separated from the social environment in which it happens. According to Barley and Tolbert (2017), the institutional framework recognizes ethnic and socioeconomic variables as having a considerable effect on decision making (Mihret et al., 2010). Based on this assumption, Mihret et al. (2010) used DiMaggio and Powell's (1983) institutional theory, namely the circuit of industrial capital. Institutional theories primarily serve as the foundation for investigating organizational phenomena in the context of broad social, political, and economic settings. More importantly, they can provide insight into internal auditing processes as a component of organizational systems and provide light on the link between internal auditing and the achievement of the firm's aims (Mihret et al., 2010).

Having established the theoretical background, this study seeks to embed the research problem in a theoretical and conceptual framework. The framework emanates from the agency theory, institutional theory, the policeman theory and Resource Based View theory. Hypotheses are then developed and operationalized before concluding this chapter.

2.13.1 Theoretical Perspectives

There are several different theories that may explain the demand for audit services. Some of them are well known in research and some of them are more based on perceptions. The theories underpinning this research are agency theory, institutional theory, the policeman theory and Resource Based View theory.

2.13.1.1 Agency Theory

Agency theory (Adams, 1994; Nikkinen and Sahlström, 2004) suggests that the auditor is appointed in the interests of both the third parties as well as the management. Furthermore, agency theory posits an inherent moral hazard in principal-agent relations that gives rise to agency costs. For example, agents can adopt accounting procedures and methods that give favourable accounting results and which may maximize their own wealth under compensation and reward incentive schemes. Thus, agency theory analyses the relationship between two parties: investors and managers. The agent (i.e. manager) undertakes to perform certain duties for the principal (i.e. investors) and the principal undertakes to reward the agent (Jensen and Meckling, 1976). According to agency theory, the role of the auditor is to supervise the relationship between the manager and the owners.

A basic agency model suggests that, as a result of information asymmetries and self-interest, principals lack reasons to trust their agents and will seek to resolve these concerns by putting in place mechanisms to align the interests of agents with principals and to reduce the scope for information asymmetries and opportunistic behaviour. It is not arguable that agents are likely to have different motives to principals. They may be influenced by factors such as financial rewards, labour market opportunities, and relationships with other parties that are not directly relevant to principals. This can, for example, result in a tendency for agents to be more optimistic about the economic performance of an entity or their performance under a contract than the reality would suggest. Further, agents may also be more risk averse than principals. As a result of these differing interests, agents may have an incentive to bias information flows. Principals may also express concerns about information asymmetries where agents are in possession of information to which principals do not have access. Differing motivations and information asymmetries lead to concern about the reliability of information, which impacts on the level of trust that principals will have in their agents. There are various mechanisms that may be used to try to align the interests of agents with principals and to allow principals to measure and control the behaviour of their agents and reinforce trust in agents.

Given that principals will always be interested in the outcomes generated by their agents, agency theory demonstrates that accounting and auditing have an important task in providing information and this task is often associated with stewardship, in which an agent reports to the principal on the companies' events (Ijiri, 1975). The demand for auditing rests on the need to have some means of independent verification to reduce record keeping errors, asset

misappropriation, and fraud within business and business organization. Nevertheless, a company is viewed as a web of contracts. Several groups (suppliers, bankers, customers, employees etc.) make some kind of contribution to the company for a given price. The task of the management is to coordinate these groups and contracts and try to optimize them: low price for purchased supplies, high price for sold goods, low interest rates for loans, high share prices and low wages for employees. In these relationships, management is the agent, which tries to gain contributions from principals (bankers, shareholders, employees etc). The most prominent and widely used audit theory is the agency theory.

2.13.1.2 Policeman Theory

This was the most widely held theory on auditing until the 1940s (Hayes et al., 1999). Under this theory, an auditor acts as a policeman focusing on arithmetical accuracy and on prevention and detection of fraud. The policeman theory claims that the auditor is responsible for searching, discovering and preventing fraud. In the early 20th century this was certainly the case (Islam, 2010). However, more recently the main focus of auditors has been to provide reasonable assurance and verify the truth and fairness of the financial statements (Islam, 2010). The detection of fraud is, however, still a hot topic in the debate on the auditor's responsibilities, and typically after events where financial statement frauds have been revealed, the pressure increases on increasing the responsibilities of auditors in detecting fraud (Islam, 2010). However, due to its inability to explain the shift of auditing to, 'Verification of truth and fairness of the financial statements,' the theory seems to have lost much of its explanatory power.

2.13.1.3 Institutional Theory

The Institutional theory advocates that organizations are both influenced by and can influence the society in which they operate (DiMaggio and Powell, 1983). The Institutional theory accentuates the rules that are imposed by external parties, especially government; the values and norms that are internalized in roles as part of the socialization processes; and the cultural controls that underpin the belief systems that are supported by the professions (Collier and Woods, 2007). The basic principle of the institutional theory is that the organizations' tendencies towards conformity with predominant norms, traditions and social influences in their internal and external environments can lead to homogeneity among organizations in their structures and activities (Oliver, 1997).

Hence, successful organizations are those that obtain support and legitimacy by conforming to social demands. This is supported by institutional theorists who asserted that conformity to social expectations could contribute to organizational success and survival (Oliver, 1991). The new institutional theory or neo-institutionalism was articulated by Meyer and Rowan (1977) as well as DiMaggio and Powell (1983). According to Meyer and Rowan (1977), the argument that organizations were structured by phenomena in their institutional environment and could increasingly become isomorphic with them was an important characteristic of neo-institutionalism. The isomorphic process, then, would stimulate the success and survival of organizations. An organization would be able to enhance the commitment of their internal participants and external constituents by integrating externally legitimated formal structures and organizational practices (Hu, Hart and Cooke, 2007).

Nevertheless, central to the neo-institutional theory is the institutionalization process and the isomorphism process (Hu, et al., 2007). In this vein, Tolbert and Zucker (1983) defined the institutionalization process as “the process through which components of formal structure become widely accepted, as both appropriate and necessary, and serve to legitimate organizations” (p.25). It is the key word “legitimate” from which the adoption of the institutionalized norms, values and behaviours was coined so much so that it became known as the search for legitimacy in the environment (Zucker, 1987). Legitimacy was defined by Suchman (1995) as “a generalized perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definitions” (p.574).

The second important component of the two most important components of the neo-institutionalism is the isomorphism process. Isomorphism is the process by which organizations begin to adopt similarities and form a homogenous set of organizations (DiMaggio and Powell, 1983). The Institutional Theory of DiMaggio and Powell looks at the environment surrounding organizations as an important aspect in determining their behaviours. Therefore, according to Zucker (1987), when organizations adopt the legitimized elements from the external environment, isomorphism is attained and the probability of survival is frequently improved. DiMaggio and Powell identified three general mechanisms of isomorphism: Coercive isomorphism, Mimetic isomorphism and Normative isomorphism.

It is imperative to accentuate that the institutional theory has been applied in control systems by many researchers including Burns and Scapens (2000) as well as Collier and Woods (2007).

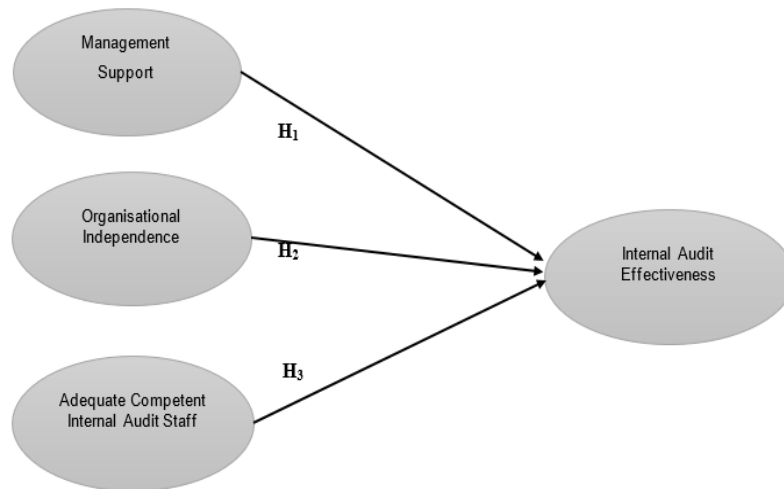
Apart from that, previous researchers such as Arena et al. (2006); Arena and Azzone (2007) and Christopher et al. (2009) have correspondingly adopted the institutional theory in exploring accounting and auditing innovations. Specifically, the institutional theory has recently obtained great attention from researchers in voluntary adoption and the development of the Internal Audit function might be due to its appropriateness in supporting its validity for interpreting the process of adoption and enactment of innovations (Arena and Azzone, 2007).

This research must accentuate that all three theories are valid and appropriate to explain and interpret the traditional and new function of the internal audit department. The Institutional theory would help to emphasize the function of the internal audit in the company and its importance for effective and efficient operations and activities of the business. Agency theory could be used to analyse the role of the internal audit department to protect the company's or organization's funds on behalf of the owners as well as the management of the company. The policeman theory coupled with the role theory could interpret the new development in the responsibilities and function of the internal audit in terms of providing value for money services and consulting to the business. All three are important to understand and better develop the function of the internal audit.

2.14 Conceptual Framework

A conceptual framework is a set of theories and broad ideas that help a researcher to properly define and identify the problem under investigation. Therefore, the implication of the conceptual framework below is that management support, organizational independence, and adequate competent internal audit staff may have significant effect on internal audit effectiveness. In line with the agency theory and institutional theory, this research was guided by the research conceptual framework in Figure 2.1 below. The Conceptual framework was adapted from Mihret and Yismaw (2017) and Cohen and Sayag (2010) and further modified. It is worth adopted as there has been no literature that has been found on this study undertaken in the Zambian context and it's repeatedly mentioned by different scholars which emphasizes its significance in the adoption of the effectiveness of Internal Audit.

Figure 2.1: Conceptual framework



Source: Author 2021

Independent variables: This study focused on three independent variables that may have an impact on the internal audit effectiveness in the public-sector offices. Those predicted variables investigated in this study are: the managements support for internal audit activity, organizational independence of internal audit work, and adequate competent internal audit staff. It should be mentioned that the data for the independent variables were gathered from the internal auditors of the selected government departments. Therefore, the independent variables indicate internal auditors' assessments of these notions.

Dependent variable: In the same way, with the dependable variable items, all of the independent variables items were measured on a five-point Likert-scale where the lowest scale represent strongly disagree and the highest scale represent strongly agree (Likert,1932).The dependent variable for this research is the Internal Audit Effectiveness.

In here the internal audit effectiveness are measured in terms of internal auditors' ability to identify non-compliance activities with the offices procedures and policies, and the contributions added by Internal Audit to the public offices. Compliance audit is a type of audit service that mostly performed by internal auditors of the organisation (Fadzil, et al., 2005). Compliance is defined as ‘adhering to the requirements of laws, industry and organizational standards and codes, principles of good governance and accepted community and ethical standards’. Compliance also involves ascertaining the extent of compliance with established policies, plans, procedures, laws and regulations, which could have a significant impact on the

organisations operations. Therefore, Internal Audit is responsible to regularly assess and verify internal operations conformance with organisations policies and procedures, and then issue compliance report to the concerned body.

Based on the aforesaid institutional and agency theoretical analysis and the conclusions of prior research, it is suggested that in today's complex and changing environment, management support, organizational independence, and adequate competent internal audit staff may have significant effect on internal audit effectiveness. Therefore, for the purpose of this research, the following hypotheses have been proposed and thus, this study aims to prove the following hypothesis:

Management Support

H₀: Management support has no significant effect on internal audit effectiveness

H₁: Management support has a significant effect on internal audit effectiveness

Organisational Independence

H₀: Organisational independence has no significant effect on internal audit effectiveness

H₂: Organisational independence has a significant effect on internal audit effectiveness

Adequate Competent Internal Audit Staff

H₀: There is no significant level of adequacy of competent internal audit staff in the public sector

H₃: There is a significant level of adequacy of competent internal audit staff in the public sector

2.15 Lessons Learnt

An audit allows a business to uncover ineffective systems, take remedial action, and ultimately encourage continuous improvement. Unfortunately, a badly implemented internal auditing system can result in higher, non-value-added costs, countless hours of lost resources, and the eventual, unavoidable disintegration of a ministry or parastatal.

Management must accept that the internal audit process is equally as crucial and significant as any other operation in the public sector. Senior management must be committed to an internal auditing system. Without their permission, support, and encouragement, the internal audit process is bound to fail and, worse, to squander time and money.

When scheduled audits, on the other hand, are repeatedly postponed, management sends a clear message that "auditing has a poor priority, and is only undertaken because it is a necessary evil." It is noteworthy that several ISO-registered ministries and parastatals continue to fail to exhibit necessary internal audit efforts. It always comes down to management knowing and supporting the internal audit process and its significant usefulness in these circumstances. Ironically, these same institutions are baffled as to why their Quality Management System (QMS) fails over time.

As a result, firms that understand and support their internal audit processes sharpen the edge of their financial management system. Their internal auditors have learned how to assess the efficacy of a system as well as assure compliance. These businesses have advanced and grasp the nuances of continual development. The reasons for this are that the more devoted senior management is to the success of the company's financial management system, the better and more successful that system is likely to be. However, this is merely the first pillar of the quality system's structure.

2.16 Chapter Summary

Finally, the literature study revealed that there is a global scarcity of literature on the effectiveness of government ministries' internal audits. The study is motivated to explore the factors that affect the effectiveness of internal auditing in order to understand why there is a high incident of reported irregularities despite a legal framework in place. Some of the gaps/limitations identified in the previous studies include

1. A review of the extant literature indicates that there is a further scanty in research in Zambia on studies anchored on the factors that affect the effectiveness of internal auditing.
2. The studies carried out in Zambia on internal auditing primarily targeted the districts. Therefore, the need to undertake this study in the provincial headquarter.

3. Thirdly, no research has been conducted to devise a framework or examine the government's attempts to improve the effectiveness of internal auditing in the public sector.
4. To fill these gaps, this research conducted a thorough assessment of the factors influencing internal audit in the public sector and recommended an Audit framework. This has provided a more complete picture of the current situation of internal auditing in the public sector. The explanation of the conceptual framework which serves as the foundation of the research establishes the link between the study's concepts. The next chapter discuss the research design, methodology, and procedures that will be used to test the hypothesis.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter is all about the research methodology. It lays out the research methodology, research philosophy, research design, and plan of work in a nutshell. It describes the population and sample methods used, as well as the instruments used in data collection, or in other words, it introduces the overall methodological approach for each problem or question, indicating how the approach fits the overall research design, and describing the specific data collection methods used.

The philosophy or overarching idea that guides the study is referred to as methodology. The study employed a quantitative method of research, which proved to be more suited for the investigation of factors influencing the efficacy of internal auditing in the public sector and the generation of data through the use of a large-scale survey.

3.2 Research Philosophy

The development of knowledge and the nature of that knowledge are central to research philosophy. It represents the researcher's personal interests, attitudes, talents, assumptions, goals, and aspirations. It may have an influence on the approach used in the study article. It is critical to plan ahead of time the method you will take and why. The following are the ontologies of four key research philosophies;

Positivism: Positivistic research approaches are based on research methodologies that are regularly utilized in science. They are distinguished by a detached research approach that searches for the facts or causes of any social phenomenon in a systematic manner. Positivistic approaches are based on the notion that studies of human behavior should be undertaken in the same manner as research of natural sciences (Collis & Hussey, 2003, p.52). Positivistic approaches strive to discover, quantify, and assess every phenomenon in order to give a reasonable explanation. This explanation will seek to identify causal ties and correlations between the subject's many aspects (or variables) and relate them to a certain theory or practice. There is a widespread idea that humans respond to external stimuli or forces, rules (norms),

and that they can be found, defined, and characterized using logical, methodical, and deductive methods.

Interpretivism: Interpretivists approach research with the belief that human behavior is more difficult to quantify than events in the scientific sciences. Human motivation is impacted by aspects that are not always obvious, such as interior thought processes, making it difficult to generalize on, say, motivation based just on observation of behavior. Furthermore, people assign their own interpretations to events, which may not necessarily correspond with the interpretations of others. This viewpoint implies that humans frequently affect events and act in unforeseen ways that disrupt any built rules or recognized standards - they are frequently 'actors' on a human stage who modify their 'performance' according to a wide variety of circumstances. The approaches of interpretivists are primarily focused in understanding behavior through the participants' own subjective frames of reference. As a result, research methodologies are used to attempt to describe, translate, explain, and interpret events from the viewpoints of the persons being studied.

Realism: Realism focuses on explaining what we see and experience in terms of the underlying reality structure that shapes visible occurrences (Saunders et al., 2012). Realism, like positivism, presupposes a scientific method to knowledge generation. Realism is based on the belief that reality is independent of the human intellect.

Pragmatism: Pragmatists understand that there are several ways to perceive the world and conduct research, that no single point of view can ever provide the complete picture, and that there are various realities (Saunders, 2012). The primary assumption of positivism is shared by Pragmatism; however, it adopts a more relativistic approach. There is an objective reality, but knowledge of it is mediated via humans' subjective experiences. Knowledge is, by definition, incomplete and limited by individual experience. For a pragmatist, research begins with a problem and ends with practical answers that influence future practice (Saunders, 2012). Pragmatism was chosen as the research paradigm underpinning this study.

3.3 Research Design

Scholars define research design as the entire strategy for conducting research, which includes the confluence of ideologies, approaches, strategies, and associated methods of investigation (Creswell, 2014). The main idea is that it provides a framework for generating evidence that is

appropriate for investigating research problems (Bryman and Bell, 2011). In this sense, research design incorporates explicit or implicit considerations concerning research philosophy, which in turn affects the researcher's study strategy. In a research report, eight distinct research designs are used: experimental, correlational, survey, grounded theory, ethnographic, narrative research, and mixed method designs. These designs have various qualities. Others concentrate on qualitative research, while others concentrate on quantitative research or a combination of the two. Because a researcher may not want to test an activity or materials, or may be uninterested in the relationship between variables, this study employed a survey research design. Instead, the researcher can try to characterize trends in a huge community of people. A survey is a useful method to utilize in this scenario. Survey designs are procedures in quantitative research in which the researcher administers a survey or questionnaire to a small group of people (referred to as the sample) in order to identify trends in attitudes, opinions, behaviours, or characteristics of a larger group of people (referred to as the population) (Creswell, 2014).

The quantitative survey was chosen as the research paradigm supporting this investigation based on the nature of the research problem. This is due to the fact that, to the best of the researcher's knowledge, the study on the factors influencing the efficacy of internal auditing in the Zambian public sector has never been done previously, both in substance and in context. With a few exceptions (Woodier-Harris, 2010), most studies on institutional audit effectiveness are not only positivistic (Gartner, 2010), but have also been done exclusively in developed nations, limiting the generalizability of earlier study findings abroad (Nabi and Lián, 2011). With this background, quantitative survey research was required.

3.3.1 Justification for Research Approach

Generally, deduction is associated more with positivist and induction with interpretivist. Pragmatic perspectives suggest that it is possible for a research cycle to emerge where conclusions of an inductive approach (theory building) can be further evaluated to confirm the findings using the deductive approach (theory testing). Conversely, it is also possible that a deductive study may exhume some unexpected and hard to explain result which could then be explored by using an inductive approach (Creswell, 2014).

However, Creswell (2014) suggests criteria to determine whether a particular research problem should be tackled inductively or deductively or both. Firstly, availability of enough literature

from which a theoretical framework and hypotheses can be defined inclines itself more to deduction. However, for topics that are new and are subject to scant literature, it may be more appropriate to work inductively by generating data, analyzing it, and reflecting on the theoretical themes the data suggests. Secondly, the time available may also be an issue. Deductive research can be quicker while inductive research can be more protracted. Lastly, the needs, interests, preferences and practicalities for stakeholders should be another guide for the decisions (Saunders et al., 2009). For the current research, after conceptualizing a model based on extant literature, a deductive quantitative approach was necessary for model testing. At the same time, since Zambia has a knowledge gap both in context and content, it was necessary to have an in-depth understanding of the research issues

3.2.2 Justification for Research Strategy and Methods

This research employed a quantitative design, which is highly grounded in the philosophy of social sciences literature. The selection of the design is in line with (Creswell, 2014). The quantitative data was to establish the factors affecting the effectiveness of internal auditing in the Zambian Public Sector. This meant collecting quantitative data. The strategy was intended for model testing and in-depth understanding of phenomena (Creswell, 2014). The basis for this choice was because there was existing literature from which a conceptual model and hypotheses could be developed, a quantitative study was deemed appropriate for model testing. The quantitative research ensured that highly structured and objective methods were employed in order to test hypotheses, facilitate research replication and generalise findings. This was accomplished through the survey method, facilitated by a structured self-completed questionnaire as a data collection instrument (Liñán et al., 2011).

3.3 Population and Samples

3.3.1 Study Population

The population is the complete collection of elements from which the researcher wishes to draw conclusions. Study population is any group of people that share one or more qualities that are of interest to the researcher. The population may consist of all persons of a specific kind, or a more limited subset of that group. The primary goal of this research was to identify and analyse the elements that influence the effectiveness of internal auditing in the Zambian public sector. As a result, the research population for this study consisted of government Internal Audit professionals. The study population consisted of 22 government ministries with a total

of 270 internal audit members. The study population was calculated by multiplying 22 ministries by the maximum number of internal auditors in each ministry (22*10), yielding 220 internal auditors plus key informants and directors of finance who are important users of the Internal Audit function coming up with study population of 300 respondents.

3.3.2 Sampling Techniques

A sample is a subset of a population chosen for observation and analysis. By studying the features of the sample, one might draw conclusions about the characteristics of the population from which the sample was chosen. Samples are not picked at random, but rather in a systematic random manner, so that chance or the operation of probability may be used. The study made use of probability Systematic Random Sampling. The elements of the population were organized into a list, and every Kth element in the list was systematically selected for inclusion in the sample. To eliminate any potential human bias in this procedure, the researcher chose the first person at random. Systematic random sampling was employed because it is straightforward and allows the researcher to incorporate a systematic element into the random selection of Audit employees while also ensuring that the population was selected equitably.

The other sampling technique was to divide the public sector into clusters based on their services rendered to the public and with the highest record of audit queries (education, health, finance, commerce, and security), and then divide it into different homogeneous substratum based on regions or location (Ridgway, Longacres, and Government Complex) for proximity and cost effectiveness. In Lusaka district, the researcher concentrated on six government ministries and three parastatal organizations (NAPSA, ZESCO, and ZRA).

3.3.3 Data Collection and Procedure

Data collection was based on a survey of the first 6 Government Ministries and 3 Parastals. The initial sample targeted 120 respondents, then after the researcher incorporated a few key informants and users of Internal Audit services (Accountants, Head of departments and controlling officers) the study ended up with the sample size of 172.

The survey design was based on questions that could be easily answered by the respondents and which could limit possible framing effects. The questionnaires were pre-tested in order to understand how the respondents would interpret the questions.

The questionnaires were distributed to the respondents as they reported for work using systematic Random Sampling. A total of 172 questionnaires were collected with an overall response rate of 100%.

3.3.4 Sample Size

The sample size comprised of 172 respondents; it was scientifically determined using the formula;

$$n = \frac{N}{1 + N(e^2)} \text{ where } n = \text{the sample size} = \frac{300}{1 + 300(0.05^2)}$$

N=the population size of internal audit staff

e= the acceptable sampling error

*95% confidence level and p=0.5 is assumed

As a result, with N=300 and e=5%, the sample size was 172. A total of 172 audit employees and users of Internal Audit serves were sampled using a systematic random sampling (48 from Ministry of finance, 20 Ministry of general education, 10 Ministry of commerce, 12 provincial administration 30 ministry of health and 52 parastatals). Only four heads of internal audit units were enrolled as key informants and were given the questionnaire on interviewer administered. As for the controlling officers, they did not participate fully since they had a hectic schedule because it was election year.

Even if the use of proportional sampling is appropriate in order to obtain a representative sample from each strata; because of the samples selected from the population have not equally selected /not equally important/ the use of random sampling is more essential to obtain a typical and representative of the population (Kothari, 2004).

3.3.5 Data source and type

Primary data is where information is sourced first hand while secondary data refers to any published and unpublished material that is relevant to the research topic. Primary data was collected by way of administering a survey questionnaire while secondary data was collected from ministry of finance website and newsletters, Auditors general reports, google scholar and central statistics office

3.4 Research Instrument

A questionnaire was developed using (Mihret and Yismaw, 2007; Cohen and Sayag, 2010; Arena and Azzone, 2009) approach. To collect the data from the respondents included in the sample, questionnaires were distributed. The questionnaires were distributed to the managers and the internal auditors of the public-sector office. As earlier alluded. the questionnaires were adopted and modified from the prior author and literature review (Mihret and Yismaw, 2007; Cohen and Sayag, 2010; Arena and Azzone, 2009), an approach which is recommended in methodological literature for studies of this nature (Bryman and Bell, 2007) and those questionnaires are prepared in the form of Likert-Scale type (showing respondents agreement or disagreement where respondents were expected to rate their level of agreement to given statement where 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.) by constructing into five-point scale where the lowest scale represents strongly disagree and the highest scale represent strongly agree (Likert, 1932).

The questionnaires distributed to the respondent are organized in to two parts; the first part comprises the demographic question regarding the respondents, and the second part contains items relating to the effectiveness of Internal Auditor and its determinants

3.5 Data Analysis

The Statistical Package for Social Sciences (SPSS) and Microsoft Excel were used where data was scored and coded on a 5-point Likert scale to facilitate data analysis. In respective applications, frequency tables and graphs (charts) were handled. In addition, descriptive statistics was used to summarise the overall trend of tendencies in the data, providing an understanding of how varied the scores might be and provide insight into where one score stands in comparison with others (Saunders, Lewis and Thornhill, 2009)

On the other hand, inferential statistics test the difference or relationship that exist between variables, helps identify the real difference between variables and makes inferences on the data. The researcher chose chi-square test because it is mainly used to analyse numerical data which is the predominant nature of the study being undertaken. Hypotheses were tested by comparing an observed value of a sample with a population value to determine if no difference or relationship exists between the value which led to the decision about rejecting or failing to reject the null hypothesis (Creswell, 2014).

3.6 Ethical Considerations

In research, ethical issues include informing participants of the study's purpose, refraining from deceptive practices, sharing information with participants (including the role of a researcher), being respectful of the research site, reciprocity, using ethical interview practices, maintaining confidentiality, and collaborating with participants (Creswell, 2014). Each questionnaire described the study's goals; the level of secrecy and ethical standards were fully and thoroughly addressed.

The questionnaires were filled out by the respondents themselves. The researcher obtained Ethical clearance approval from the University, and permission to gather data was requested, as shown in Appendices II and III.

3.7 Internal Validity and Reliability

Reliability: Reliability refers to whether the data collection technique and analytical procedures would reproduce consistent findings if they were repeated on another occasion or if they were replicated by another researcher. Threats to reliability include the following; participant error, research error and researcher bias. The researcher ensured that all the factors which produce a false response or which alter the researcher's interpretation were avoided. The researcher undertook a pre-test of the survey questionnaire in order to determine the strength and weakness of the survey concerning question format, wording and order. (Creswell, 2014)

Validity: According to Creswell (2014), validity is concerned with whether the inferences drawn are true or correct. Threats to internal validity include; selection bias, sample size, history, maturation and testing. There are four types of validity; (i) Statistical conclusion validity-refers to the appropriate use of statistics, (ii) Construct validity- which means the validity of inferences about the construct or variables in the study, (iii) External validity- which refers to the validity of the cause-and-effect relationship being generalizable to other persons, settings, treatment variables, and measures and (iv) Internal validity which relates to the validity of inferences drawn about the cause and effect relationship between the independent and dependent variable.

Internal validity, according to LeCompte and Goetz (1982), evaluates if there is a good fit between the researcher's observations (data) and the theoretical concepts they produce. Qualitative research has a distinct advantage in terms of internal validity. This is due to the fact

that transcripts of interviews, especially if they are validated by the participants, give a foundation for determining the amount of congruence between conceptions and observations (Mwiya, 2014). However, because this was a quantitative study, the internal validity in this study was mostly determined by the researcher's ability to effectively tabulate and interpret the results during the analysis.

3.8 Preliminary Statistical Checks and Data Analysis

The data was reviewed for missing data, outliers, and completeness before any analysis were performed. There was no outlier that was left out. For the most part, measures of central tendency, such as mean, were employed in the study. The standard deviation was used to calculate dispersion. Kurtosis and skewness were both measured.

3.9 Chapter Summary

This chapter discussed the research design that was employed to carry out the research in order to meet the research objectives. It presented numerous research design options and defended the quantitative survey research design decision. The measurement model was described, and the grounds for internal validity were discussed. Finally, the chapter described the preliminary statistical checks that were done as well as the data analysis methodologies used in the study. The chapter that follows goes into data analysis and findings.

CHAPTER 4

DATA ANALYSIS, INTERPRETATION AND DISCUSSION

4.1 Introduction

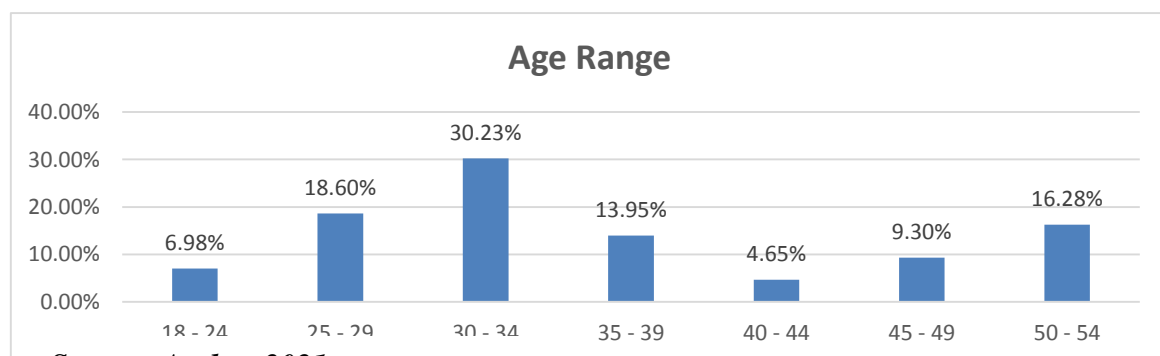
This chapter presents the research findings based on the research objectives and discusses the results obtained from the research survey. The results are based on the survey data from 172 respondents surveyed in the public sector. The average scores of the dependent and independent variables/items was obtained for each construct by computing them into SPSS. The research findings of the questionnaires are discussed in relation to current literature. Statistical Package for Social Sciences (SPSS) was used to analyse the data. The following main parts are presented in this chapter: Demographic profile (Section 4.2), Presence of an audit committee (section 4.3), descriptive statistics and chi-square tests (section 4.4), discussion of results (section 4.7) and summary of findings (section 4.8).

4.2 Demographic Profile of Respondents

This section of the study presents the demographic background of the respondents. Among the considered are age range, gender, marital status, and level of education. Gender was considered important in this study because it may have a direct effect on attitude and perception while the distribution of age of the respondents confirms that they are of the right age to be employed in both the parastatal and Government ministries. Therefore, they are no minors. This implies that the respondents had a high level of comprehension and experience in the industry for the items in the questionnaire.

4.2.1 Age Range of Respondents

Figure4.1: Age of respondents



Source: Author 2021

Figure 4.1 shows that most of the respondents (30.23%) were in the age range of 30 – 34 years, 18.60% were between 25 – 29 years, 16.28% were between 50 – 54 years, 13.95% were between 35 – 39 years, 9.30% were between 45 – 49 years, 6.98% were between 18 – 24 years, and 4.65% were between 40 – 44 years.

4.2.2 Gender of Participants

Table4.1: Gender

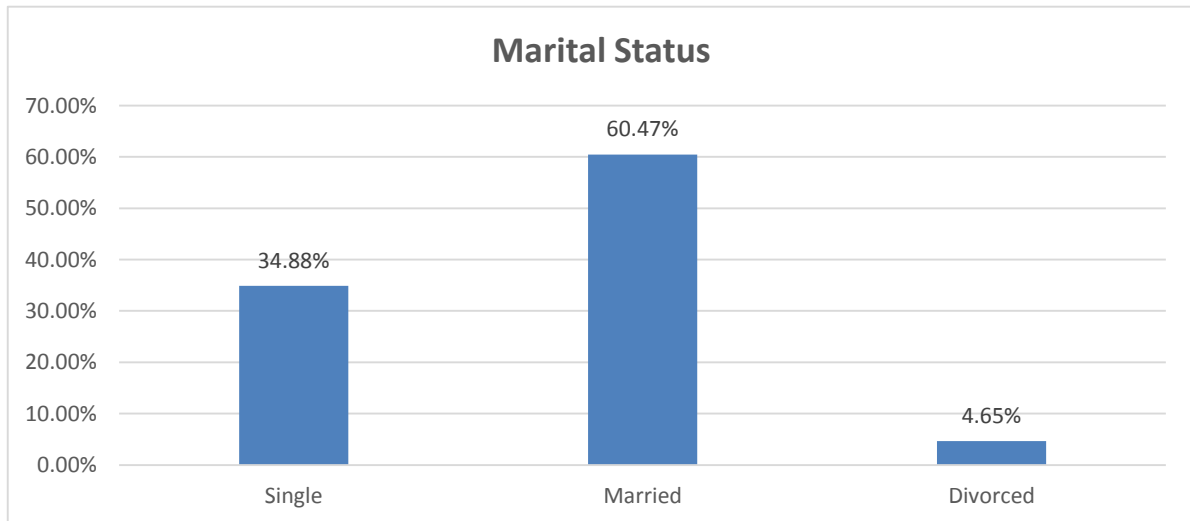
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	132	76.7	76.7	76.7
	Female	40	23.3	23.3	100.0
	Total	172	100.0	100.0	

Source: Author 2021

Table 4.1 reveals that most of the research participants (132) were male as represented by 76.7%, 40 were female as represented by 23.3%.

4.2.3 Marital Status of Participants

Figure4.2: Marital status

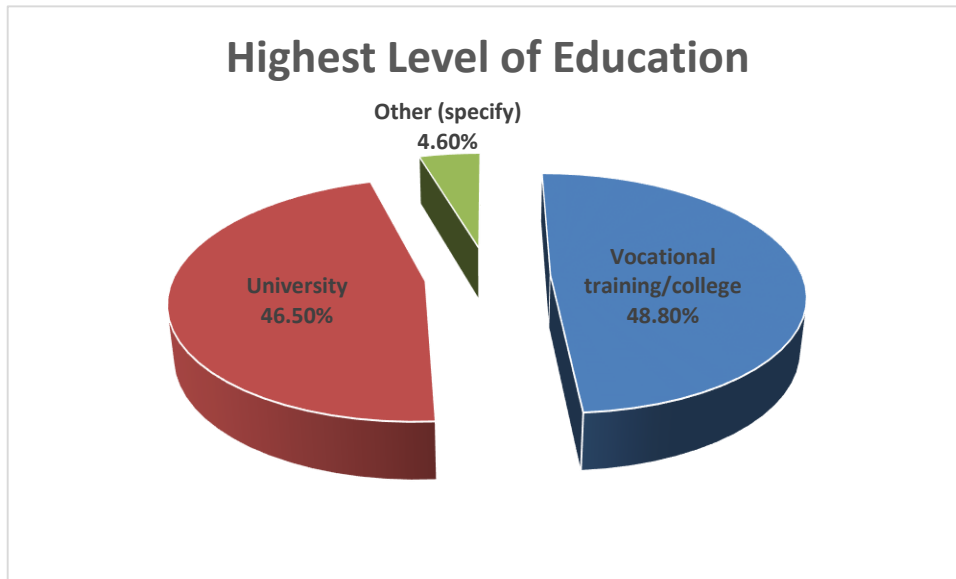


Source: Author 2021

Figure 4.2 indicates that 60.47% were married, 34.88% were single, and 4.65% were divorced.

4.2.4 Education Attainment

Figure4.3: Level of education



Source: Author 2021

As revealed by figure 4.3, 48.80% of the respondents indicated vocational training/college education attainment, 46.50% indicated university level of education, and 4.60% indicated other.

4.3 Presence of an Audit Committee

Table4.2: Audit Committee Presence

A	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	156	90.7	90.7	90.7
No	16	9.3	9.3	100.0
Total	172	100.0	100.0	

Source: Author 2021

When asked about organization/sector having an audit committee, 156 respondents as represented by 90.7% indicated yes while 16 respondents as represented by 9.3% indicated no.

4.4 Interpretation of Key Findings

The research used and designed a questionnaire for all data needed in the different sections. The questionnaire used a five-point Likert scale, of which the interpretations are shown in table 4.3.

Table4.3: Likert scale interpretation

Scale	Response	Mean Range	Interpretation
1.	Strongly disagree	1.00 to 1.80	Very low
2.	Disagree	1.81 to 2.60	Low
3.	Neutral	2.61 to 3.40	Moderate
4.	Agree	3.41 to 4.20	High
5.	Strongly agree	4.21 to 5.00	Very high

Source: Author, 2021

4.5 Management Support

Under management support, five items were identified as established in table 4.4

Table4.4: Descriptive Statistics - Management Support

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
1. I receive full cooperation, access to records and information from my office/sector	172	3.6512	1.01183	-0.488	0.185	-0.867	0.368
2. I can get the necessary resources (facilities) that help me to perform auditing activities as needed	172	3.6744	0.7405	-0.794	0.185	0.401	0.368
3. The office/sector supports me by providing training in order to improve my skill and update with the field	172	3.4651	1.15163	-0.332	0.185	-0.818	0.368
4. The office/sector supports me to introduce myself with new technology, policy or procedures when it is necessary	172	3.3023	0.85251	-0.625	0.185	0.863	0.368
5. The office/sector supports Internal Auditing staffs by budgeting funds for certification to have relevant education in auditing that allows them to audit all of the organization's/sector's systems	172	3.2558	0.92003	-0.349	0.185	0.205	0.368
Valid N (listwise)	172						

Source: Author 2021

Interpretation of Table 4.4

On the assertion that ‘I receive full cooperation, access to records and information from my office/sector’ the mean that was obtained was 3.6512 with a standard deviation of 1.01183. This entails that most of the respondents agreed with the assertion. On the statement ‘I can get the necessary resources (facilities) that help me to perform auditing activities as needed’ the computed mean was 3.6744 with the standard deviation of 0.74050. This reveals that most of the participants agreed with the statement. On the responses under ‘the office/sector supports me by providing training in order to improve my skill and update with the field’ the mean score that was found was 3.4651 with a standard deviation of 1.15163. This indicates that on average, most of the respondents agreed on the statement that the ‘the office/sector supports me by providing training in order to improve my skill and update with the field.’

The fourth assertion ‘the office/sector supports me to introduce myself with new technology, policy or procedures when it is necessary’ most of the respondents were neutral as indicated by the mean score of 3.3023 with a standard deviation of 0.85251.

On the final statement ‘the office/sector supports internal auditing staff by budgeting funds for certification to have relevant education in auditing that allows them to audit all of the organization/sector’s systems’ the computed mean was 3.2558 with a standard deviation of 0.92003. From the mean score obtained, it shows that most of the respondents indicated neutral on the statement.

4.5.1 Composite Mean on Management Support

Table4.5: Composite mean - management support

Statement	Mean	Std. deviation	Interpretation
I receive full cooperation, access to records and information from my office/sector	3.6512	1.011833	High
I can get the necessary resources (facilities) that help me to perform auditing activities as needed	3.6744	0.7405	High
The office/sector supports me by providing training in order to improve my skill and update with the field	3.4651	1.15163	High
The office/sector supports me to introduce myself with new technology, policy or procedures when it is necessary	3.3023	0.85251	Moderate
The office/sector supports internal auditing staff by budgeting funds for certification to have relevant education in auditing that allows them to audit all of the organization’s/sector’s systems	3.2558	0.92003	Moderate
	3.46976	0.9353006	High

Source: Author 2021

The findings indicated in the tables 4.4 and 4.5 on the extent of top management support significant effect on internal audit effectiveness shows that the effect was high, at a composite mean of **3.46976** and standard deviation of **0.9353006**. These findings are compelling enough to reject the first null hypothesis which states that management support has no significant effect on internal audit effectiveness. The hypothesis can be tested and verified further using the chi-square test.

4.5.2 Test Statistics: Chi-Square of Management Support on IAE

Table 4.6 shows chi-square test to show whether management support has significantly improved internal audit effectiveness.

Table4.6: Test Statistics - Management Support

	I receive full cooperation, access to records and information from my office/sector	I can get the necessary resources (facilities) that help me to perform auditing activities as needed	The office/sector supports me by providing training in order to improve my skill and update with the field	The office/sector supports me to acquaint myself with new technology, policy or procedures when it is necessary	The office/sector supports Internal Auditing operations by budgeting funds for certification to have relevant education in auditing that allows them to audit all of the organization's/sector's systems
Chi-Square	55.349 ^a	138.698 ^a	34.977 ^b	141.023 ^b	104.744 ^b
Df	3	3	4	4	4
Asymp. Sig.	0.003	0	0.068	0	0

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 43.0.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 34.4.

Source: Author 2021

From table 4.6, items 1, 2, 4 and 5 were significant (0.003, 0.00, 0.00, and 0.00) respectively except for item 3 which had a value of 0.068 at 0.05 level of significance. As such, four of the five obtained chi-square values are too large (therefore, significant) to have occurred by chance. There were actual differences between the expected and observed results. This leads to reject the null hypothesis.

4.6 Organizational Independence

Table 4.7 shows the descriptive statistics obtained on organizational independence.

Table 4.7: Descriptive Statistics - Organizational Independence

	N	Mean	Std. Deviation	Skewness		Kurtosis	
				Statistic	Std. Error	Statistic	Std. Error
1. I perform the auditing activities without any interference from anybody and without any influence from the office/sector	172	3.3256	1.29273	-0.627	0.185	-0.688	0.368
2. I freely decide the scope, time and extent of auditing procedures based on auditing standards and the office's/sector's policy	172	3.3488	1.03469	-0.101	0.185	-0.78	0.368
3. I objectively examine auditing issues only meeting on reliable audit evidence and no management interest is involved for adjustment beyond auditing standards & values	172	3.2093	0.98071	-0.432	0.185	0.051	0.368
4. I feel free to include any audit finding in my audit work and report directly to responsible body	172	3.4651	0.76008	-0.689	0.185	1.282	0.368
5. I can freely access necessary documents, information and data about the organization/sector for my audit work	172	3.6279	0.78056	-1.031	0.185	1.823	0.368
6. I can get necessary resources (facilities) that help me to perform auditing activities as needed	172	3.8837	0.78612	-1.545	0.185	3.677	0.368
Valid N (listwise)	172						

Source: Author 2021

Interpretation of Table 4.7

In table 4.7 above, on the statement ‘I perform the auditing activities without any interference from anybody and without any influence from the office/sector’ the mean that was found was 3.3256 with a standard deviation of 1.29273. This meant that most of the respondents were neutral on the statement. On the statement ‘I freely decide the scope, time and extent of auditing procedures based on auditing standards and the office's/sector's policy’ the mean that was obtained was 3.3488 with a standard deviation of 1.03469. This meant that most of the respondents were neutral on the statement.

On the assertion ‘I objectively examine auditing issues only meeting on reliable audit evidence and no management interest is involved for adjustment beyond auditing standards & values’ the computed mean was 3.2093 with a standard deviation of 0.98071. This finding indicates that most of the participants were neutral on the assertion. When it came to the statement ‘I feel free to include any audit finding in my audit work and report directly to responsible body’, the mean that was computed was 3.4651 with a standard deviation of 0.76008. The mean revealed that on average, most of the respondents were neutral.

On the variable ‘I can freely access necessary documents, information and data about the organization/sector for my audit work’, the obtained mean was 3.6279 with a standard deviation of 0.78056. This entails that most of the respondents agreed that they can freely access necessary documents, information and data about the organization/sector for my audit work. On the statement that ‘I can get necessary resources (facilities) that help me to perform auditing activities as needed’, the indicated mean was 3.8837 with a standard deviation of 0.78612. The mean reveals that most of the research participants agreed to the statement that they can get necessary resources (facilities) that help them to perform auditing activities as needed.

4.6.1 Composite Mean on Organizational Independence

Table4.8: Composite mean - Organizational independence

Statement	Mean	Std. deviation	Interpretation
I perform the auditing activities without any interference from anybody and without any influence from the office/sector	3.3256	1.29273	Moderate
I freely decide the scope, time and extent of auditing procedures based on auditing standards and the office's/sector's policy	3.3488	1.03469	Moderate
I objectively examine auditing issues only meeting on reliable audit evidence and no management interest is involved for adjustment beyond auditing standards & values	3.2093	0.98071	Moderate
I feel free to include any audit finding in my audit work and report directly to responsible body	3.4651	0.76008	High
I can freely access necessary documents, information and data about the organization/sector for my audit work	3.6279	0.78056	High
I can get necessary resources (facilities) that help me to perform auditing activities as needed	3.8837	0.78612	High
Composite	3.4767	0.9391	High

Source: Author 2021

The findings indicated in the tables 4.7 and 4.8 on the effect of organizational independence on internal audit shows that the effect was high, at a composite mean of **3.4767** and standard deviation of **0.9391**. These findings are compelling enough to reject the second null hypothesis which states that organizational independence has no significant effect on internal audit effectiveness. The hypothesis can be tested and verified further using the chi-square test.

4.6.2 Test Statistics: Chi-square for Organizational Independence

Table4.9: Test Statistics - Organizational Independence

	I perform the auditing activities without any interference from anybody and without any influence from the office/sector	I freely decide the scope, time and extent of auditing procedures based on auditing standards and the office's/sector's policy	I objectively examine auditing issues only meeting on reliable audit evidence and no management interest is involved for adjustment beyond auditing standards & values	I feel free to include any audit finding in my audit work and report directly to responsible body	I can freely access necessary documents, information and data about the organization/sector for my audit work	I can get necessary resources (facilities) that help me to perform auditing activities as needed
Chi-Square	49.860 ^a	52.651 ^a	89.860 ^a	168.930 ^a	192.186 ^a	273.116 ^a
Df	4	4	4	4	4	4
Asymp. Sig.	.014	.011	.000	.000	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 34.4.

Source: Author 2021

Four out of six computed chi-square values are too large (thus, significant) to have occurred by chance. There were actual differences between the expected and observed results. This leads to the rejection of the null hypothesis.

4.7 Adequate Competent Internal Audit Staff

Table 4.10: Descriptive Statistics - Competence on Internal Audit Staff

Statement	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
1. My office/sector has sufficient skilled internal auditors. Most of them have certification in auditing	172	2.8837	1.14880	.418	.185	-.816	.368
2. It is possible to audit and review each activity on time, and cover the planned scope of auditing activities	172	3.0000	.96730	.157	.185	-.286	.368
3. The audit procedures and evidence collections are completed on time, since enough and skilled internal auditors are available or employed	172	2.5814	.94856	.429	.185	-.356	.368
4. The internal audit staff number & their skill matches the scope of office's/sector's internal operations	172	2.7674	.86077	.246	.185	-.151	.368
5. The work of internal audit is performed with modern technology that uses computerized data tools and specific IA software	172	2.9767	1.11320	.046	.185	-.701	.368
Valid N (listwise)	172						

Source: Author 2021

Interpretation of Table 4.10

From table 10, on the statement 'My office/sector has sufficient skilled internal auditors. Most of them have certification in auditing' the computed mean was 2.8837 with a standard deviation of 1.14880. The assertion through the obtained mean indicates that most respondents were neutral. On the statement that 'It is possible to audit and review each activity on time, and cover the planned scope of auditing activities' the mean that was found was 3 with a standard deviation of 0.96730. This shows that, on average, most participants were neutral.

On the statement ‘The audit procedures and evidence collections are completed on time, since enough and skilled internal auditors are available or employed’, the computed mean was 2.5814 with a standard deviation of 0.94856. This entails that most respondents disagreed with the statement. On the assertion that ‘The internal audit staff number & their skill matches the scope of office's/sector’s internal operations’, the mean that was found was 2.7674 with a standard deviation of 0.86077. This indicates that most of the respondents were neutral on the assertion.

On the statement that ‘The work of internal audit is performed with modern technology that uses computerized data tools and specific IA software’ the findings indicate a mean of 2.9767 with a standard deviation of 1.11320. This means that on average, most respondents were neutral.

4.7.1 Composite Mean on the Adequate Competent Internal Audit Staff

Table4.11: Composite mean - competence of internal audit staff

Statement	Mean	Std. deviation	Interpretation
My office/sector has sufficient skilled internal auditors. Most of them have certification in auditing	2.8837	1.14880	Moderate
It is possible to audit and review each activity on time, and cover the planned scope of auditing activities	3.0000	0.96730	Moderate
The audit procedures and evidence collections are completed on time, since enough and skilled internal auditors are available or employed	2.5814	0.9456	Low
The internal audit staff number & their skill matches the scope of office's/sector’s internal operations	2.7674	0.86077	Moderate
The work of internal audit is performed with modern technology that uses computerized data tools and specific IA software	2.9767	1.11320	Moderate
Composite	2.8418	1.0071	Moderate

Source: Author 2021

The study findings revealed in tables 4.10 and 4.11 on the existence of adequate competent internal audit staff has been moderate, at a composite mean of **2.8418** and standard deviation of **1.0071**. The obtained results are not compelling enough to reject the third hypothesis which states that there is no significant level of adequacy of competent internal audit staff in the public sector. Thus, the null hypothesis is accepted. The hypothesis was tested further using the chi-square test.

4.7.2 Test Statistics: Chi-square for Adequate Competent Internal Audit Staff

Table4.12: Test Statistics - Competency of internal audit staff

	My office/sector has sufficient skilled internal auditors. Most of them have certification in auditing	It is possible to audit and review each activity on time, and cover the planned scope of auditing activities	The audit procedures and evidence collections are completed on time, since enough and skilled internal auditors are available or employed	The internal audit staff number & their skill matches the scope of office's/sector's internal operations	The work of internal audit is performed with modern technology that uses computerized data tools and specific IA software
Chi-Square	44.512 ^a	108.465 ^a	36.837 ^a	68.698 ^a	93.581 ^a
Df	4	4	4	4	4
Asymp. Sig.	.032	.000	.056	.009	.001

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 34.4.

Source: Author 2021

Three of five computed chi-square values are smaller than the values in the table. This entails that the observed pattern of frequencies is not merely due to chance. There were no real

differences between the expected and observed results. As such, the null hypothesis is accepted as three items were insignificant except for item two which were statistically significant.

4.8 Internal Audit Effectiveness

Table4.13: Descriptive Statistics – Internal Audit Effectiveness

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
1. Internal auditors can effectively identify and report any non-compliance activities with my office's/sector policies and procedures	172	3.907	1.01022	-1.051	0.185	0.592	0.368
2. Internal Auditors provide useful recommendations and constructive criticisms on noncompliance activities or control systems of the office/sector	172	3.6512	1.10042	-0.337	0.185	-0.805	0.368
3. I use the recommendations and constructive criticisms and information provided by internal auditor for decision making	172	3.1628	0.96561	-0.175	0.185	-0.296	0.368
4. My office/sector has put its confidence on internal audit staff, because they may face any problems on noncompliance activities	172	3.2791	0.81866	0.219	0.185	-0.428	0.368
5. The number of complaints or doubts about the internal auditors' findings is very low because their report is correct and reasonable	172	3.3953	0.86895	0.219	0.185	-0.585	0.368
6. Internal audit ensures the economical, effective and efficient use of resources in my office/sector	172	3.186	0.7875	0.239	0.185	-0.359	0.368
7. In my office/sector internal audit ensures that activity performed is in compliance with established policies, procedures, laws and regulations	172	3.6047	0.99448	-0.871	0.185	0.49	0.368
8. The recommendations of internal audit department provide practical, cost-benefit solutions for correcting the problems found	172	3.5116	0.90152	-0.617	0.185	0.158	0.368
9. The internal auditors have confidence to issue audit reports because they are capable to determine the nature and frequency of non-compliance activities.	172	3.4419	0.95028	-0.162	0.185	-0.958	0.368
10.The recommendations of internal audit department provide practical, cost-benefit solutions for correcting the problems that were found	172	3	0.9673	-0.628	0.185	0.046	0.368
11. Internal auditors have the experience and expertise to address corporate risk management problems within the organization	172	3.1628	1.1431	-0.324	0.185	-0.82	0.368
12. Internal auditors in your company are capable of carrying out internal control function under corporate governance rules	172	3.2093	1.00427	-0.011	0.185	-0.243	0.368
13. The existence and findings of internal auditors meet my expectations	172	3.3721	0.78056	-0.462	0.185	0.821	0.368

14. The internal auditors' reports are highly considered for decision making and internal controls by management	172	3.4186	0.75649	0.116	0.185	-0.286	0.368
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Source: Author 2021

The above table 4.13 is the last section of the questionnaire which was answered by the heads of Internal Audit Units. It is the area of focus in this study being the effectiveness of internal auditors; measured in terms of internal auditor's ability in identifying non-compliance activities and the added contributions by Internal Auditors to the Zambian public sector offices which is an important concept to show the influential out puts of the internal auditors. This would have far-reaching implications on the level of IA's effectiveness and competency. Because the percentage of recommendations suggested by the internal auditors are actually implemented by the auditee offices; and the ability to plan, execute and communicate audit findings are the most suitable dimensions to evaluate internal audit effectiveness as also noted by different scholars such as Cohen and Sayag (2010); Arena and Azzone, (2009); and Mihret and Yismaw, (2017).

Interpretation of Table 4.13

On the statement that 'Internal auditors can effectively identify and report any non-compliance activities with my office's/sector policies and procedures' the obtained mean was 3.9070 with a standard deviation of 1.01022. This shows that on average, respondents agreed with the statement.

On the variable 'Internal Auditors provide useful recommendations and constructive criticisms on noncompliance activities or control systems of the office/sector', the mean that was established was 3.6512 with a standard deviation of 1.10042. The statistics show that most respondents agreed with the assertion.

On the statement 'I use the recommendations and constructive criticisms and information provided by internal auditor for decision making' the mean that was noted was 3.1628 with a standard deviation of 0.96561. This means that respondents were neutral on the statement. On the assertion that 'My office/sector has put its confidence on internal audit staffs, because they may face any problems on noncompliance activities' the computed mean was 3.2791 with a

standard deviation of 0.81866. The findings indicate that most respondents were neutral on the assertion.

On the statement that ‘The number of complaints or doubts about the internal auditors’ findings is very low because their report is correct and reasonable’ the obtained mean was 3.3952 with a standard deviation of 0.86895. This simply entails that most respondents were neutral when it comes to the statement that the number of complaints or doubts about the internal auditors’ findings is very low because their report is correct and reasonable. On the statement ‘Internal audit ensures the economical, effective and efficient use of resources in my office/sector’, the reported mean was 3.1860 with a standard deviation of 0.78750. The computed mean reveals that on average, most of the respondents were neutral on the statement.

On the variable ‘In my office/sector internal audit ensures that activity performed is in compliance with established policies, procedures, laws and regulations’, the obtained mean was 3.6047 with a standard deviation of 0.99448. This means that on average, the obtained mean shows that respondents agreed. On the assertion that ‘The recommendations of internal audit department provide practical, cost-benefit solutions for correcting the problems found’, the mean that was found was 3.5116 with a standard deviation of 0.90152. This means that most respondents were in agreement with the assertion.

On the statement ‘The internal auditors have confidence to issue audit reports because they are capable to determine the nature and frequency of non-compliance activities’, the findings indicate a mean of 3.4419 with a standard deviation of 0.95028. This interpretation reveals that most respondents were neutral on the statement that the internal auditors have confidence to issue audit reports because they are capable to determine the nature and frequency of non-compliance activities.

On the assertion ‘The recommendations of internal audit department provide practical, cost-benefit solutions for correcting the problems that were found’ the obtained mean was 3 with a standard deviation of 0.96730. This shows that on average, respondents were neutral. On the variable ‘Internal auditors have the experience and expertise to address corporate risk management problems within the organization’, the mean that was found was 3.1628 with a standard deviation of 1.14310. The mean entails that most respondents were neutral on the variable.

On the statement 'Internal auditors in your company are capable of carrying out internal control function under corporate governance rules', the mean that was found was 3.2093 with a standard deviation of 1.00427. This simply means that respondents were neutral. On the assertion 'The existence and findings of internal auditors meet my expectations', the found mean was 3.3721 with a standard deviation of 0.78056. The mean indicates that respondents were neutral on the assertion. On the statement 'The internal auditors' reports are highly considered for decision making and internal controls by management' the study found a mean of 3.4186 with a standard deviation of 0.75649. This reveals that most of the research participants were neutral when it came to the statement that the internal auditors' reports are highly considered for decision making and internal controls by management.

4.9 Discussion of findings

Concerning objective1: extent of management support on internal audit effectiveness

With the aid of chi-square and descriptive statistics, the findings of the study show that there is low management support towards the function of internal audit in the public sector. This means that internal audit effectiveness can be improved through their support in terms of continuous training for their internal audit staff, fulfilling the necessary materials and facilities that internal audit staff needs and by freely access to necessary documents, information and data about the organization for audit work. According to the responses, the primary issue confronting the internal audit function was a lack of support and commitment from top management. This finding is concerning because it shows that many internal auditors in the public sector may not receive appropriate assistance from top management to carry out their duties.

Inadequate support from top management will impede the internal audit function's ability to fulfill its aims and objectives. This is due to the fact that the recognition and appreciation of an organization's internal audit function is heavily reliant on the support they receive from top management.

In relation to other scholars, the findings are in line with the findings of Bromilow and Berling (2005) and DeZoort (2002) who state that auditors should execute their basic responsibilities and exercise their authority in a manner they reasonably believe is in the best interests of the organization's shareholders. In order to achieve this, internal auditors should have an adequate number of members serving on the committee as well as adequate support from relevant parties

in order to achieve their objectives and be able to function optimally. They also require administrative assistance, which is usually provided by the company secretary, the finance department or the internal audit activity. “Administrative support includes scheduling of meetings, developing agendas, distributing advance materials before meetings, producing drafts of minutes, and interfacing with members of management as needed to respond to the committee’s questions” (Bromilow & Berlin, 2005, p.61).

The findings are consistent with the findings of (Mihret and Yismaw 2007; Cohen and Syag, 2010) who found that the top management support was the critical determinants of Internal Audit Effectiveness in audit function and the commitment to strengthen Internal Audit through hiring proficient audit staff, developing career channels for Internal Audit staff and providing Internal Audit work independence. . Mihret and Yismaw (2007) did a study which used structured questionnaire, interview and observations as instruments of data collection discovered that certain factors such as internal audit quality, support from management, etc. strongly affect effectiveness of internal audit while organizational structure and internal auditor’s attributes have less impact on the same variable.

Furthermore, Cohen and Sayag (2010) studied ‘effectiveness of internal auditing with the use of questionnaire and mail survey of 292 organizations, the study identified management support, especially in relation to provision of proficient internal audit staff, career development and independence of internal auditors as vital to the effectiveness of internal audit. In another study conducted by Theofanis et al. (2011) on the ‘relationship between elements of internal control system and internal audit effectiveness’ with the use of 52 Hotels in Greek through mail survey, the results reveal positive relationship between the variables. However, they suggested that with larger samples the outcome of the study might differ significantly from their own.

According to Albrecht et al. (1998), management support is deemed to significantly affect the effectiveness of IA and such notion is supported by Mihret and Yismaw (2007), and Mihret and Woldeyohannis (2008) by claiming that management support determines IA effectiveness and is among the factors that positively contribute to the IA department (Mihret, 2010).

Albrecht et al. (1998) further explained that, the evident support demonstrated by top management of IA becomes the top significant factor that improves its effectiveness. Added to this, it is also indicated by IIA’s Standards for Professional Practice of Internal Auditing (1100-

Independence) that internal auditors require senior management and board's support in order to cooperate with auditees and work with autonomy (IIA, 2016).

Concerning objective 2: level of independence of internal audit in the public sector

The study also found that the level of organizational independence in the public sector was low, with Internal Auditors being interfered with in the performance of their tasks. Environments in which audit professionals feel scared and frustrated, on the other hand, impair the quality of audit reports and result in ineffective audits. Auditors should be sufficiently independent from those they are obliged to audit in order to execute their task without influence and, equally importantly, to be seen to do so. Organizational independence, when combined with objectivity, helps to the correctness of the auditors' work and offers employers confidence that they can rely on the results and the report. (G. Sayag and A. Cohen, 2010)

The independence of the internal audit activity, which allows them to carry out their job freely and objectively, is accomplished by their organizational standing and objectivity, according to the Institute of Internal Audit (2014, p.51). It is also suggested that "internal auditors should have the backing of top management and the board in order to acquire the cooperation of engagement clients and do their work free of interference" (IIA, 2014, p.53).

According to the report, the major job of internal audit is to provide independence over internal control systems in public sector entities. It goes on to say that independence and objectivity are inextricably linked since they both necessitate allowing internal auditors to carry out their duties freely. As a result, internal auditors should perform audits without fear or favour.

The findings of the study confirm the need for organizational independence. This is also confirmed by the IIA, the American Institute of Certified Public Accountants (AICPA) and others who have likewise identified organizational independence as crucial to the viability of the internal audit function (Brown, 2014).

Bou-Raad (2000) argued that the strength of an IA department must be assessed with respect to the level of independence it enjoys from management and from operating responsibilities.

Concerning objective 3: internal audit technical competency and skills in the public sector

In attempting to evaluate the level of adequacy of competent internal audit staff in the public sector, the findings revealed that the internal audit offices of the sampled ministries and

parastatals had poor technical staff proficiency, limiting their potential to deliver effective management service. The vast majority of them were not accredited by the Institute of Internal Auditors. The study findings are consistent with the findings of a study done in Ethiopia by Belay (2017), which demonstrated that most African companies face a variety of issues, including insufficient employees, unqualified staff, and staff with insufficient skills and experience. Furthermore, Ahmad et al. (2009) conducted a research on the efficacy of internal audit in the Malaysian public sector, using a basic percentage as the data analysis tool; they discovered that a shortage of audit employees was a key hindrance to successful internal auditing.

In relation to other scholars, these findings are consistent with Cohen and Sayag's (2010) and Arena and Azzone's (2009) findings that providing competent internal audit employees is critical to internal audit effectiveness. Interestingly, these findings are congruent with the findings of Ali et al. (2007), who found that a shortage of audit professionals and audit personnel ineptitude are two clear issues impeding the internal audit function in Malaysian states and local governments from reaching its full potential. This finding is also similar with a research conducted in the Sudanese public sector by Brierley et al. (2001), which discovered that internal audit departments were severely understaffed in comparison to the functions they were required to execute. In general, the data indicate that a shortage of employees in the internal audit function is an issue not just in the Malaysian public sector but also in other countries. Problems linked to personnel shortages can be solved if top management provides sufficient assistance, as top management is responsible for facilitating the day-to-day operations of the internal audit function.

These findings are consistent with the findings of (Mihret and Yismaw, 2007; Cohen and Sayag, 2010) who found that adequate competent internal audit staff is the critical determinant of internal audit effectiveness. In fact, they accentuated that in auditing, the commitment to strengthen internal audit through hiring proficient internal audit staff, developing career channels for internal audit staff, and providing internal audit work independence.

4.10 Summary of Findings

With the aid of descriptive statistics and chi-square tests, the findings of the study show that all the three factors that determine internal audit effectiveness, namely, adequate competent internal audit staff, management support, and organization independence, are significantly and

positively associated with internal audit effectiveness. This means that internal audit effectiveness can be improved through their support in terms of continuous training for their IA staff, fulfilling the necessary materials and facilities that the IA staff needs (Management support), assurance of internal audit effectiveness by freely access of necessary documents, information and data about the organization for audit work, and can provide audit findings and reports freely and directly to the responsible body (organizational independence), professional proficiency and adequacy with the IA effectiveness (adequate and competent internal audit staff). Further, the first and second hypotheses were accepted while the third hypothesis was rejected based on the study findings as earlier established. The next chapter (chapter five) will present a summary for the entire research, make some relevant recommendation, and finally propose area for future research.

As per the study, the government should enhance and prioritize ample audit processes to ensure the safety and accountability of public resources, with adequate internal audit employees and reasonable managerial support. Above and beyond that, they must preserve their independence by delivering extra services or training as a consulting function. The study recommends that the following strategies be used in order for the government to have a solid and sound internal audit system that will enhance accountability and quality audit work;

- The government should seek to create a structure that would improve the control environment and ethical culture of ministries, parastatals, and other spending agencies. This would encourage top management to recognize the need of internal audit and to put in place measures to aid in the identification of fraud and unethical conduct.
- The government should strengthen the merit system and guarantee that Internal Audit applicants are recruited and retained based on their academic credentials, experience, training, and certification by the Institute of Internal Auditors.
- The government should safeguard the independence of internal audit in order for them to carry out their duty without fear or interference.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The findings and interpretation of the study were presented in the preceding chapter. It also presented the results discussed by linking them to the findings of other scholars. This chapter of the study presents the study's conclusions and recommendations in accordance with the research objectives and hypotheses that were drawn. Conclusions are based on the interpretations and analysis of the data obtained from research findings in the previous chapter. The findings of this study have some implications for theory, and practice particularly for development and effectiveness of internal audit in the Zambian public service. The theoretical contribution of this study provides new insights in internal audit effectiveness research concerning the public sector to follow up similar studies, which may provide more reliable data and interpretations in internal audit development and effectiveness

5.2 Conclusion

According to the findings and in accordance with the objectives, the study discovered that there was limited support from top management in the public sector, as they did not exhibit complete support and commitment to the activities of the internal audit unit. This indicated that supportive management that allows auditors unrestricted access to audit materials during audits improves the success of such efforts. Top management's entire support and dedication are required for the internal audit function to reach its full potential and function successfully.

Further, the study found that organisational independence was low. The independence of the internal audit activity, which allows them to carry out their job freely and objectively, is accomplished by their organizational standing and objectivity, according to the Institute of Internal Audit (2014, p.51). It is also suggested that internal auditors should have the backing of top management and the board in order to acquire the cooperation of engagement clients and do their work free of interference.

It was also discovered that the internal audit offices of the sampled ministries and parastatals had poor technical staff proficiency, limiting their potential to deliver effective management service. The vast majority of them were not accredited by the Institute of Internal Auditors.

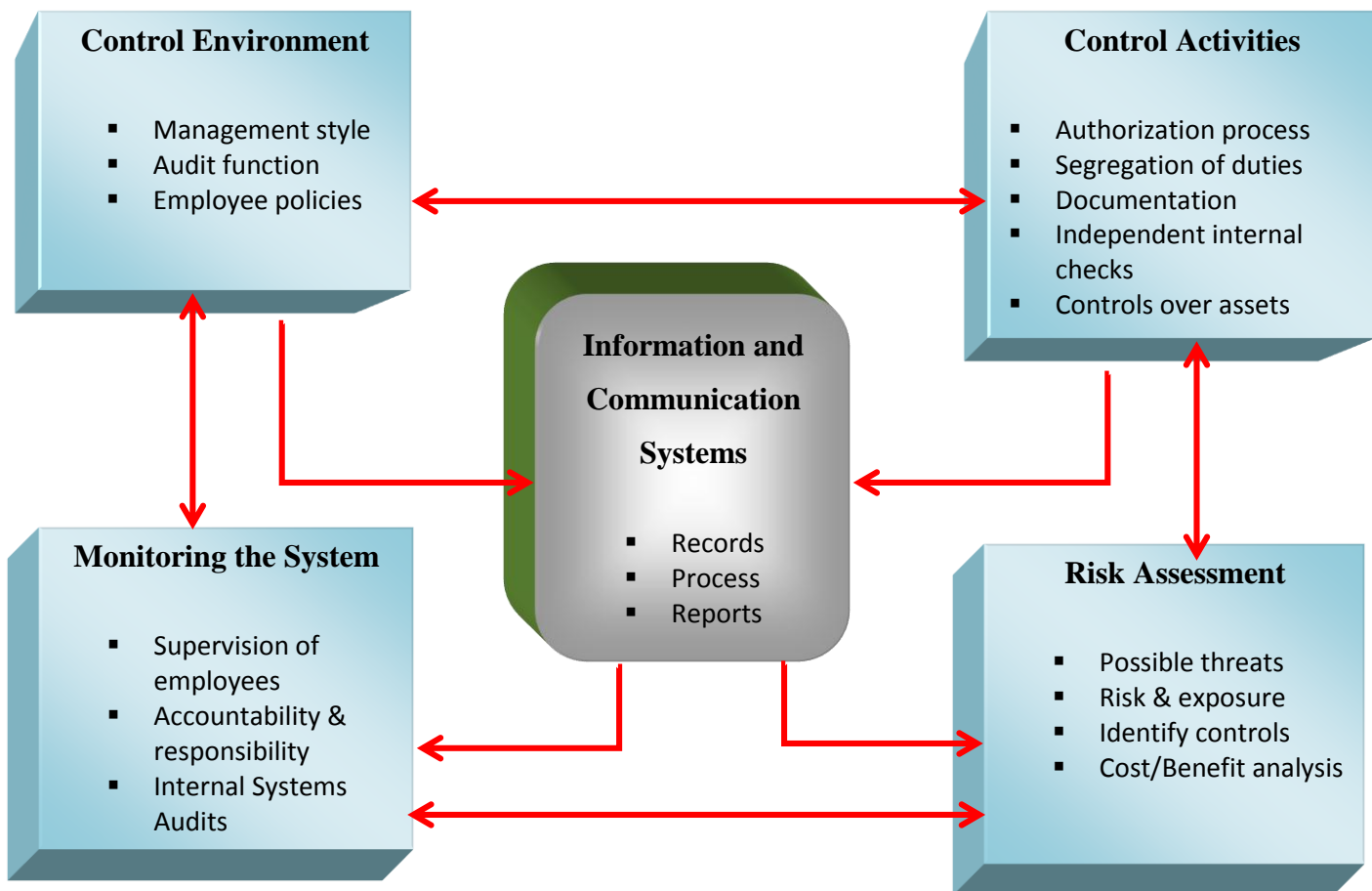
Finally, the study found all three factors namely; management support, organizational independence, and a lack of adequate competent internal audit staff have significant impact on the effectiveness of internal audit in the public sector:

5.3 Recommendations

5.3.1 COSO Model of internal control as a framework for Internal Audit Effectiveness

The COSO model of internal control may be used to give a complete framework to guide the operation, reporting, and compliance of the public sector, as well as to strengthen the internal audit system. The researcher designed the framework based on its guidelines. COSO is an acronym that stands for "Committee of Sponsoring Organizations." In the United States, it is a body made up of numerous accounting, auditing, and executive groups. This body conducted a study on internal fraud controls, which has since become widely accepted as a theoretical guideline.

Figure 5.1: Proposed COSO Model



Source: COSO 1992 Model of Internal Control

The study proposes this framework to drive audit work and quality operations in government ministries and other expenditure bodies. Internal controls will be identified, examined, and tested by auditors during the audit to verify whether these processes achieve their intended purpose and are applied consistently and reliably.

The COSO model is implemented on an internal control system and revolves around five factors: control environment, control activities, risk assessment, information and communication systems, and monitoring system. The COSO 1992 Framework has acquired widespread and ongoing recognition as a foundation for effectiveness in the auditing field. It provides a valuable framework for planning, implementing, and assessing internal control and audit activities in the public sector.

COSO (1992) defines internal control as a process implemented by the entity's personnel and designed to provide reasonable assurance that the entity will achieve its objectives, which are (a) effective and efficient operations, (b) reliable financial reporting, and (c) compliance with applicable laws and regulations.

The proposed strategy design for the COSO model, if accepted by the government, will aid in providing a complete framework for monitoring the internal audit system, as well as increasing accountability and audit quality. With this in mind, the ultimate goal is to improve the efficacy of internal audit in the public sector.

5.3.2 Control Environment

The basic cornerstone of every system is its strength. Noncompliance may become the norm in the public sector, and even part of its culture. As a result, the research advises a high level of professional ethics to assist the government in establishing an atmosphere favorable to right doing, anti-fraud, and respect for internal controls, three aspects make up that environment;

- Management style- the more ethical and responsible the management style, the more probable it is that employees will respond to it and behave ethically and responsibly. Internal audit effectiveness will be harmed if management's mentality is to bend the rules, conceal or misrepresent the facts, or obtain outcomes regardless of the methods. Management should model ethical behavior and expect workers to follow suit.
- Audit function- How to best use the Audit function may be improved by a positive viewpoint of top management support for its operation, and if all government top

management should not pressurize internal audit to report based on what they want to hear or see.

- Employee policies- How the government deal with its workers is a critical component of any fraud control action. A solid employee policy will encompass recruiting, firing, training, controls in place, and the ramifications of unethical activity. If management leads by example and employees understand that management values ethics and integrity, that attitude will be transmitted down to the workforce, and the public sector will have a solid basis (Schneider and Becker, no date).

5.3.3 Control Activities

These are policies and procedures that are intended to serve as the foundation for control techniques and to safeguard the integrity of the internal auditing system. These include;

- Proper authorization process- other factors associated with ineffectiveness of internal audit were insufficient internal control system in the area of authorization, approval, supervision and personnel control. Authorization process has to be monitored and audited at regular intervals. Authorizations- the signatures must be recorded as they occur to allow an audit to be effective.
- Other factors that fall under the control activities include segregation of duties, adequate documentation of transactions, physical control over assets and independent internal checks; all these control activities have the benefit of acting as a control over errors. As a result, Internal Audit will effectively examine government operations and ensure there is compliance and report any deficiencies in the design of control activities.

5.3.4 Risk Assessment

Once the environment and control rules have been established, the next step is to maximize the use of limited time and money by determining where the risk is greatest. In the public sector, fraud control is primarily focused on financial hazards, such as the loss of public resources. As a result, it is critical that the government identify methods or assets that may be targeted by dishonesty in areas of resource usage. A control that prevents fraud is preferable than one that catches it after it has occurred. Possible steps include identifying potential risks, estimating risks and exposure, identifying controls, and doing a cost/benefit analysis. This will assist

internal auditors in assessing the sufficiency and effectiveness of controls in place to mitigate gross risk in the public sector (Fourie and Poggenpoel, 2016).

Internal auditors will review the sufficiency and efficacy of current controls, assessing the change in the possibility of any risk materializing, and developing recommendations for their improvement. Risk assessment should be considered, and the operational strategy should be aligned with the general objectives of the public sector to offer value. A risk-based audit ensures that audit efforts effectively focus on those areas where the risk of exposure is highest, with an emphasis on verifying that important controls are in place and being followed.

5.3.5 Information and communication system

Without a healthy flow of information among employees, senior management in the public sector cannot create an effective internal audit system. The information and communication system are made up of information that has been saved and how it has been delivered to various parties. The information system collects, processes, stores, and reports data, while the communication system determines how information is reported, who receives it, and how it is utilized to improve audit work. For an audit to be effective, information must be maintained in a fashion that allows for simple review and auditing of transactions, and it must be accessible to the proper persons at the appropriate time.

If records are not properly stored or are not easily available, they cannot be easily verified, and internal audit work will be ineffective. To improve the effectiveness of internal audit work, open lines of communication between management and internal audit must be established and maintained. This will allow internal audit to gather the information needed to form an opinion on the adequacy and effectiveness of the internal control process.

5.3.6 Monitoring the System

Monitoring allows for the system's constant development. This model, like any other system, must be monitored, enforced, and updated, with a focus on the three aspects listed below.

- Supervision of employees- This will involve training and monitoring their performance and asset protection.
- Accountability and responsibility- The use of budgets to monitor performance, quality standards, and variance reporting should be promoted for accountability and indications

of system adherence. Quality standards are obviously necessary, but they may also serve as a fraud control monitor. The process of determining if the quantity of inputs (money, time) results in the expected amount of output from the process is known as performance reporting.

- Internal systems Audits- An internal auditor verifies financial information and internal process and focus on the three areas;
 - ✓ Internal control system review- This helps to establish whether the control is still functional or relevant. The risk assessment procedure may need to be repeated on a frequent basis.
 - ✓ Assessing compliance with control systems- This helps to ensure that individuals are utilizing the control systems that have been implemented and are not seeking to evade the system.
 - ✓ Subjective auditing- Effective internal auditors will be able to evaluate both circumstances and information. Subjective auditing is a non-technical procedure for judging whether the entire ordeal feels correct and whether it warrants additional investigation.

Finally, resource optimization, accountability, and a non-compliance culture appear to be the primary problem areas in the public sector, and the core causes of problems are not being sufficiently addressed. Furthermore, a response to the question of whether the COSO model of internal control may have a beneficial influence on addressing those issues and improving the efficacy of internal audit in the public sector is necessary.

However, the successful implementation and monitoring of this framework will have a direct impact on its usefulness and the reduction of anomalies, which will eventually lead to the effectiveness of internal audit activities.

The COSO model should be investigated further and utilized as an alternative framework to improve internal audit work and be perceived as accomplishing their quality control objectives.

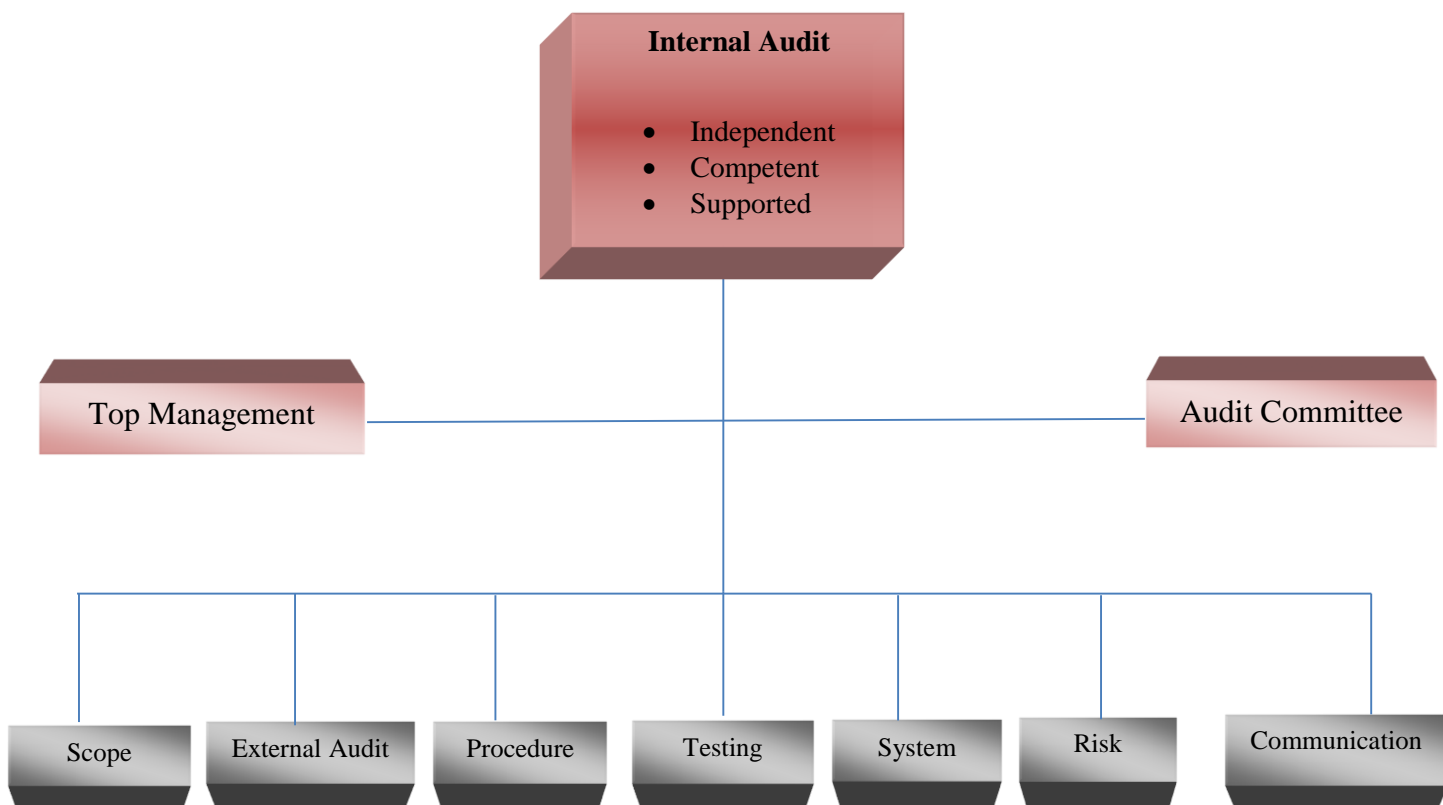
The study found that one of the government's objectives is to increase gross international reserves and promote good financial governance after reviewing and analyzing public documents such as the Auditor General's report, yellow book, budgets, and strategic plans from the Ministry of Finance website. The government's predicted budget for 2021 was K119.6 billion, and overall budget performance was unsatisfactory due to higher-than-expected

spending. Expenditure was estimated at K139 billion, 16.2 percent more than the objective of K119.6 billion, resulting in an unsustainable budget deficit. For the budget to be successfully implemented, the government should enhance the financial systems in place, and internal audit should be given the support it deserves. They should be competent, independent, and provided with all of the essential instruments to improve accountability and audit quality.

5.3.7 Audit Framework

Figure 5.2 presents the recommended audit framework for the effective operation of the internal audit function in the public sector. Its goal is to establish internal audit guidelines and to improve the quality of public sector auditing.

Figure 5.2: Proposed Audit Framework



Source: Author 2021

Components of Proposed Internal Audit Framework

Internal audit: should be a primary source of information on the performance of public sector operations for both the Audit Committee and top management. As a result, it is critical that they are independent, capable, and equipped with the tools they need to do their duties. Internal

audit should have the backing of management and the Audit Committee in order to acquire the cooperation of the audit client and complete its task without hindrance.

Top Management: The management system, culture, and set of values meant to guarantee that government ministries are managed efficiently and effectively with suitable policies and procedures that foster the attainment of the government's overall goals and objectives.

The Audit Committee: should be involved in assessing the scope on a regular basis to ensure that it is kept up to date. It serves as a communication hub for management, internal audit, and external audit. As a result, they examine the performance of internal audit.

Audit Scope: This serves to offer assurance to the Audit Committee about the controls applied by management. It should include an investigation and assessment of the adequacy and efficacy of the government's internal control system, as well as the quality of performance in carrying out assigned obligations.

External Audit: If the Audit Committee and Internal Audit have a solid connection with external audit, they will have crucial data of the efficacy of the government's risk, control, financial reporting, and legal framework. This will also make it easier for external audit to depend on internal audit's information and reports.

Procedure: Internal audit should help the government accomplish its goals by holding people accountable and evaluating the procedures that lead to those goals being met.

Systems: It is the responsibility of appropriate top management to operate internal control systems. Internal audit should analyze the adequacy and efficacy of current controls, analyzing changes in the possibility of any risk materializing, and making recommendations for their improvement.

Communication: Because internal audit is a source of information for both management and the Audit Committee, it is critical that open channels of communication be created and maintained between internal audit and the Audit Committee. Internal audit should properly explain the outcomes of their work so that the Audit Committee and management can comprehend them.

5.4 Limitations of the Study

Every study has limitations, and this study is no exception. It was difficult to conduct key informant interviews owing to the election season and health standards constraints imposed by the Covid 19 pandemic. Because this study was conducted in a single district, Lusaka city, the findings could not be extrapolated to the entire nation, as a result, this research is limited with the issue of generalisability which refers to the degree to which the results of the research study can be applicable to other settings (Saunders et al., 2012).

5.5 Areas of Further Research

Considering the findings of this study as well as limitations highlighted in section 5.4, some further research should be carried out in order to gain a deeper insight into the topic. Further studies could include:

- A study can be undertaken to cover other regions other than Lusaka to understand if the results are applicable across Zambia.
- A mixed method study approach can be selected for future research as current research has made use of a quantitative approach and results may be limited.
- There is a need to conduct a countrywide survey in other districts around the country. Interviews, for example, may assist to better clarify issues impacting internal audit effectiveness.
- Other researchers can analyze variables other than those used to see if they are also determinants of internal audit effectiveness using longitudinal research.

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APPENDICES

Appendix I: Questionnaire



THE UNIVERSITY OF ZAMBIA

GRADUATE SCHOOL OF BUSINESS

Quantitative Questionnaire

Dear Respondent!

My names are **Olivia Mwanza**, a student at The Graduate School of Business of the University of Zambia pursuing a Master of Degree of Business Administration. I am conducting a study whose purpose is to examine the effectiveness of internal auditing; both in government ministries and the Parastatal organizations. You have been selected to participate in the survey. All information provided in this questionnaire will remain confidential and will be used anonymously for academic purposes only. Thank you very much for your cooperation and help without which the study would not be successful.

INSTRUCTIONS

1. Tick (✓) the appropriate answer.
2. Where comments are required, please be brief and to the point.
3. For confidentiality, do not indicate your name in this questionnaire.

Email: oliviamwanza@yahoo.com

Sections A: Demographics

Please indicate the answer of your choice by ticking (✓) in the box next to your preferred answer.

1. What is your age range?

- 18 – 24 25 – 29 30 – 34 35 – 39
 40 – 44 45 – 49 50 – 54 Above 55

2. What is your Gender?

- Male Female

3. What is your Marital status?

- Single Married Divorced Widow Widower

4. What is the highest level of education you have achieved?

- Primary Secondary Vocational training/college University
Other (specify)...

5. What is your field of study?

- Accounting Management Economics Marketing Procurement Education
 Other specify.....

6. Professional certification (if any):

- Zambia Institute of Chartered Accountants (ZICA)
 Bachelor of Accountancy (BACC)

- Association of Chartered Certified Accountants (ACCA)
- Chartered Institute of Management Accountants (CIMA)
- Certified Internal Auditor (CIA)
- Certified Management Accountant (CMA)
- Chartered Institute of Public Finance and Accountancy (CIPFA)

Other (specify).....

7. Number of years of experience you work as an internal auditor:

8. Does your organization/sector have audit committee?

- Yes No

9. Indicate your sector:

Parastatal Organisation (e.g. ZANACO, ZESCO etc).

Public Sector (e.g. Ministry of Health, Ministry of General Education, Ministry of Finance etc).

10. What are the activities carried out by Internal Auditor in your office/sector? You can select more than one

- Compliance audit
- Financial audit
- Operational/performance audit
- Internal control system evaluation
- Risk assessment (analysis) audit

Others please specify

Section B: The Management Support

Please indicate by a tick (✓) your level of agreement with the following statements on a scale between 1 and 5, where 1=strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5=strongly agree.

	1	2	3	4	5
I receive full cooperation, access to records and information from my office/sector	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I can get the necessary resources (facilities) that help me to perform auditing activities as needed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The office/sector supports me by providing training in order to improve my skill and update with the field.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The office/sector supports me to introduce myself with new technology, policy or procedures when it is necessary.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The office/sector supports Internal Auditing staffs by budgeting funds for certification to have relevant education in auditing that allows them to audit all of the organization's/sector's systems.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section C: Organizational Independence

Please indicate by a tick (✓) your level of agreement with the following statements on a scale between 1 and 5, where 1=strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5=strongly agree.

	1	2	3	4	5
I perform the auditing activities without any interference from anybody and without any influence from the office/sector.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I freely decide the scope, time and extent of auditing procedures based on auditing standards and the office's/sector's policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I objectively examine auditing issues only meeting on reliable audit evidence and no management interest is involved for adjustment beyond auditing standards & values.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel free to include any audit finding in my audit work and report directly to responsible body.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I can freely access necessary documents, information and data about the organization/sector for my audit work.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I can get necessary resources (facilities) that help me to perform auditing activities as needed.

Section D: The Adequate Competent Internal Audit Staff

Please indicate by a tick (✓) your level of agreement with the following statements on a scale between 1 and 5, where 1=strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5=strongly agree.

	1	2	3	4	5
My office/sector has sufficient skilled internal auditors. Most of them have certification in auditing.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It is possible to audit and review each activity on time, and cover the planned scope of auditing activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The audit procedures and evidence collections are completed on time, since enough and skilled internal auditors are available or employed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The internal audit staff number & their skill matches the scope of office's/sector's internal operations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The work of internal audit is performed with modern technology that uses computerized data tools and specific IA software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section E: Internal Audit Effectiveness

Please indicate by a tick (✓) your level of agreement with the following statements on a scale between 1 and 5, where 1 = disagree, 3 = neutral, 4 = agree and 5=strongly agree.

	1	2	3	4	5
Internal auditors can effectively identify and report any non-compliance activities with my office's/sector policies and procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal Auditors provide useful recommendations and constructive criticisms on noncompliance activities or control systems of the office/sector	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I use the recommendations and constructive criticisms and information provided by internal auditor for decision making.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My office/sector has put its confidence on internal audit staffs, because they may face any problems on noncompliance activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The number of complaints or doubts about the internal auditors' findings is very low because their report is correct and reasonable.

Internal audit ensures the economical, effective and efficient use of resources in my office/sector

In my office/sector internal audit ensures that activity performed is in compliance with established policies, procedures, laws and regulations

The recommendations of internal audit department provide practical, cost-benefit solutions for correcting the problems found.

The internal auditors have confidence to issue audit reports because they are capable to determine the nature and frequency of non-compliance activities.

The recommendations of internal audit department provide practical, cost-benefit solutions for correcting the problems that were found.

Internal auditors have the experience and expertise to address corporate risk management problems within the organization

Internal auditors in your company are capable of carrying out internal control function under corporate governance rules.

The existence and findings of internal auditors meet my expectations

The internal auditors' reports are highly considered for decision making and internal controls by management

Thank you very much for your cooperation and time.

Appendix II: Approval Letter



THE UNIVERSITY OF ZAMBIA DIRECTORATE OF RESEARCH AND GRADUATE STUDIES

Great East Road Campus | P.O. Box 32379 | Lusaka 10101 | Tel: +260-290 258/291 777
Fax: (+260) 211 290 258/253 952 | Email: director.drgrs@unza.zm | Website: www.unza.zm

APPROVAL OF STUDY

18th February, 2020

REF NO.HSSREC-2020-JAN-024

Olivia Mwanza
The University of Zambia
Graduate School of Business
P.O. Box 32379
LUSAKA

Dear Ms. Mwanza,

RE: "THE EFFECTIVENESS OF INTERNAL AUDIT IN THE PUBLIC SECTOR"

Reference is made to your submission of the protocol captioned above. The HSSREC resolved to approve this study and your participation as Principal Investigator for a period of one year.

REVIEW TYPE	ORDINARY REVIEW	APPROVAL NO. HSSREC-2020-JAN-024
Approval and Expiry Date	Approval Date: 18 th February, 2020	Expiry Date: 17 th February, 2021
Protocol Version and Date	Version - Nil.	17 th February, 2021
Information Sheet, Consent Forms and Dates	• English.	To be provided
Consent form ID and Date	Version - Nil	To be provided
Recruitment Materials	Nil	Nil
Other Study Documents	Questionnaire.	
Number of Participants Approved for Study		

Specific conditions will apply to this approval. As Principal Investigator it is your responsibility to ensure that the contents of this letter are adhered to. If these are not adhered to, the approval may be suspended. Should the study be suspended, study sponsors and other regulatory authorities will be informed.

Towards Improving Service and Excellence in High Education Beyond Fifty Years

Conditions of Approval

- No participant may be involved in any study procedure prior to the study approval or after the expiration date.
- All unanticipated or Serious Adverse Events (SAEs) must be reported to HSSREC within 5 days.
- All protocol modifications must be approved by HSSREC prior to implementation unless they are intended to reduce risk (but must still be reported for approval). Modifications will include any change of investigator/s or site address.
- All protocol deviations must be reported to HSSREC within 5 working days.
- All recruitment materials must be approved by HSSREC prior to being used.
- Principal investigators are responsible for initiating Continuing Review proceedings. HSSREC will only approve a study for a period of 12 months.
- It is the responsibility of the PI to renew his/her ethics approval through a renewal application to HSSREC.
- Where the PI desires to extend the study after expiry of the study period, documents for study extension must be received by HSSREC at least 30 days before the expiry date. This is for the purpose of facilitating the review process. Documents received within 30 days after expiry will be labelled "late submissions" and will incur a penalty fee of K500.00. No study shall be renewed whose documents are submitted for renewal 30 days after expiry of the certificate.
- Every 6 (six) months a progress report form supplied by The University of Zambia Humanities and Social Sciences Research Ethics Committee as an IRB must be filled in and submitted to us. There is a penalty of K500.00 for failure to submit the report.
- When closing a project, the PI is responsible for notifying, in writing or using the Research Ethics and Management Online (REMO), both HSSREC and the National Health Research Authority (NHRA) when ethics certification is no longer required for a project.
- In order to close an approved study, a Closing Report must be submitted in writing or through the REMO system. A Closing Report should be filed when data collection has ended and the study team will no longer be using human participants or animals or secondary data or have any direct or indirect contact with the research participants or animals for the study.
- Filing a closing report (rather than just letting your approval lapse) is important as it assists HSSREC in efficiently tracking and reporting on projects. Note that some funding agencies and sponsors require a notice of closure from the IRB which had approved the study and can only be generated after the Closing Report has been filed.

- A reprint of this letter shall be done at a fee.
- All protocol modifications must be approved by HSSREC by way of an application for an amendment prior to implementation unless they are intended to reduce risk (but must still be reported for approval). Modifications will include any change of investigator/s or site address or methodology and methods. Many modifications entail minimal risk adjustments to a protocol and/or consent form and can be made on an Expedited basis (via the IRB Chair). Some examples are: format changes, correcting spelling errors, adding key personnel, minor changes to questionnaires, recruiting and changes, and so forth. Other, more substantive changes, especially those that may alter the risk-benefit ratio, may require Full Board review. In all cases, except where noted above regarding subject safety, any changes to any protocol document or procedure must first be approved by HSSREC before they can be implemented.

Should you have any questions regarding anything indicated in this letter, please do not hesitate to get in touch with us at the above indicated address.

On behalf of HSSREC, we would like to wish you all the success as you carry out your study.

Yours faithfully,



Dr. J. I. Ziwa
DR. J. I. Ziwa

**ACTING CHAIRPERSON
THE UNIVERSITY OF ZAMBIA HUMANITIES AND
SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE - IRB**

cc: Director, Directorate of Research and Graduate Studies
Assistant Director (Research), Directorate of Research and Graduate Studies
Assistant Registrar (Research), Directorate of Research and Graduate Studies

Appendix III: Permission to Collect Data – Ministry of Finance



Republic of Zambia

MINISTRY OF FINANCE

[All correspondence should be addressed to the Secretary to the Treasury]
[Website: www.mofnp.gov.zm, Email: ALL_MOFNP@mofnp.gov.zm]

MF/53/2/9

23rd January, 2020

Ms. Olivia Mwanza
University of Zambia
Phone No. 0979 - 427261

LUSAKA

Dear Ms. Mwanza,

RE: PERMISSION TO COLLECT DATA (MBA - FINANCE): YOURSELF

Reference is made to your letter dated 13th January, 2020 on the above subject.

I am pleased to inform you that permission has been granted you to conduct your research in the Ministry of Finance under the topic "The **Effectiveness of Internal Audit: A Comparative Analysis of Government Ministries and Parastatal Organizations**".

Please ensure that the information collected is used for academic purposes only and not for personal gain.

We would appreciate if you could avail us a copy of your findings as this would help the Civil Service to uphold audit standards and values.

I wish you the best in your research assignment.

Yours Sincerely,

Doris K. Nyangu (Mrs.)
Director - HRA
For/ Permanent Secretary - EMF

MINISTRY OF FINANCE

Cc: The Permanent Secretary - EMF, Ministry of Finance, **LUSAKA**

Cc: The Controller of Internal Audit, Ministry of Finance, **LUSAKA**

Appendix IV: Permission to Collect Data – Ministry of General Education

All Communications should be addressed to:
The Permanent Secretary, Ministry of General Education
Not to any individual by name

Telephone: 250855/251315/251283
251293/211318/251291
251003/251319



REPUBLIC OF ZAMBIA
MINISTRY OF GENERAL EDUCATION

In reply please quote
MOGE 101/3/6
No:.....

P.O. BOX 50093
LUSAKA

21 January, 2020

Olivia Mwanza
Master of Business Administration Student
University of Zambia- Graduate School of Business
P. O. Box 32379
LUSAKA

**SUBJECT: PERMISSION TO COLLECT DATA (MBA FINANCE)- OLIVIA MWANZA
GSB151958**

Reference is made to the above subject matter.

The Ministry is in receipt of a letter dated 13 January 2020 in which you are requesting for permission to collect data for research as a pre-condition to completing a Master of Business Administration – Finance programme under the research topic: **The Effectiveness of Internal Audit: A Comparative analysis of Government Ministries and Parastatal organisations.**

Permission has been granted for you to collect data from our internal audit unit through a semi structured questionnaire.

By copy of this letter, the Head Internal Audit is informed accordingly.


Jabjabin Mulwanda (Dr.)
Permanent Secretary (Admin)
MINISTRY OF GENERAL EDUCATION