**BINDURA UNIVERSITY OF SCIENCE EDUCATION**

**FACULTY OF COMMERCE**

**DEPARTMENT OF ACCOUNTANCY**



**THE ROLE OF INTERNAL AUDITING IN ENHANCING GOOD CORPORATE GOVERNANCE. THE CASE OF BINDURA CITY COUNCIL.**

**BY**

 **(B191405B)**

**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS OF THE BACHELOR OF ACCOUNTANCY (HONOURS) DEGREE OF BINDURA UNIVERSITY OF SCIENCE EDUCATION.**

 **FACULTY OF COMMERCE**

 **JUNE 2023**

# RELEASE FORM

Registration Number: B191405B

**Dissertation Title** The role of internal auditing in enhancing good corporate governance. The case study of Bindura City Council

 **Year granted**: 2023

Permission is granted to the Bindura University of Science Education Library and the Department of Accounting to produce copies of this dissertation in an effort it deems necessary for academic use only.

Signature of student ………………………….

Date signed …………………………………

# APPROVAL FORM

TO BE COMPLETED BY THE STUDENT

I B191405B do certify that the dissertation meets the preparation guidelines as presented in the faculty guide and instruction for preparing dissertation.

Signature of student………………………………….………… Date……………….……

 TO BE COMPLETED BY THE SUPERVISOR

“This dissertation is suitable for presentation to the faculty. It has been checked for conformity with the faculty guideline”.

Signature of Supervisor ……………………………. Date …………………………….

# DECLARATION FORM

I, B191405B, solemnly declares that the information of this dissertation, prepared in partial fulfilment of the Bachelor of Accountancy Honors and submitted to the department of Accountancy, Faculty of Commerce at Bindura University of Science Education has not been presented, submitted or published in this nature or part. Previous works have been duly accredited and acknowledged properly.

Student Name: B191405B Date…………………….

Signature……………………

# DEDICATION

I dedicate this dissertation to my parents, siblings and supportive relatives for their sacrifice and encouragement.

# ABSTRACT

As a crucial internal assurance mechanism in public financial controls and a instrument for monitoring and analyzing financial management operations in government agencies, the internal audit function plays a crucial role. Additionally, it will help government organizations attain accountability and integrity, enhance the delivery of government services, increase stakeholder and community confidence, and address any danger of improper use of public funds. In order to improve effective corporate governance, the research aimed to investigate respondents' perceptions on the function of internal auditing using Bindura City Council as a case study. To investigate the evidence already in existence, theoretical insights were developed. The agency theory, stewardship theory, stakeholder theory, policeman theory, and lending credibility theory were all made use of in the research. For this research, a survey research design was chosen. Twenty employees of the Bindura local council made up the research's target population. The respondents that made up the sample for this study were chosen using a straightforward random and stratified sampling approach. In order to facilitate the collecting of sufficient information about internal audit and corporate governance practices, data collection was generally done via structured questionnaires. The Statistical Package for Social Sciences (SPSS) version 21 was used to analyze the survey data. Descriptive statistics, linear regression, and correlation were all used in the study of the data. The findings of the regression analysis demonstrate a substantial association between the kinds of audits carried out by the Bindura local authority and those undertaken in the past. According to the study's correlation analysis, corporate governance practices and the existing policies, processes, and system were significantly correlated with improving corporate governance concerns in the Bindura local government. The results demonstrated a significant relationship between internal auditing as well as corporate governance in local governments.

# ACKNOWLEDGEMENTS

It took the input of different individuals to produce this quality dissertation; to these individuals I owe them sincere acknowledgements. First, I want to acknowledge my supervisor, for the professional support, supervision and advice. It is through his positive criticism and unwavering support that enabled me to produce this quality dissertation. I also need to thank my close fellow school colleagues, it is through the group discussions and encouragement that helped me to produce this dissertation. Above all, I want to thank the Almighty God who has managed to protect and cover me in such a volatile environment.

Table of Contents

[RELEASE FORM i](#_Toc137974753)

[APPROVAL FORM ii](#_Toc137974754)

[DECLARATION FORM iii](#_Toc137974755)

[DEDICATION iv](#_Toc137974756)

[ABSTRACT v](#_Toc137974757)

[ACKNOWLEDGEMENTS vi](#_Toc137974758)

[List of tables x](#_Toc137974759)

[List of figures xi](#_Toc137974760)

[CHAPTER I 1](#_Toc137974761)

[1.0 Introduction 1](#_Toc137974762)

[1.1Background of the study 1](#_Toc137974763)

[1.2 Statement of the problem 3](#_Toc137974764)

[1.3 Objectives of the study 3](#_Toc137974765)

[1.4 Research Questions 3](#_Toc137974766)

[1.5 The significance of the study 3](#_Toc137974767)

[1.5.1 To Urban City Council Policy makers 3](#_Toc137974768)

[1.5.2 To the researcher 4](#_Toc137974769)

[1.5.3 To the University 4](#_Toc137974770)

[1.6 Assumptions 4](#_Toc137974771)

[1.7 Delimitations 4](#_Toc137974772)

[1.8 Limitations 4](#_Toc137974773)

[1.9 Summary 5](#_Toc137974774)

[CHAPTER 2 6](#_Toc137974775)

[2.0. Introduction 6](#_Toc137974776)

[2.1. Conceptual Review 6](#_Toc137974777)

[2.1.1Concept of Corporate Governance 6](#_Toc137974778)

[2.1.2Historical background of corporate governance 7](#_Toc137974779)

[2.1.3The key principles of corporate governance 7](#_Toc137974780)

[2.2. Concept of Internal audit 10](#_Toc137974781)

[2.2.1 Internal audit tasks 11](#_Toc137974782)

[2.2.2 Financial Audit 11](#_Toc137974783)

[2.2.3 Value for Money Audit 11](#_Toc137974784)

[2.2.4 Risk Assessment/Management 12](#_Toc137974785)

[2.3 The Role of Internal Auditing in Enhencing Good Corporate Governance 12](#_Toc137974786)

[2.3.1 Risk Management Role of Internal Auditing Function 12](#_Toc137974787)

[2.3.2 Control role of internal audit function 13](#_Toc137974788)

[2.3.3 Governance Process Role of Internal Audit Function 13](#_Toc137974789)

[2.3.4 The Consulting Role of Internal Audit Internal 15](#_Toc137974790)

[2.4 THEORETICAL FRAME WORK 15](#_Toc137974791)

[2.4.1 Theoretical reflection internal auditing in enhancing good corporate governance 15](#_Toc137974792)

[2.4.2 The Policeman Theory 15](#_Toc137974793)

[2.4.3 The Lending Credibility Theory 15](#_Toc137974794)

[2.4.4 Agency theory 16](#_Toc137974795)

[2.4.5 The stewardship theory 18](#_Toc137974796)

[2.4.6 The stakeholder theory 18](#_Toc137974797)

[2.5 Empirical review 19](#_Toc137974798)

[2.6 Chapter Summary 22](#_Toc137974799)

[CHAPTER 3 24](#_Toc137974800)

[3.0 Introduction 24](#_Toc137974801)

[3.1 Research Design 24](#_Toc137974802)

[3.1.1 JUSTIFICATION OF RESEARCH DESIGN 24](#_Toc137974803)

[3.2 Population and Sampling 25](#_Toc137974804)

[3.2.1 Population Size 25](#_Toc137974805)

[3.2.2 Sample Size 25](#_Toc137974806)

[3.2.3 Sampling techniques 25](#_Toc137974807)

[3.3 Data collection 25](#_Toc137974808)

[3.3.1 Sources of Data 25](#_Toc137974809)

[3.3.2 Types of Data 26](#_Toc137974810)

[3.3.3 Primary data 26](#_Toc137974811)

[3.4 Data Collection Instruments 26](#_Toc137974812)

[3.4.1 Questionnaire 26](#_Toc137974813)

[3.4.2 Likert scale 27](#_Toc137974814)

[3.5 Data presentation and analysis procedures 28](#_Toc137974815)

[3.6 Validity 28](#_Toc137974816)

[3.7 Reliability 28](#_Toc137974817)

[3.8 Ethical considerations 28](#_Toc137974818)

[3.9 Chapter Summary 29](#_Toc137974819)

[CHAPTER 4 29](#_Toc137974820)

[4.0 Introduction 30](#_Toc137974821)

[4.1 Data Presentation 30](#_Toc137974822)

[4.2 DEMOGRAPHY 31](#_Toc137974823)

[4.2.1 Gender of Respondents 31](#_Toc137974824)

[4.2.2 Age of respondents 32](#_Toc137974825)

[4.2.3 Respondent’s Educational background 33](#_Toc137974826)

[4.2.4 Respondents by working experience 34](#_Toc137974827)

[4.3 Role of internal auditing towards enhancing good corporate governance 35](#_Toc137974828)

[4.4 Relationship and impact testing 39](#_Toc137974829)

[4.5 To evaluate challenges that hinder internal auditing in enhancing good corporate governance 42](#_Toc137974830)

[4.6 To evaluate compliance of the internal audit, with policies and regulations 44](#_Toc137974831)

[4.7 Chapter Summary 45](#_Toc137974832)

[CHAPTER 5 46](#_Toc137974833)

[5.0 Introduction 46](#_Toc137974834)

[5.1Findings 46](#_Toc137974835)

[5.2Conclusions 47](#_Toc137974836)

[5.3Recommendations 48](#_Toc137974837)

[5.4 Suggestions of further study 49](#_Toc137974838)

[REFFERENCES 50](#_Toc137974839)

[APPENDIX I: QUESTIONNAIRE FOR RESPONDENTS 56](#_Toc137974840)

# List of tables

[Table 3.1: The Five Pointer Likert Scale 27](#_Toc137884752)

[Table 4.1: Questionnaire Response Rate 30](#_Toc137884753)

[Table 4.2: Reliability Statistics 31](#_Toc137884754)

[Table 4.3 Descriptive statistics 35](#_Toc137884755)

[Table 4.4: Model summary of regression analysis 40](#_Toc137884756)

[Table 4.5: Anova Results 41](#_Toc137884757)

[Table 4.6: Regression Coefficients 41](#_Toc137884758)

Table 4.7: How efficient are your organization's present policies, processes, and systems in guaranteeing the following governance issues………………………………………………

# List of figures

[Figure 2.1 The Agency and Principal Relationship 17](#_Toc137884759)

[Figure 2.2 The challenges of the Agency theory 17](#_Toc137884760)

[Figure 4.1: Gender of Respondents 32](#_Toc137884761)

[Figure 4.2 Age of respondents 32](#_Toc137884762)

[Figure 4.3 Level of Qualification 33](#_Toc137884763)

[Figure 4.4: Respondents by working experience 34](#_Toc137884764)

[Figure 4.5: Challenges that hinder internal auditing in enhancing good corporate governance 43](#_Toc137884765)

# CHAPTER I

## 1.0 Introduction

This research assesses how internal audit contributes to improved corporate governance in city councils. This chapter deals with identifying the problem's symptoms in the context of the research, identifies the issue, and develops the objectives as well as questions for the investigation. The relevance, presumptions, constraints, and drawbacks associated with the research are then reviewed.

## 1.1Background of the study

According to Shamsuddin (2014), internal audit determinations in public sector enterprises have a high possibility to encourage accountability and enhance governmental performance. A number of nations have implemented policies in response to this development that emphasise the significance of improving the public sector internal audit department's ability to support these goals. However, operations in the public sector are obstructed since additional laws and regulations authorise internal auditing actions there. Performance audits and financial-related audits were discussed as the two main categories of audits most appropriate for the public sector by Mihret in 2007. Audits with concepts about financial statements or audits that were founded on the audit of financial statements are referred to as financial-related audits. To determine if the financial statements are correctly stated is the goal of a financial statement audit. A performance audit examines how effectively public resources are being used with the goal of assessing and minimising waste.

The objectives, mandate, as well as the responsibilities of the internal audit division are made plain in the internal audit charter. As a part of efficient resource allocation inside councils, it is a control measure that assesses, monitors, and reports on the performance of internal financial and operational controls. The Public Finance Management Act, the Code of Ethics and the Standard for the Professional Practice of Internal Auditing, as amended from time to time by the Institute of Internal Auditors, must all be complied with when carrying out internal auditing activities, as well as the Council's Standing Resolutions and Council Proceedings. Town councils' main responsibilities are outlined in Urban Council Act Chapter 29.15.

Corporate governance alone, without internal audit, was shown to be insufficient. Internal audit was developed as a crucial tool for effective company governance as a result of subpar performance and corruption brought on by a lack of accountability. Accountability in municipal administrations is ensured via internal audit. Accountability is a critical issue since it is necessary for progress to occur. City councils used to put up with subpar performance before internal audit, but now that they are paying attention to its demands, they are stepping up their game. The department's motto "Driving change and delivering outcomes".

Based on a 2012 research by the International Monetary Fund (IMF), corruption has considerably impeded development in developing countries, especially in Africa. High levels of corruption and poor administration show that Southern Africa, with the exemption of South Africa, has horrible governance on a regular basis. In Mozambique, Zambia, and Zimbabwe, corruption is a significant issue that hinders growth, according to Bissessar et al. (2012). In order to boost local economic growth as well as development, many African countries needed to scale up the reform of institutions that offer services, like local government and public service administration. The issue of regulatory tools (internal audit) became more prominent as a result.

The provision of effective services has been significantly impacted by corruption and poor governance as the majority of Local Authorities struggle to realise their corporate vision and established goals. Due to all of these unexpectedly bad occurrences, public sectors are now obligated to be open, responsible, and meticulous in how they deliver their services. These issues have forced the creation of difficult systems of checks and balances with legal repercussions. Internal audit assists the organisation in achieving its goals, reducing errors, reducing risks, and ensuring adherence to the set standards and guidelines.

In order to prevent corporate turbulence and loss that could be upsetting to urban councils and the country as a whole as an outcome of carelessness to the connotation of corporate governance and corruption, the researchers want to address the role of internal auditing in strengthening strong corporate governance.

## 1.2Statement of the problem

Local governments are created to function efficiently since they completely prefer to increase its own funds and make rules that promote their functions. The concept of goodgovernance has gained popularity due to public entities' encouragement to check the calibre of services delivered. Yet, local governments in Zimbabwe are known for having poor governance, which hinders the efficient provision of services. The institutions' subpar internal audit department is to blame for this. The study's objective was to ascertain how internal audit would enhance sound corporate governance in municipal Zimbabwean government.

## 1.3Objectives of the study

1. to evaluate internal audit's function as a tool for improving good corporate governance.
2. to assess how well internal auditing contributes to excellent corporate governance
3. to determine whether internal auditing complies with rules and regulations.
4. to assess obstacles internal auditing faces in advancing good corporate governance
5. to determine methods for enhancing internal audit effectiveness.

## 1.4 Research Questions

1. What function does internal audit play in promoting strong company governance?
2. How well does internal auditing support ethical business practises?
3. How are the rules and regulations of the Urban City Councils complying with the internal audit?
4. What obstacles prevent internal auditing from improving sound corporate governance?
5. What are the methods for enhancing the efficiency of internal audits?

## 1.5 The significance of the study

### 1.5.1 To Urban City Council Policy makers

While the project aims to bring out participant’s opinions about the usefulness of internal audit as a tool for good corporate governance, it is predicted that the research study will be of use to the policy makers. The implications of the policy will also be examined, which will assist the decision-makers in reviewing the policy and making adjustments as necessary. They will benefit from this when making decisions in the future about policy-related matters.

### 1.5.2To the researcher

The research, study is being conducted to fulfil an obligation for the degree. The researcher's ability to build research skills will be aided by a stronger comprehension of the value of internal audit as a tool for outstanding corporate governance, how it may be motivated, and its possible effects on, internal auditing to improve, corporate governance.

### 1.5.3To the University

This previous research study of local authority internal audit practises adds something valuable to the body of knowledge and helps scholars comprehend the topic at hand even better.

## 1.6 Assumptions

This study makes the assumption that among other things, the focus of the corporate governance role at local authorities is on evaluating and analysing internal audits at city councils. It should be mandatory for the internal audit division to analyse the effectiveness of internal controls and offer potential ways to strengthen or improve them in order to examine how well internal audit and corporate governance monitor compliance with internal controls in municipal councils.

## 1.7 Delimitations

The 12-month span lasted between the years 2022 and 2023. The target group included members of the Bindura City Council and management from the departments of IT, marketing, finance, human resources, and operations. Analyzing how internal auditing might improve good corporate governance within the Ministry of LocalGovernment, PublicWorks, and National, Housing was the conceptual delimitation.

## 1.8 Limitations

The following difficulties the researcher faces during the research process will have an impact on the research's findings in terms of the amount of data gathered as well as the worthiness of the information they contain.

When acquiring evidence, some responders baulked at sharing information out of respect for their privacy and proprietary information. In order to get around the information restriction, the researcher came up with a declaration guaranteeing the respondents that their information will be used secretly and confidentially. The utilisation of three sources of information—questionnaires, and document reviews—was known as triangulation.

The aim of the project was to focus on the whole of Zimbabwe so as to measure the effectiveness of internal auditing in improving good corporate governance but due to available time and finances the researcher used Bindura City council.

## 1.9 Summary

The setting of the study and the motive for the research—or what spurs the researcher to do the study—are both outlined in this chapter, which also acts as an introduction. The study's significance was described, and it was made clear which stakeholders would profit after it was finished, as well as how they would. The SMART goals were clearly articulated. Further to that included are the primary research questions. The study's objectives and restrictions were discussed. The focus of the succeeding chapter will be the assessment of the literature that has already been written about the topic being studied.

# CHAPTER 2

**LITERATURE REVIEW**

## 2.0.Introduction

This chapter is anchored on the literature on internal audits as a tool for corporate governance in city councils and for ensuring that rules and regulations regulating rural councils are being followed. Reviews are conducted using both theoretical and empirical data.

## 2.1.Conceptual Review

### 2.1.1Concept of Corporate Governance

As mentioned before in the study, a number of significant businesses collapsed in the 1980s and 1990s in the US Tyco International, WorldCom, Adelphia, Peregrine Systems, and Enron Energy Corporation. According to Drennan (2004), in UK, these failures included BCCI, the Mirror Group Newspapers, Polly Peck as well as Maxwell Communications. There seems to be a single definition for the phrase "corporategovernance." Below are some definitions of corporate governance that are taken into consideration.

Corporate governance is the framework used to manage and control businesses activities, according to the Cohen (2010). The guiding and controlling management concepts serve as the foundation for the corporate governance principle. Leadership is known as the process of archiving organisational goals through directing and encouraging subordinates (Clarke, 2014). According to Onio (2019), leadership entails using motivation and communication to guide members of an organisation in achieving organisational goals. Control, on the other hand, entails monitoring performance and making adjustments as necessary to ensure that the enterprise's objectives and the strategies created to reach them are being carried out (Weirich, Cannice, & Koontz, 2010). According to Clarke (2014), the managerial control function in particular include making sure that employees' actual activities match those that were intended.A key part of the control role is setting standards, that entails creating goals and performance benchmarks by which actual results or indications are assessed. Other crucial components involve getting information about the efficiency of employees, which entails keeping an eye on their actions, which may also be performed through setting up an audit system or checking their subordinates' actions, and implementing the proper corrective measures.

Inferred from the foregoing that corporate governance is the process of an organization's leadership, communication, and motivation of its members to achieve its goals. It also includes goal-setting, measuring effectiveness, and putting corrective measures in place to make sure that actual effectiveness matches the desired outcomes.

### 2.1.2Historical background of corporate governance

From the perspective of scientists and other independent researchers, the essential justification for corporate governance may be found in the groundbreaking work of Berle and Mins (1932). They pointed out the prospect of separating control of the company from its direct ownership in a modern organisation that has grown to a very great scale. Despite the perception that corporate governance is a recent issue, this idea has been around since the Imam Corporation was founded (2006), therefore it is not a new one.

Systems of corporate governance have developed as a result of business failures or structural crises. The South Sea Bubble, which revolutionised English business rules and practises in the 1700s, was the first clearly documented instance of poor governance. Apart from more modern multinational firms like Enron and World Com, and the international accountants LaPortaLopez, and Shleifer(1999), all of these events have left an imprint on the past of corporate governance. The Maxwell Group raid on the pension fund of the MirrorGroup of newspapers is one of them. The collapse was caused by questionable accounting practises, a lack of corporate ethics, and inadequate laws. Iskunder and Chamlou (2000), concentrate on the point that a new element of an improved system of corporate governance tackled severe business failures brought on by incompetence, fraud, and abuse. Zimbabwe is one of the countries with a documented national code of corporate governance, according to Rossouw (2005). The Public Finance, Management Act(Chapter 22:19)(PFMA), the Zimbabwe Stock, ExchangeAct(Chapter 24:18)(ZSE) listing rules as well as the policies of many other qualified associations have all had an effect on corporate governance.

### 2.1.3The key principles of corporate governance

As stated in the King II Report of 2002, good corporate governance is typified by seven characteristics: fairness, social responsibility, responsibility, accountability, transparecy, discipline as well as accountability. In addition, Coyle (2003) points out that the following  five values form the cornerstone of effective corporate governance: impartiality, objectivity, openness, honesty, and transparency. In the Tushid Corporate Governance Code of Best Practises (2002), fairness, accountability, openness, and responsibility are listed as the fundamental principles and practises of corporate governance. Corporate governance should aim towards high levels of performance, productivity, profitability, and competitiveness, according to the law.

**Independence**

Coyle(2003), defines independence the degree to which mechanisms and policies to reduce possible conflicts of interest, measures like the dominance of a firm by an all-powerful chairman or chief executive officer. According to King (2006), independence ensures that possible conflicts of interest would be limited or removed. Independence is offered so that organisation members can behave ethically and professionally for the benefit of the company.

**Accountability**

Jensen (2006) contends that accountable corporate governance requires people in positions of responsibility to explain how they have used their positions of influence. The concept is crucial to corporate governance since it ensures that mechanisms for accountability are in existence whenever judgements are made as it calls for justification. King II, (2002) adds that those who make decisions and act on specific issues inside an organisation should be held accountable for their conduct.

**Responsibility**

Responsibility, according to Nicoloet al. (2006), is the need for persons in positions of authority to be subjected to corrective actions. Because it outlines punishments for misconduct by management and directors of a body corporate, this is relevent to corporate governance. King II, 2002 defines accountability as conduct that enables remedial action and deters poor management. King II (2002) further stated that good management will execute the required methods to reorient the company's operations when necessary. The directors' board is given control over management of the body corporate as stated by Companies and Other Business Entities Act 24.31.

**Transparecy honesty and openess**

Brown (2005) asserts that being open is being willing to share knowledge with individuals or groups regarding the company without revealing information that could be used against it. Investors or financial institutions, for instance, would be interested in knowing how the business is doing financially.

Transparency is the simplicity with which a third party can carry out an insightful analysis of an organization's operations, financial status, and pertinent other than financial aspects. This measures how well management communicates important information, such as audit data, general reports, and announcements of events, in a clear, accurate, and timely manner.

Gugler (2001) asserts that honesty has to do with the board's sincerity in dealing with various stakeholders. According to Clarke et al. (1997), two examples of unethical conduct are insider trading and factual deceit.

**Fairness**

Sagar (2009) contends that in order to achieve balance, the corporate governance structure inside the company must take into account the interests of all parties. According to King II's definition from 2002, fairness requires that all parties having an interest in the company's operations and future be taken into account in its internal procedures. Various groups must be recognised with their rights and upheld, such as the rights of employees to decent working conditions, professional advancement, and compensation.

**Social Responsibility**

Properly managed corporation will be cognizant of and react to societal concerns, according to Colliers and Agyi-Ampomah's (2009) assertion, which highlights the importance of ethical principles. King II (2002), sited that good corporate citizenship entails objectivity, avoiding exploitation, as well as taking responsibility for concerns relating to the environment as well as rights for people. It continues by stating that an organisation is probably going to have unintended benefits for the economy including increased efficiency as well as brand recognition while using such aspects through account.

**Reputation**Reputation, according to Fahy et al. (2005), refers to how individuals perceive the body corporate. Therefore, it might be detrimental or helpful. Reputation is important for corporate governance since it impacts the organization's achievement, according to Macey et al. (2003).

## 2.2.Concept of Internal audit

Internal audit, in its most basic definition, is an examination of an organization's operations carried out either either employees or a third-party service provider (Eke, 2015). The definition stated above acknowledges how internal auditing is performed by the organisation's workforce as well as emphasises the everyday activities of the organisation. It allows for the outsourcing of the internal auditing duties to a supplier who completes the same duties as internal auditors employed by the organisation and submits management updates.

According to Washerbrook (1978), referenced by Kumar & Sharma (2001), internal audit is an examination conducted by experts of the organisation being examined and is largely concerned with checking everyday financial transactions for irregularities. Because of the constant nature of the audit, it is challenging to commit fraud. This definition, which is one of the standard ones for internal audit, is fairly thorough and accurately captures all of its numerous aspects and goals. It draws attention to the fact that internal audit is primarily concerned with accounting operations and that, in a limited sense, this reflects the primary function of the internal audit.

Internal audit was initially defined by The Institute of Internal Auditors, a US organisation, in the form of a separate audit procedure carried out by an organisation to analyse accounting, financial, and various other activities as a foundation for managerial services. It functions as a form of management oversight by monitoring and assessing the effectiveness of other controls. Internal audit primarily has nothing to do with routinely checking the accuracy of financial accounts. Instead, it comprises analysis and reporting on how an organisation runs its day-to-day operations.

In general, the definitions above emphasise that internal audit comprises an examination of the organization's financial and accounting activities and is conducted by workers of the organisation. Modern internal auditing, on the other hand, extends beyond operations analysis to identify operational and strategic risks as well as provide assurance and advising services that boost an organization's performance. The updated initial definition of internal audit in its Framework of Professional Practise (PPF), which was published in 2002, established on the strategic function of internal auditing, according to The Institute of Internal Auditors. The expanded role and obligations of this profession have been taken into account when developing the revised definition. The Institute of Internal Auditors(2002) describes internal auditing as a goal, unbiased provision and advisory activity with an emphasis on development.

The word "internal auditing" has been given several different interpretations as outlined in the above definations. The definition of internal auditing has been supplied by numerous authors and professional organisations because it is a widely used topic in auditing and accounting literature.

### 2.2.1 Internal audit tasks

Internal auditors conduct different responsibilities as part of their job and the tasks that they complete are predetermined by management because they work for and report to management, as defined by The Institute of Internal Auditors(2002). Thus, an organization's unique traits and the extent and type of internal audit work are influenced by management requirements. The tasks that they do are created to find, analyse and record enough data to help management carry out its responsibilities and make choices (Eke, 2015).

### 2.2.2 Financial Audit

The internal auditor's conventional scope of work includes financial audit. Financial audit is the process of looking over supporting documents to support information in financial reports and accounting records which are given to management for decision-making. According to International Records Management (2013), financial audit is concerned with operations and transactions including income, cash, the purchase of assets, spending, capital receipts and payments, managing payroll, and external financial reporting.

### 2.2.3 Value for Money Audit

Value for money audits look at how economically, efficiently, and effectively resources are used to accomplish goals. Typically, value for money evaluated through comparative analysis, which entails comparing the current state of an activity to its previous state or to alternatives. By using this technique, value for money auditors can identify inefficient practises in an organization's operations. International Records Management (2013)

### 2.2.4 Risk Assessment/Management

In order to lessen the adverse effects of loss, continuing procedures include the identification, analysis, evaluation, and treatment of loss exposures and keeping track of risk management with financial resources. Internal auditors work with management to identify potential threats to a company's capacity to accomplish its goals. According to Brewster (2011), there are four risks: risks related to compliance, business, process as well as health.

## 2.3 The Role of Internal Auditing in Enhencing Good Corporate Governance

### 2.3.1Risk Management Role of Internal Auditing Function

According to Mebratu (2015), the requirement for effective risk management techniques in the public sector is driven by operating environment change as well as environment intricacy, society's ever expanding requirements and general pattern of unpredictability, and the diminishing (declining) availability of resources for national development. Hermanson et al., 2013, viewed that internal auditing's primary responsibility in the context of governance is to monitor all subsidiary actions related to risk identification, assessment of the risk's potential impact on the organisation, decision-making regarding a risk management strategy, assessing the environment for emerging risks, as well as evaluating any present risk management approach including associated procedures.

According to Hermanson and Rittenberg (2012), monitoring risk in the context of governance entails all subsidiary steps of risk identification, assessment of the risk's potential impact on the organisation, formulation of a risk management strategy, assessing the environment for emerging possibilities, as well as evaluating any present risk management approach including associated procedures. Eke (2018) provided the following brief description of the internal audit function's risk-related duties:

1. Inform management, the audit committee, or both after doing an analysis of the area under audit's current risk.

2. Conceive a plan for consistently evaluating risk throughout the coporation.

3. Take charge of risk management tasks when a gap develops inside the organisation.

4. Use risk self-assessment approaches to facilitate risk assessment.

5. Assess the hazards posed by new breakthroughs in computing and terminate the project if they cannot be managed to acceptable levels.

### 2.3.2Control role of internal audit function

Mebratu(2015) states that, internal auditing serves as a control tool that not only lowers the likelihood of corrupt behaviour by verifying purchasing procedures but also offers sufficient direct observation of capital purchases and real-world use to avoid fraud and abuse. Internal audit has also been tasked with monitoring the adoption of efficient governance or controls whilst assessing the effectiveness of management's control processes.

Control is the act taken by management to maximise the probability that acknowledged the objectives as well as goals will be attained (Eke, 2018). Management is responsible for guiding, coordinating, and preparing the execution of enough activities to deliver a reasonable level of assurance that goals as well as objectives will be achieved. Eke (2018) offered the brief description of the responsibility of the internal audit function with regard to internal control as mentioned below:

1. Developing an extensive evaluation with management that involves evaluating controls throughout the whole organisation.
2. Checking whether controls are being followed in useful areas; present results to management and, if significant, the audit committee.
3. assisting management in the production of a report on the effectiveness of internal controls.
4. Employing computerised testing methods, such as nonstop control monitoring methods, to assess the efficacy of controls.
5. Using control self-assessment procedures to help functional areas better understand and design controls.

### 2.3.3 Governance Process Role of Internal Audit Function

Public sector governance is defined by The Institute of Internal Auditors(2002) in terms of how objectives are established and attained. Internal audit may help with the strengthening of governance procedures by concentrating on how values are created to guarantee effective as well as efficient management and administration of public sector enterprises.

An open government is necessary to implement such a value system with high standards for moral conduct and fairness in all of its dealings (Mebratu, 2015). Internal auditing operations should likewise evaluate and make appropriate recommendations for enhancing the governance procedure in order to attain the succeeding objectives: promote suitable moral and ethical behaviour inside the corporation, guarantee effective corporate performance management as well as accountability, and effectively coordinate the operations of and communicate information between the Board's external and internal auditors and management. The study's dependent variables are thought to be the internal audit's aforementioned tasks.

To be able to deliver guarantee on internal controls, risk mitigation, and governance practices that comply with the rules and regulations of the Professional Practise of Internal Audit, a complement internal audit unit should, assist the board through the audit committee, according to Zimbabwe's National Code on Corporate Governance (2014). The internal audit unit should

 1.Assess the organization's governance procedures.

2. Objectively assess the structure for risk management as well as internal controls' performance.

3. Analyse and assess business practises and related procedures systematically.

4. Evaluate the possibility of fraud, corruption, unethical conduct, and other irregularities.

The following were listed by Emile Wolf International (2011) as the crucial functions of internal audit in a business, each of which is intended to help a company achieve successful corporate governance.

1. Management can monitor an organization's internal controls by means of internal audit. As an entity grows larger and more complicated, Internal audit can serve as a valuable management instrument for monitoring controls when the managerial task of doing so may grow increasingly difficult.

2. The effectiveness of operations can be tracked using an internal audit function. In order to guarantee that the use of resources is effectively and efficiently, especially in a market that is competitive.

3. Management focuses on ensuring conformity with laws and regulations in countries with numerous statute and accounting rules making use of the internal auditors.

4. The internal audit role help management in examining the efficacy of controls inside sophisticated information technology systems used by firms.

### 2.3.4 The Consulting Role of Internal Audit Internal

In this new strategy, the consulting role of internal audit is emphasised in accordance with strategic management. Furthermore, it is stated that internal audit must benefit a business and help it achieve its goals. The emphasis of internal audit's recently expanded scope is on its contribution to risk controlling and corporate governance issues.(Hass et al., 2006).

## 2.4THEORETICAL FRAME WORK

### 2.4.1 Theoretical reflection internal auditing in enhancing good corporate governance

Although some of them are well recognised in research and some of them are more dependent on perceptions, the necessity for auditing services in the public sectors, as noted by numerous academics, may be explained by a variety of unique hypotheses. Hayes (2005) recognised the lending credibility theory, agency theory, the policeman theory as well as the theory of inspired confidence as the four audit hypotheses.

### 2.4.2 The Policeman Theory

The policeman theory alludes that, the internal auditor is in charge of examining for, identifying, and stopping fraud. Undoubtedly, this was the situation at the start of the twenty century. Recently, however, providing an acceptable the degree of assurance and confirming the correctness as well as the financial reports have been the auditors' top priorities. However, the subject of fraud detection is still up for debate when it comes to the obligations of auditors, and pressure to make those obligations more stringent frequently increases after instances in which financial statement crimes are uncovered.

### 2.4.3 The Lending Credibility Theory

According to the lending credibility theory, the audit's main objective is to increase on the financial statements' trustworthiness. In light of this perspective, credibility is a service that auditors offer to their customers. When it comes to audited financial accounts, users of financial statements are thought to have more faith in the information provided by management. Users should benefit from greater credibility as well as it is commonly recognised that when investment decisions are based on reliable information, the quality of such judgements improves.

### 2.4.4 Agency theory

A company is a centre of contracts between diverse organisational stakeholders while addressing the agency theory as viewed by Donaldson, L. and Davis, J. H. (2016). They stressed the likelihood of conflicts amongst an organization's shareholders and executives on what is best for the company. Agency theory seeks to determine the optimal terms of the agreement between the principal and the agent. The level of commitment is a result of the anticipated reward worth of accomplishing the principal's aims since the agent attempts to maximise personal gain by attaining the principal's financial goals.

The agency relationship is the foundation of the agency theory. Donaldson, L. and Davis, J. H. (2016) defined a relationship of agency as a situation whereby one or more individuals ( principle) choose someone (the agent) to execute an action on their behalf and assign specific decision-making responsibilities to that agent. The relationship between an employer and employee is possibly the most well-known example of an agency relationship.Principal seeks to increase personal benefits while reducing agent compensation. The agent's aim is to maximise his or her benefits on that.In accordance with the agency theory, while both the principal and the agent have conflicting goals, the principal's wealth cannot be optimised, the principal and the agent possess varying access to information (Mupeta, 2009). The agent and principle have distinct inclinations towards risk, making it difficult for the principal to successfully supervise the agent's behaviour and ascertain what information the agent has.

#### Figure 2.1 The Agency and Principal Relationship



***Source: Kaplan Financial Knowledge Bank (2019)***

Despite the best efforts of all parties, issues with the relationships between different parties force the installation of monitoring. Above can be used to summarize the issues:

#### Figure 2.2 The challenges of the Agency theory



**Source:** [**http://www.roymogg.com/**](http://www.roymogg.com/)

The example above shows how, within the bounds of the contract, conflicts of interest may develop between the principal (P) and his Agent (A). The chosen person to complete such responsibilities has hidden self-interests that may be at odds with the principal's stated goals, notwithstanding the principal's expectation that his interests will be met. Their own interests could be detrimental to the primary contract goals. Therefore, the principal should devise plans to monitor and control the agent's self-interest. An independent third party is essential to assure the principal that the Agent constantly acts in the principal's greatest interests.

### 2.4.5 The stewardship theory

An important concept that is considered to be pertinent to the connection amoung the efficiency of corporate governance and internal audit is stewardship theory. James Davies and Lex Donaldson were the ones who came up with the stewardship concept. Stewardship theory, a novel method to examining the current structure between a company's ownership and management presupposes that the steward is the manager of the enterprise with attitudes and goals similar to that of the owners, as sited by Donaldson and Davies(1991).

Stewardship theory holds that owners and managers do not have conflicting interests, and that the purpose of governance is to identify the frameworks and practises that enable the greatest possible interaction between them. According to this idea, organisational administrators face difficulties in their daily operations even though executive control is not fundamentally complex (Donaldson, 2008). Stewardship theory places greater emphasis on the parties' shared objectives than agency theory, which presupposes a conflict of interest among the agent and principal(s) (Van-Slyke, 2006).

### 2.4.6 The stakeholder theory

In 1984, the StakeholderTheory was presented by Edward Freeman. The stakeholder theory has garnered a lot of acceptance although not having been a fully developed theory because of its simplicity and make sense application (Emerson, Alves & Raposo, 2011). Any organisation, whether for profit or not, exists to serve the needs of various interest groups (stakeholders). All of these parties are interconnected. The tenet of stakeholder theory is that, adding on the interests of the shareholders, consideration must also be given to other stakeholders who have an impact on the business. Stakeholders are the groups that have an interest in or claim to the company. Management, staff, customers, vendors, credit providers, the government, and the community (including the environment) are some examples of a company's stakeholders. According to the stakeholder theory, this group of people have an impact on the organization's operations, and as a result, their influence should be taken into account while making decisions and carrying out organisational operations (Tse, 2011).

Those who are crucial to an organization's survival and development and those who have an impact on or are impacted by it are two different types of stakeholders, according to Freeman and Reed (1983). This viewpoint was supported by Emerson, Alves, and Raposo (2011) when they noted that stakeholders could be primary or secondary. Local governments and the community are examples of secondary stakeholders since they do not have a legal obligation to the company. In contrast, employees, clients, and suppliers are examples of key stakeholders because they have a legal obligation to the business.

## 2.5 Empirical review

Numerous studies have been carried out done on corporate governance (a variable that is dependent) as well as internal auditing (an independent variable). Following is an analysis of some of the empirical research done on these two factors.

**Promoting Good Governance through Internal Audit Function(IAF):The Nigerian Experience. TAsaolu, Adedokun and Monday(2016)**

The major aim of the research was to regulate the role of internal audit in promoting good governance in Nigeria's public sector. Structured questionnaires were used to gather primary data gathered was then analysed using multiple regression and correlation analysis. The study's findings indicated that internal audit is an effective tool for encouraging good governance in Nigeria's local councils, but its impact on overall corporate governance is only moderate. The study recommended that legal requirements be put in place to allow for the release of information from governments into the public domain and to ensure that internal auditors have right of entry to special funds. These measures could promote good governance in public companies while increasing the effectiveness of the internal audit function.

**FactorsContributing to the Effectiveness of Internal Audit: CaseStudy of Internal Audit in the Public Sector in Kosovo. Leonora HalitiRudhania Nexhmie BerishaVokshib ShqipdonaHashani (2017)**

The aim of the study was to regulate the relationship concerning the quality of internal audit, the expertise of the audit team, and the independence and backing of internal audit, and the effectiveness of internal audit. The findings showed a significant correlation between these variables and the efficiency of internal audit.The research concluded that internal audit in the public sector is effective if the audit standard is at an acceptable level, the audit team receives management support, and they are competent and independent in performing their job. This would also help the nation manage its public finances more effectively. The study suggests that internal auditors' engagement in ongoing training should be prioritised in order to further improve internal audit's relationship with external audit in Kosovo. The Kosovo public sector's internal audit effectiveness will increase even more with future improvements to reporting to the highest levels inside public organisations.

**Internal AuditCapacity to Enhance Good Governance of Public Sector Organisations: DevelopingCountries Perspective. PhilipAyagre(June2015)**

The aim of the research was to evaluate the effectiveness of internal audit departments in supporting good governance in Ghana's public sector organizations. Data was collected through surveys distributed to senior management, audit managers, and chief internal auditors of public sector enterprises in Ghana. The study determined that the capability of internal auditors to enhance governance is restricted by factors such as a lack of expert and technical expertise, insufficient resources, inadequate support from management, and limited independence. The study suggests that policymakers address these limitations, which may involve making changes to the Ghanaian internal audit agency statute. The report also recommends further investigation into how these factors impact the effectiveness of the internal audit function in emerging countries.

**Redefining internal audit performance, impact on corporate governance. Abdullah (2014)**

The objective of the research was to look into the methods used in Malaysian publicly traded corporations to conduct internal audits and, in doing so, to determine how internal auditing contributes to the corporate governance of such businesses. Data were gathered for the study utilising a mail survey and interviews, which followed the survey research design. The Rasch model was used to analyse the data gathered. The study's findings demonstrate how important internal audit is to company governance. In order to deliver value-added services, collaborations are becoming more common in internal audit, especially in the areas of quality audits, information technology audits, and risk management. Internal auditing practises should be more collaborative in the future in order to better utilise the knowledge and skills of other departmental staff in order to produce internal audits that are effective and, as a result, have a bigger impact on corporate governance. It was found that internal audit significantly influences the corporate governance of publicly publicly traded companies in Malaysia.

**The roles of internal audit function in promoting effective corporate governence of commercial banks in Kenya. ChangwonyandRotich (2015)**

The main objective of the research was to investigate how internal audit adds to good corporate governance in Kenya's commercial banks. The study employed a survey methodology, and the sample was designated using a stratified sampling approach. The research results indicated that successful corporate governance is certainly and significantly impacted by the effectiveness of the internal audit function. The research demonstrated how an efficient internal audit function contributes to good corporate governance in Kenya's commercial banks. One of the recommendations from the research was that the audit committee should be responsible for approving the appointment, remuneration, and disengagement of the Chief Audit Executive to enhance the performance of the internal audit function.

**Internal audit and corporate governance in local governments in TanzaniaMwanza City Council as a case study. Njunwa (2013)**

The study's main objective was to identify the components that contribute to Tanzania's public sector's internal audit function's inability to effectively support good corporate governance. To gather the data, a structured questionnaire was the main tool used. The study, which utilised multiple regression to analyse the data, discovered that internal auditors' lack of independence, incompetence, and integrity were to blame for the inefficiency of the internal audit function at MwanzaCity Council and, as a result, the public sector in Tanzania. According to the report, the MwanzaCity Council's internal audit department did not sustenance sound corporate governance. As a result, it was advised that internal auditors make sure they develop their abilities so they can work more effectively and help the council promote good corporate governance.

**The role of internal audit in enhancing corporate governance for companies listed at the Nairobi stock exchange. Odoyo and Omwono (2014)**

The research aimed to assess the effectiveness of the internal audit purpose in achieving its objectives, the role of auditors in corporate governance, and to provide recommendations for improving the independence of internal auditors. The research utilized a questionnaire as the primary data collection tool and employed a descriptive research methodology. Both stratified and systematic sampling approaches were made use of in the study. The research findings indicated that the internal audit function acts a vital role in supporting corporate governance, with 84% of respondents stating that internal audit had a positive impact on the corporate governance of companies listed on the Nairobi StockExchange. One of the recommendations from the study was for the internal auditor to provide functional reports to the audit committee and administrative reports to the organization's CEO.

**The role of internalaudit in strengthening corporate governance in Nigeria. Mohammed,Unuigbokhai, and Ihimekpen(2014)**

The main aim of the research was to investigate the relationship concerning corporate governance and internal auditing. The study also explored how different elements of corporate governance, such as the board of directors, audit committee, external auditor, and internal audit process, interacted with each other. After conducting a thoroughgoing review of the literature, the researchers concluded that the study had successfully achieved its objectives. The findings showed that internal audit performs a critical role in improving corporate governance in Nigeria, and there is a significant correlation between the two.

## 2.6Chapter Summary

This chapter examined the regulatory framework for internal controls in town councils, the qualifications of staff in the internal audit department, the independence and objectivity of internal auditors, and the effectiveness of their work with rural district councils in the context of good corporate governance. The study also explored the role and responsibilities of internal auditors. Both theoretical and empirical reviews were used to establish connections between the literature and the study. The researcher's valuation of the effectiveness, of internal audit divisions in ensuring compliance with the Town Councils' Act was guided by these connections. In summary, corporate governance and internal audit are interrelated. The following chapter will give emphasis on the research methodology.

# CHAPTER 3

**RESEARCH METHODOLOGY**

## 3.0Introduction

This chapter's goal is to present techniques for locating the issue under investigation. The ways the researcher conducted the research project, which produced the findings that serve as the project's main topic of discussion, are the methodological features being discussed in this example. Also highlighted were the research tools, sample, sampling method, target population, sample population, dependability, and validity of the tools used in the study.

## 3.1Research Design

Igwenagu(2016) alludes that, research design is a collection of scientific methods utilised to conduct the study. Research design, according to Dumay, Demartini, Guthrie, and Bernardi (2016), is a strategy for the research that outlines the broad framework for how data will be gathered. It is a detailed plan that outlines how the study will go and how the information will be acquired in order to give answers to the stated research questions and hypotheses. This study's design is combined of quantitative as well as qualitative methods. The researcher make use of descriptive research survey to evaluate the role of internal audit in enhancing good corporate governance. By taking into account the nature of the problem that had been discovered, the knowledge that was already known about it, and the accessibility of study resources, the researchers in this study chose to employ a mixed method approach.

The efficacy of Bindura City Council's internal audit department was assessed using a case study methodology. Because it is a local government in Zimbabwe that oversees public works and national housing and possesses traits common to other local governments, Bindura City Council was chosen for in-depth examination. Data was gathered via mail and the findings were generalised as being indicative of what is happening in Zimbabwean councils' local government public works and national housing Programmes.

### 3.1.1 JUSTIFICATION OF RESEARCH DESIGN

The research design method used allows the researcher to gain more relevant data from different departments at the Bindura city council. It also gives the researcher the ability to collect data naturally in the existing circumstances and environment. The information gathered is highly current and specifically tailored to the study's goals, which means appropriate recommendations are offered.

## 3.2Population and Sampling

### 3.2.1Population Size

Population, in terms of elements and sample units as stated by Cooper & Schindler (2011) and is well-defined as the totality of the subjects in the sampling frame. The target audience is the demographic to which our study's findings should be applicable (Marshal, 2011). There are 100 employees that are the target population. The internal auditors, accounting division, management directors, administration, and councilors from Bindura city councils were the respondents the researcher specifically targeted.

### 3.2.2 Sample Size

Guided by rule of thumb, the researcher used 20 workers from Bindura city council departments.

### 3.2.3 Sampling techniques

This is a reference to the methods used to choose the instances that will be examined for the study. Sampling approaches can be categorized in two main types: probability sampling and non-probability sampling. In probability sampling, every participant of the target population has an equalchance of being selected to be part of the sample. In contrast, in non-probability sampling, the likelihood of a member being selected for the sample is unknown. Stratified random sampling was used for probability sampling while judgmental sampling was used for non-probability sampling. Employees were divided into strata that corresponded with several departments, including management directors, accounting departments, internal auditing departments, administration departments, and councilors. In order to eliminate bias and ensure that each department was represented in the sample, 10 individuals from the administration and internal auditing department and 8 employees from the accounting department were randomly selected. Using the judgmental sample technique, one senior management and one participant were selected from within respective departments. Here, the researcher chooses sample components by using his discretion.

## 3.3Data collection

### 3.3.1Sources of Data

In order to gain a deeper meaning, a variety of information, and accurate and current research findings, the researcher employ primarily journals, websites, papers, and publications.

### 3.3.2 Types of Data

Qualitative data can take a variety of forms. Almost any non-numerical information that may be recorded falls under this category. Both secondary as well as primary sources can provide data. Primary data was employed in this study's research to help meet its goals.

### 3.3.3 Primary data

Self-administered questionnaires were the main tools that were made use of by the researcher to collect data. The main information was gathered from a sample of chosen employers. The use of questionnaires made it easier to get information about the capabilities of internal audit because the researcher was able to get it straight from the source. However, there are drawbacks to using surveys because persons who submitted the information might purposefully supply false information to reflect their positive perspectives.

## 3.4Data Collection Instruments

Questionnaires were the study tools that were utilised to gather data. To acquire primary data for the study, both closed-ended and open-ended questions, were asked. Ordinary employees as well as line supervisors at the Bindura City Council self-administered the questionnaires. Open-ended questions had plenty of scope for responders to express their thoughts, while closed-ended questions had predefined responses that could be marked. Because they guarantee an acceptable level of secrecy and encourage honesty, questionnaires were used. A pilot research was carried out to polish all the research tools and eliminate any issues or ambiguities. This allowed the researcher to evaluate the validityof the research questions and the accuracy of the data gathered. In order to improve the questions, talks were had with the students who completed the questionnaires after they were distributed to them. These students are knowledgeable about internal auditing because they studied it and some of them have experience working as internal auditors.

### 3.4.1 Questionnaire

A questionnaire is a series of questions that the respondent is given with instructions to write their answers down and return the questionnaire to the researcher. Best, (1981). A majority of the questionnaire's questions were closed-ended, while only a few were open-ended. The researcher used a lot of closed-ended questions because they are quicker to tabulate the data and are simpler to administer.

**Justification of Questionnaires**

The following factors were taken into account by the researcher when selecting the questionnaire as his study technique. It made it conceivable for the researcher to gather data from locations where the observer could not physically access it and it was simpler for the researcher to administrate. Since most respondents did not have the time to participate in lengthy survey discussions, questionnaires were also practical since they could be distributed to multiple respondents at once, considerably reducing the researcher's need for time.

### 3.4.2 Likert scale

The questionnaire included a Likert scale as well because it was used to gather quantitative data and learn about people's opinions. For each item on the Likert scale, the respondent expresses how much agreement or disagreement they have. According to the creator, the Likert scale serves as a psychometric gauge of people's beliefs and attitudes. The Likert scale can be used in research as a closed question.

In a survey given to a few municipal authorities, the researcher utilised a Likert scale.

##### Table 3.1: The Five Pointer Likert Scale

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Items** | **Strongly Disagree** | **Disagree** | **Neutral** | **Agree** | **Strongly Agree** |
| Score |  1 |  2 |  3 |  4  |  5 |

**Justification of the Five Pointer Likert Scale**

Since it is used globally, the Likert scale is simple to understand. Analysing data obtained with the Likert scale is simple. Respondents are free to remain neutral; they are not required to voice an opinion. Surveys using a likert scale take less time and cost less money to conduct.

The Likert scale enables respondents to express no opinion or to choose an extreme, which can significantly influence the outcomes. This is because it can lead to a concentration of results in the middle or at the ends, making it difficult to differentiate among weak as well as strong opinions.

## 3.5Data presentation and analysis procedures

The study's data was analysed making use of the statistical package for social sciences(SPSS) programme. Data will be submitted to SPSS for statistical analysis in order to fulfil the research objectives after data clearing and data coding. Regression analysis and Cronbach's alpha were employed in this study's statistical analysis for testing reliability and validity. The findings of the analysis of the descriptive data were defined in terms of percentages, frequencies, and were shown in charts and tables.

## 3.6 Validity

Validity refers to how well a data gathering process or procedures actually reflect the outcomes they were designed to. The validity of a study, according to the authors, focuses on how closely the results match what is claimed. Reliable sources were used to acquire the data, including respondents who were aware of the difficulties local governments have in collecting taxes. The questionnaires utilised in this research were assessed to make sure that the data sought was pertinent to the circumstances in order to enhance validity.

## 3.7Reliability

Reliability is the degree to which a data gathering approach or technique produces consistent results or findings that can be obtained by other researchers. It also refers to the transparency of how meaning was derived from raw data. To guarantee the validity and dependability of the study equipment, the researcher developed inquiries that covered the subject matter of each objective. The questionnaires were pretested to identify ambiguities, conflicting questions, and irrelevant items that did not align with the research's objective. Questions directly related to each other were presented first to ensure a coordinated response.

## 3.8Ethical considerations

The only goal of the data collecting was to further this study. In order to improve excellent corporate governance, the researcher requested permission to conduct this study of the organisation and the confidentiality policy of the internal auditor job. The Bindura City Council was kept as a case study. Except for the researcher's supervisor, who was responsible for maintaining anonymity, no other person had access to the data obtained. There were various ethical issues with the data collection procedure, such as using persons who weren't willing to participate. The respondents were not compelled to answer questions. The report does not mention any specific individuals by name, and data processing ensures confidentiality.

## 3.9Chapter Summary

This chapter gives a summary of the research approach adopted by the researcher, including the research strategies, sampling methods, study population, data presentation, and analysis methods used. The researcher utilized questionnaires to collect information from the Bindura City Council. The presentation and the analysis of the data gathered will be discussed in chapter four.

# CHAPTER 4

**DATA PRESENTATION, ANALYSIS AND DISCUSSION**

## 4.0Introduction

This chapter emphases on the analysis and interpretation of data gathered in the research. It will also examine how the study's findings relate to existing theories and empirical studies.

## 4.1 Data Presentation

After the submitted questionnaires had been reviewed for accuracy, consistency, and completeness for the study, data from the Bindura City Council had been collected. Pie charts, graphs, tables, and bar charts, as well as the Statistical Package for Social Science (SPSS) procedure, were utilized to show the data in order to make conclusions that were evident.

##### Table 4.1:Questionnaire Response Rate

|  |  |  |  |
| --- | --- | --- | --- |
| **RESPONSES** | **FREQUENCY** | **PERCENTAGE** | **CUMULATIVE PERCENTAGE** |
| Questionnaires Returned | 16 | 80% | 80% |
| Questionnaires not Returned | 4 | 20% | 100% |
| Total | 20 | 100% |  |

**Source:Primary Data 2023**

Creswell (2014) states that, the response rate is computed by dividing the sample size by the total number of responses after deleting unreached respondents. In this study, the researcher distributed 20 surveys to council employees, but only 16 of them received responses, resulting in an overall response rate of 80%. Mabvuregudo (2013) suggests that a high responserate increases the credibility of the gathered data. The analysis of this study required the use of the sixteen completed questionnaires. Muyenda (2003, p. 50) states that achieving a response rate of at least 50% is crucial to meet the study's objectives. The study's response rate of 80% is much higher than the minimum level required, indicating that it is sufficient to determine the implication of internal audits in promoting strong corporate governance in city councils.

**RELIABILITY TESTING**

|  |
| --- |
| Table4.2:Reliability Statistics |
| Cronbach'sAlpha | N of Items |
| .911 | 72 |

The instrument's reliability was assessed using Cronbach's alpha, and the outcome obtained for all the 72 items on the questionnaire was 0.911. This reliability test score exceeds the minimum acceptable coefficient of 0.70.

## 4.2 DEMOGRAPHY

### 4.2.1 Gender of Respondents

According to the graph below, there were 62.50% (10) male responses to the questionnaires, 37.50% (6) female respondents, and no respondents who identify as transgender or hermaphrodites. We asked those who provided the information to identify their gender. This demonstrated that respondents to the study were largely male. Women seem to be holding professional positions in the field of study as a result of gender equality. Furthermore, the fact that women contributed a significant portion of the total implies that their research interests were covered and that there is no dominance because there aren't any noticeable discrepancies. This ensured that the findings presented here are significant and will lead to a comprehensive approach. For the delivery of services to be successful, all programmers must be gender conscious, claims Naome (2012). This shows that men respondents were more open to giving information than their female counterparts.

#### Figure 4.1: Gender of Respondents

**Source: Primary Data 2023**

### 4.2.2 Age of respondents

#### The participants were requested to state their age to ensure accuracy and clarity of the data collected in relation to the objectives of the study.

#### Figure4.2Age of respondents

 **Source:Primary Data 2023**

The poll described above found that 6 (37.5%) of respondents had a median age of 36 to 45 years, followed by 4 (25%) of respondents with a median age of 46 to 55 years, and 1 (6.25%) of respondents with a median age of 25 years or younger. The findings reveal that 81.25% of respondents were between the ages of 26 and 55, indicating that the majority of workers in this age group are likely to have educational and professional credentials that enable them to handle a variety of occupations. Additionally, it implies that people of this age are highly motivated and eager to advance in their employment. The fact that so few people under 25 are employed in professions-related roles because they lack the essential experience is explained by the fact that only about 1 (6.25) of those who replied were under the age of 25. Two of the respondents (12.25%) did, however, fall into the over-56 age group, where the majority of workers had greater subject-matter expertise but fewer chances to develop their careers.

### 4.2.3 Respondent’s Educational background

#### Figure 4.3 Level of Qualification

 **Source: Primary Data 2023**

The more than half of the participants in the research (37.5%), who had degrees from colleges or universities, showed they had the foundational education required to compete. Only one respondent, who made up the minority of respondents (6.25%), had a PhD alone. These figures suggest to the researcher that the respondents have a basic comprehension of the issue. Due to the prevalence of respondents with university degrees, the researcher considered that the majority of the remarks were based on fairness, supported by educational knowledge of theory or current contacts by respondents.

### 4.2.4 Respondents by working experience

#### Figure 4.4: Respondents by working experience

 **Source:Primary Data 2023**

In order to obtain correct statistics, the researcher had to look at the data based on the respondents' prior employment history. The data collected showed that the range of job experience was between one year and more than ten years. The percentage of participants with 6 to 9 or more years of job experience was the highest (43.75%), while the percentage of participants with 1 or less years of work experience was the lowest (6.25%). According to the aforementioned findings, the majority of the workforces employed by the chosen towns have been doing so for a minimum of three years, increasing the likelihood that their responses will be reliable. The length of employment shows that the level of comprehension was higher than it would have been for someone who had never worked in the public sector before. They were well-versed in organizational concepts as well as the topic under study. The extent to which a data collection technique will result in repeatable outcomes, comparable observations, or transparency in how meaning was derived from raw data, according to Saunders et al. (2012). The fact that a sizable portion of employees, as seen above, have sufficient knowledge and awareness of the organization's operating systems and procedures, however, has a favorable impact on robust corporate governance through internal audits.

## 4.3 Role of internal auditing towards enhancing good corporate governance

The participants were requested to indicate their level of agreeing or disagreeing with statements related to the role of internal auditing in promoting sound corporate governance initiatives. Their answers were recorded on a scale ranging from agreeing to disagreeing, with corresponding circles that the respondents were asked to mark. The mean values were between 4 and 4.75, which shows that more than half of the replies were within the range of "agree," indicating that the respondents supported the below-mentioned contributions of internal auditing to sound corporate governance. The replies' range was 4 to 5, indicating that respondents generally concur that the aforementioned criteria improve excellent corporate governance.

|  |
| --- |
| Table 4.3 Descriptive statistics |
|  | Help in safeguarding of organisation's assets | Increased transparency | Enhance financial performance | Enhance audit committee | Prevent corruption and fraud | Assists in improving accountability | Internal audit independence | Helps policy formulation | Detects corruption and fraud | Improve financial controls | Management support enhances internal audit effectiveness in giving good corporate governance |
| N | Valid | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Missing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mean | 4.13 | 4.75 | 4.19 | 4.00 | 4.25 | 4.19 | 4.19 | 4.19 | 4.19 | 4.06 | 4.00 |
| Std. Deviation | .919 | 1.247 | .855 | .830 | 1.000 | .855 | .755 | .844 | .855 | .754 | .632 |
| Variance | .517 | .200 | .429 | .533 | 1.000 | .163 | .429 | .396 | .429 | .729 | .400 |
|  |  |  |  |  |  |  |  |  |  |  |  |

**Source: Primary data 2023**

**Help in safeguarding of organisation’s assets**

Based on the data in the table above, with a mean of 4.13 and a standard deviation of 0.819, the participants agreed that internal audit systems are effective in safeguarding the assets of public sector organizations and local governments. This suggests that internal auditors play a crucial role in protecting the assets of public sector entities. This result is consistent with the research conducted by Arena and Azzone (2012), which recognized that the effectivenessof internal audit in protecting an organization's assets is influenced by various factors, including audit approaches and activities.

 **Increased transparency**

The table above demonstrates that respondents agreed (indicating a mean of 4.75 and a standard deviation of 1.247) that internal auditing is effective in enhancing the transparency of public sector organizations in local authorities. This proposes that internal auditors play a critical role in promoting transparency in these organizations. This result is inline with the research undertaken by Gitau (2015), which emphasizes that transparency facilitates the monitoring of an organisation’s operations, enabling the examination and verification of processes and transactions. This is crucial for establishing strong governance because errors and weaknesses can be quickly identified and addressed both within and outside the organization.

 **Enhance financial performance**

The respondents in the above table were in agreement that internal audit methods are effective at enhancing local government financial performance, as shown by the mean of 4.19 and standard deviation of 0.855. Given that more than 60% of participants concur, one is led to believe that the internal audit function helps companies perform at higher levels. The results are consistent with those in the International Internal AuditingStandards, which demand that internal auditors carry out their duties in a way that would enable them to produce insightful audit findings and constructive improvement suggestions.

**Assists in improving accountability**

Based on the table above, with a mean of 4.19 and a standard deviation of 0.855, participants generally agreed that internal audits promote accountability in local government agencies. This suggests that internal auditors play an important role in enhancing accountability in these organizations. These findings are consistent with Section 299 of the ZimbabweanConstitution, which serves as a supervisory principle for managing public resources and holding accounting officers accountable. Additionally, Section194 in the Zimbabwean Constitution of 2013 provides a framework for accounting public administration, which encourages inclusivity and ensures that public organizations are accountable, to the needs of the people.

**Helps policy formulation**

According to the data presented in the table above, with a mean of 4.19 and standarddeviation of 0.844, participants agreed that internal audit plays an important part in the development of policies in public sector organizations in local governments. This finding indicates that internal auditors has a significant contribution to the policy development process in these organizations.

**Improves financial controls**

Based on the table above, with a mean of 4.06 and a standarddeviation of 0.754, participants generally agreed that internal audit improves financial controls in public sector organizations. This finding suggests that internal auditors perform an important role in enhancing the financial control system of public sector organizations. This result is consistent with the study by Smet and Mention(2012), which foundthat the internal audit function effectively controls the organization's finances and positively impacts organizational performance. Effective financial control involves measuring, comparing, and correcting any discrepancies between budgeted and actual targets, and it is crucial for a robust financial controlsystem to ensure organizational efficiency.

**Detects fraud and corruption**

Based on the table above, with a mean of 4.19 and a standard deviation of0.855, respondents generally agreed that internal audit improves financial controls. In the interviews, 90% of the participants strongly agreed and 10% were neutral on this issue. This finding suggests that internal auditors perform a critical role in promoting strong corporate governance by detecting and preventing fraud and wrongdoing. This is consistent with the results of Alleyne and Howard's(2015) study, which identified effective auditcommittees, robust internal controls, and internal auditors as key factors indetecting and preventing corruption and fraud.

**Management support**

The descriptive statistics indicate that senior management support is a significant factor in promoting internal audit effectiveness, with a mean of 4 as well as a standard deviation of 0.632. This finding underscores the importance of senior management in supporting internal auditors to perform their work effectively without impediments. Senior management actions can boost internal auditors' confidence, leading to more effective internal auditing. This finding is inline with previous researches by Mihret and Yismaw(2014) and Ahmad et al.(2016), which identified the lack of support from audit staff and management as significant barriers to internal audit effectiveness within organizational structures. The study suggests that with competent internal audit staff and adequate management support, basic internal audit processes are sufficient to guarantee the protection of public sector organization assets.

**Internal auditor independence**

The survey's results revealed a mean of 4.19 as well as a standard deviation of 0.755, indicating that a majority of the participants agreed that local authorities' internal audits were independent of public sector entities. Overall, the findings indicate that respondents believed internal auditors have sufficient independence to carry out audit tasks. Numerous scholars have conducted studies and come to the conclusion that organizational independence is essential to internal auditor effectiveness. This is corroborated by Mihret's (2017) research, which found that independence is crucial to providing management with effective internal audit services because it creates a setting for unbiased assessment and reporting of findings free from interference from the audited units.

**Prevent fraud and corruption**

The table above shows that the participants agreed (indicating a mean of 4.25 and standard deviation of 1.00) that internal audit is effective in preventing corruption and fraud in the public sector organizations in city councils, highlighting the importance of internal auditors in the fight against fraud and corruption. The outcome is in line with the research by Alleyne and Howard (2015), which identified effective audit committees, robust internal controls, and internal auditors as key factors in preventing fraud and corruption.

**Enhance audit committee**

The survey results indicated that respondents generally agreed (with a mean of 4.00 as well as a standard deviation of 0.83) that the audit committee supports internal audit in local authorities, suggesting that the audit committee provides adequate support for internal auditors to do their work. Prior researchs have also emphasized the importance of the audit committee in improving good corporate governance, with some scholars advocating for the audit committee's involvement in intuitive decision-making (Griffith University, 2010). However, some respondents disagreed that internal audit improves independence, citing the influence of powerful politicians on the audit committee. Turely et al.(2016) debate that an audit committee that adheres to the requirements of the UrbanCouncils Act (29:15) can enhance the independence of internal audit.

## 4.4 Relationship and impact testing

**Regression analysis**

To construct a link between audits performed in previous years and various audit kinds the researcher employed the model shown below.

shown below. 𝑌 =∝ + 𝛽1𝑋1 + 𝛽2𝑋2 + 𝛽3𝑋3 + 𝛽4𝑋4 + 𝛽5𝑋5 + 𝛽6𝑋6 + 𝛽7𝑋7 + 𝜀 Where:

𝑌 = 𝑎𝑢𝑑𝑖𝑡 𝑐𝑜𝑛𝑑𝑢𝑐𝑡𝑒𝑑 𝑖𝑛 𝑡ℎ𝑒 𝑝𝑎𝑠𝑡 𝑦𝑒𝑎𝑟𝑠

𝛼 = 𝐶𝑜𝑛𝑠𝑡𝑎𝑛𝑡

𝑋1 = 𝑓𝑖𝑛𝑎𝑛𝑐𝑖𝑎𝑙 𝑎𝑢𝑑𝑖𝑡

𝑋2 = 𝑜𝑝𝑒𝑟𝑎𝑡𝑖𝑜𝑛𝑎𝑙 𝑎𝑢𝑑𝑖𝑡

𝑋3 = 𝐼𝑛𝑓𝑜𝑟𝑚𝑎𝑡𝑖𝑜𝑛 𝑡𝑒𝑐ℎ𝑛𝑜𝑙𝑜𝑔𝑦 𝑎𝑢𝑑𝑖𝑡

𝑋4 = 𝑟𝑒𝑔𝑢𝑙𝑎𝑡𝑜𝑟𝑦 𝑐𝑜𝑚𝑝𝑙𝑖𝑎𝑛𝑐𝑒 𝑚𝑜𝑛𝑖𝑡𝑜𝑟𝑖𝑛𝑔

𝑋5=𝐼𝑛𝑡𝑒𝑟𝑛𝑎𝑙 𝑐𝑜𝑛𝑡𝑟𝑜𝑙 𝑟𝑒𝑣𝑖𝑒𝑤 𝑎𝑛𝑑 𝑚𝑜𝑛𝑖𝑡𝑜𝑟𝑖𝑛𝑔

X6 = 𝑟𝑖𝑠𝑘 𝑚𝑎𝑛𝑎𝑔𝑒𝑚𝑒𝑛𝑡

𝑋7 = 𝑐𝑜𝑟𝑟𝑢𝑝𝑡𝑖𝑜𝑛 𝑎𝑢𝑑𝑖𝑡

𝜀 = 𝐸𝑟𝑟𝑜𝑟 𝑡𝑒𝑟𝑚

##### Table4.4: Model summary of regression analysis

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Model  | R  | R Square  | AdjustedRSquare  | Std.Error Estimate  | of  | the |
| 1  | .398a | .159  | -.032 | 1.395  |  |  |

**Source:Primary data 2023**

The table above shows the model made use of determine how variables fit the equations. The R-squared value adjusted was used to assess the analytical power of the research model, and it showed that to be 0.159, indicating that financial audit, operational audit, information technology audit, regulatory compliance monitoring, internal control review as well as monitoring, risk management, and corruption audit collectively explain 15.9% of the differences in types of audit, leaving 84% unexplained. The correlation coefficient of 0.398 indicates a weak relationship concerning the dependent and independent variables. The standard error of estimate, which indicates the accuracy of the regression model in making predictions, is low at 1.395, indicating a high degree of accuracy in the prediction model (Upagade & Shende, 2012; Keller, 2014).

##### Table4.5: Anova Results

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Model  |  |  | Sum of Squares  | df  | Mean Square  | F  | Sig.  |
| 1  |  | Regression  | 11.389  | 6 | 1.627  | .838  | .565b |
|  | Residual  | 60.201  | 40  | 1.942  |  |
|  | Total  | 71.590  | 46  |  |  |
|  | a. dependent variables: How would you rank the quality of recent audits.  |  |

**Source: Primary Data 2023**

|  |
| --- |
| During the research process, operational audit, information technology audit, regulatory compliance monitoring and internal control review, and monitoring, risk management, and corruption audit were used as supporting variables to predict the degree of financial audit as a control variable. The model testing was seen to be significant, with a p-value of less than 0.005 and a calculated F-value of 0.838, which was lower than the critical value of F=1.768 as reported in the study. The F-test result for the research was 0.838, with 6 degree of freedom for regression as well as 40 degree of freedom for the model residual.Table4.6: RegressionCoefficients |
| Model | Unstandardized Coefficients | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
| 1 | (Constant) | -1.852 | .711 |  | -2.604 | .029 |
| Financial audit | .505 | .408 | .384 | 1.237 | .247 |
| Corruption audit | -.124 | .367 | -.095 | -.337 | .744 |
| Risk assessment audit | .248 | .311 | .199 | .796 | .447 |
| Operational audit | -.429 | .533 | -.261 | -.804 | .442 |
| Regulatory compliance monitoring | .124 | .367 | .107 | .337 | .744 |
| Information technology audit | 1.062 | .447 | .685 | 2.377 | .041 |
| a. Dependent Variable: How would you rank the quality of the recent audits |

**Source: Primary data 2023**

The regression coefficients in the table4.6, shows that the gradient of the tested variables' standardized and unstandardized coefficients. These coefficient variables showed, that the equation can be constructed as follows:

𝑎𝑢𝑑𝑖𝑡 𝑐𝑜𝑛𝑑𝑢𝑐𝑡𝑒𝑑 𝑖𝑛 𝑡ℎ𝑒 recent 𝑦𝑒𝑎𝑟𝑠

= (1.852) + 0.505 financial audit+ (−0.429) operational audits

+ 1.062 information technology audits + 0.124 regulatory compliance + (0.209) risk management + (−0.124) corruption audit

Unstandardized beta coefficients show how an independent variable affects a dependent variable when all other variables are maintained constant (Salim, el at. 2018). Internal audit has the potential to improve excellent corporate governance in this aspect, provided that other variables remain constant. The study indicates that a decrease in operational audits is associated with a decrease in the capacity of internal audit to enhance good governance. Specifically, a unit decline in operational audit leads to a loss of 0.429 units in the effectiveness of internal audit in promoting good governance. The findings suggest that information control audit, financial audit, risk management, as well as regulatory compliance monitoring have the greatest impact on improving good governance through internal audit, while operational audit has relatively little effect. Information technology audit and corruption audit also have less impact on improving good governance compared to the other types of audit.

## 4.5To evaluate challenges that hinder internal auditing in enhancing good corporate governance

#### Figure 4.5:Challenges that hinder internal auditing in enhancing good corporate governance.

**Source: Primary data 2023**

The graph mentioned showed that 87.5% of the participants (16 participants) agreed that a lack of professionalism among internal auditors contributes to the failure to improve good corporate governance practices. This lack of professionalism is associated with slow information systems, inaccurate recording and classification of financial transactions, and incomplete records and supporting documents. This can result in important information not being disclosed in financial statements and reports, which are crucial indicators of an organization's financial situation and activities. Inadequate skills and expertise can also lead to fraud, corruption, and other misconducts that are indications of poor corporate governance and inadequate safeguards against them. The results are supported by the study of other scholars, such as Adeyemi and Uadiale (2011) who found that internal audit quality significantly affects financial reporting quality, indicating that a lack of professionalism among internal auditors can have negative impacts on an organization's financial reporting and ultimately on its corporate governance.

According to the study's findings, 11 of the participants concur that poor internal auditing does more to enable poor corporate governance than it does to prevent strong corporate governance. A further barrier to good corporate governance, according to 13 of the study's participants, was mismanagement. This is because mismanagement has grown into the norm as well as a culture, mainly in local governments where effective service can’t be provided lacking a mismanagement substance. Mismanagement has been linked to organizational as well as political influences that obstruct good governance practices. Mkenda (2013) and Ramkumar (2005) have reported similar findings, indicating that the independence of auditors in performing their duties is limited by bureaucratic and political factors.

Additionally, 81% of the respondents stated that poor corporate governance is greatly fueled by these corrupt practices in the majority of public sector businesses, which include favoritism and a society of whom people know. According to Khan (2009), is auditors' efforts to improve good corporate governance through the fight against corruption are hampered by an absence of independence.

Poorly structured board, particularly in government organizations given the current economic difficulties the nation is experiencing, has a substantial effect on the inability of auditing to improve sound corporate governance; instead it promotes poor governance practices.

The respondents concurred that the aforementioned issues make internal auditing less effective at promoting sound company governance. This is demonstrated by the 76% of respondents who felt that internal auditing was weak and believed there was a lack of professionalism, poor board structure, dishonest audit committees, and mismanagement including fraudulent management. Based on the aforementioned conclusions, it is obvious that internal auditing contributes significantly to improving excellent corporate governance.

## 4.6To evaluate compliance of the internal audit, with policies and regulations

#### Table 4.7 How efficient are your organization's present policies, processes, and systems in guaranteeing the following governance issues.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Strongly disagree** | **disagree** | **neutral** | **agree** | **Strongly agree** |
| Integrity | 0 | 1 | 3 | 10 | 2 |
| Accountability | 0 | 0 | 2 | 11 | 3 |
| Fairness | 0 | 2 | 1 | 12 | 2 |
| Transparency  | 0 | 0 | 3 | 12 | 1 |
| Openness | 1 | 0 | 2 | 10 | 4 |
| Effectiveness and efficiency | 0 | 1 | 4 | 9 | 2 |
| Rule of law | 0 | 0 | 3 | 11 | 2 |
| Ethical conduct | 1 | 0 | 1 | 12 | 2 |
| Sound financial management | 0 | 0 | 5 | 10 | 1 |
| Competence and capacity | 0 | 0 | 2 | 11 | 3 |
| Innovation and openness to change | 1 | 1 | 4 | 9 | 1 |
| Human rights and social cohesion | 0 | 2 | 3 | 9 | 2 |

Table4.7 shows that, a many of the participants agreed that good corporate governance in local authorities depends on the effectiveness of policies, procedures, and systems to promote good governance through internal auditing. Only a few respondents disagreed with this statement. These findings are consistent with the findings of previous studies by Mihret et al. (2017)Ahmad et al. (2018), Abdolmohammadi(2008), and Al-Matarneh(2015), which suggest that rules, procedures, and systems that support governance principles are essential for promoting good corporate governance. The external regulatory environment can also influence the efficiency of the internal audit function, as noted by MacRae et al. (2014). Having a legal mandate can improve the credibility of the internal audit function.

## 4.7 Chapter Summary

The goal of this chapter was to assess, the role of internal auditing in supporting good corporate governance, with a focus on the perspectives of participants in local governments. The findings obtained from the participants were presented making use of tables and pie charts, and columns to simplify the information. The analysis of the data collected highlighted the crucial role that internal auditing plays in promoting strong corporate governance. The next chapter serves as the final section of the study, bringing together all the findings from the descriptive statistics to draw conclusions for the investigation.

# CHAPTER 5

**SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

## Introduction

This section gives an overview of the results obtained from the participants, the issues that were recognized, the researcher's recommendations, and overall conclusions of the study. Chapter four covers the research methodology and data analysis that led to the conclusions as well as recommendations. The research focused on capabilities of internal auditing in the public sector, with a particular emphasis on case of Bindura City Council. The discussion is supported by the study's outcomes, the opinions of scholars, and the perspectives of graduate students.

## 5.1Findings

The major objective of the research was to investigate the role of internal, auditing in enhancing goodcorporate governance at Bindura City Council. The research was directed by the succeeding research objectives: to evaluate the effectiveness of internal auditing as a tool for improving good corporate governance, to assess the contribution of internal auditing to excellent corporate governance, to determine whether internal auditing complies with relevant rules and regulations, to identify obstacles faced by internal auditing in promoting good corporate governance, and to propose methods for enhancing the effectiveness of internal auditing. The succeeding findings were drawn from the research.

The major findings of the study are given below:

* Internal auditing is viewed as an essential function in promoting good corporate governance in city councils. As a large component of the respondents indicated that internal auditing is an essential instrument in enhancing good corporate governance in the local authority.
* Most of the respondents shows that poor internal auditing does not promote good corporate, but rather hinders it
* The internal audit department as an independent entity that is not directly involved in the operations of other departments but serves as an advisory department to other departments, plays a risk management role, control role, consulting role, and many other roles as a tool to enhance good corporate governance in Bindura city council.
* It also helps decision-makers make better decisions and supports ethical decision-making. These results suggested that the advantages of sound corporate governance increased with the significance of the internal audit function.
* Many variables determine the success of internal auditing in developing good corporate governance, including the independence of the internal audit function, the amount of backing from management and the council, and the adequacy of resources assigned to the internal audit function.

## 5.2Conclusions

Built on the findings drawn from the research the researcher made the succeeding conclusions;

* To enhance the effectiveness of internal auditing in promoting good corporate governance, city councils should ensure that internal auditors have the skills and expertise to perform their duties effectively. This may involve providing regular training and development opportunities to internal auditors.
* Internal auditing is an essential function in promoting good corporate governance in a city council. Internal auditors can aid the council's governance procedures by identifying flaws and potential areas for development by offering independent and impartial assessments of the efficacy of internal controls.
* Internal auditing also urges the audit committee to regularly evaluate its operations and procedures to ensure that they are in line with best practices.
* Some of the difficulties internal auditors face affect good corporate governance practices in local authorities comes as a threat resulting from the relationship concerning auditors and the management.
* Internal auditing informs the audit committee of fraudulent activities and irregularities, performs annual audits and reports the findings, as well as sharing best practices for internal controls and risk management processes with the audit committee and the entire organization. These steps are taken to make sure that organizational resources are successfully employed for the good of the entire organization rather than for personal or individual advantage.
* Employment of audit committees, internal and external audit, and corporate risk management were all aspects of effective governance. Excellent decision-making and efficient and successful decision-implementation require an organization to have a solid structure in place.

## 5.3Recommendations

The following are recommendations made by the researcher to enhance the effectiveness of internal audit in supporting good corporate governance in local authorities:

* The researcher advises local governments to collaborate with accounting firms like Ernest and Young, Deloitte, and colleagues as well as other local businesses and professional bodies to train both new and experienced service personnel. This will equip new service employees with the necessary knowledge and abilities to enable all service employees to stay current with trends in the auditing profession about their role in corporate governance.
* Business should arrange refresher training for both new and experienced employees to keep them up to date on industry trends, which will help them perform their jobs successfully and efficiently.
* Employees should be well-versed with the provisions of the Zimbabwean code of corporate governance, as a significant percentage of internal auditors are not familiar with it. This will help internal auditing become more effective in promoting good corporate governance.
* • To maintain the autonomy of internal audit in the public sector and compliance with all internal controls, the law should establish internal audit as well as the different legal requirements pertaining to finances.
* Employees should be well-versed with the provisions of the Zimbabwean code of corporate governance, as a significant percentage of internal auditors are not familiar with it. This will help internal auditing become more effective in promoting good corporate governance.
* Local governments should encourage internal audit independence and provide strong corporate governance. The central government should foster political will and commitment among legislators.
* Management should cooperate and implement the recommendations prepared by auditors instead of impeding internal audit.
* The researcher recommends establishing an approved internal audit agreement that explicitly states the power and goals of internal auditors. Auditors should be allowed to carry out their tasks without interference and have access to all files needed to complete their audits.
* Management should support training for auditors to enhance their knowledge of auditing. To avoid familiarity and to prevent management influence from exceeding their authority, internal audit staff should be rotated frequently. Chief internal auditors should also have a legal mandate and be compensated at management levels.

## 5.4 Suggestions of further study

The research aimed to assess contributions of internal auditing to good governance in the public sector, with a specific focus on local authorities. Therefore, the research design was geared towards local authorities, but the conclusions drawn from the research may also be relevant to other local authorities both within and outside Zimbabwe. The research recommends further study on the effectiveness of internal auditing in Zimbabwe's public sector, as the current research only focused on one case study. Future research should consider multiple case studies to obtain a more comprehensive understanding of the role of internal auditing in improving good corporate governance.

# REFFERENCES

Abdullah, S. N. (2014*). Redefining internal audit performance, impact on corporate governance. Procedia-Social and Behavioral Sciences, 145, 195-203.*

Adedokun, S. A. (2014). *Internal Audit Function and Good Governance in Oyo State (Unpublished M.Sc. Accounting Dissertation). Obafemi Awolowo University, Ile-Ife, Nigeria.*

 Ahmad, N., Othman, R., and Jusoff, K. (2009). *The Effectiveness of Internal Audit in Malaysian Public Sector. Journal of Modern Accounting and Auditing, 5(9), 784-790*.

Ali, A. M., Gloeck, J. D., Ahmi, A., &Sahdan, M. H. (2007). *Internal Audit in the State and Local Government of Malaysia. Southern African Journal of Accountancy and Auditing Research, l7, 25-57.*

Alzeban .A and Sawan (2013) “*The role of internal audit function in public sector context in Saudi Arabia.” African Journal of Business Management.Vol.7, No.6, pp.30-39.*

AmanuddinShamsuddin (2014): *FACTORS THAT DETERMINE THE EFFECTIVENESS OF INTERNAL AUDIT FUNCTIONS IN THE MALAYSIAN PUBLIC SECTORS Barasa, K. S. (2015). Statistical Analysis of the Role of Internal Audit in Promoting Good Governance in Public Institutions in Kenya. Journal of Investment and Management, 4(1), 38-46.*

 Angeline Sithole (2013) *CORRUPTION IN ZIMBABWEAN URBAN LOCAL AUTHORITIES: A CASE OF GWERU CITY COUNCIL*.

Ayagre, P. (2015). *Internal Audit Capacity to Enhance Good Governance of Public Sector Organisations: Developing Countries Perspective. Journal of Accounting and Auditing: Research & Practice, 2015, 1-16.*

Ayagre, P. (2015). *Internal Audit Capacity to Enhance Good Governance of Public Sector Organisations: Developing Countries Perspective.*

Badara, M.S., and Saidin, S.Z. (2014)” *Empirical Evidence of Antecedents of Internal Audit Effectiveness from Nigerian Perspective. “Middle East Journal of Scientific Research, Vol .19, Issue No.4, pp.460-471. 115*

Badara, S.M., Saidin, Z.S. (2014). *Internal Audit Effectiveness: Data Screening and Preliminary Analysis. Asian Social Science, vo.10 (no.10), pp: 76-85.*

Baltci, M. and Yilmaz, S., (2006), *Keeping an Eye on Sub National Governments: internal control and audit at local levels.*

 Cassandra S. L. Yee, Ahmad Sujan, Kieran James and Jenny K. S. Leung (2008): *Asian Journal of Business and Accounting, 1(2), 2008, 147-174 ISSN 1985-4064.*

Changwony, K. J., & Rotich, E. K. (2015). *The roles of internal audit function in promoting effective corporate governance of commercial banks in Kenya. International Journal of Economics, Commerce, and Management, 3(11), 1-14*.

Christopher. J (2015) “*Internal Audit: Does it enhance governance in the Australian Public University sector.” Management, Administration and Leadership.Vol.463, No.6, pp.954-971.*

Clarke, T. (2014), Theories of Corporate Governance. *The Philosophical Foundations of Corporate Governance, Routledge: Taylor & Francis Group.*

 Cohen A, Hannon G (2010) *The Effectiveness of Internal Auditing: an empirical examination of its determinants in Israeli organizations. Australian Accounting Review 20: 296-307.*

 Cohen J (2010) *corporate governance and the audit process. Contemporary Accounting Research 19: 574-594.*

Cohen, A, &Sayag, G. (2010). *The Effectiveness of Internal Auditing: An Empirical Examination of its Determinants in Israeli Organizations. Australian Accounting Review, 54(20), 296-307.*

Crowther, D. and S. Seifi, 2011. *Corporate governance and international business. Ventus Publishing Aps.*

D’Onza.G, Selim.G.M, Melville.M.G and Allegrini.M (2015)” *A study of Internal Audit Perceptions of the Function to add value. “International Journal of Auditing Vol .19, Issue No.3, pp.182-194.*

David Hay, Jenny Stewart and NivesBoticaRedmayne 2017: *The Role of Auditing in Corporate Governance in Australia and New Zealand: A Research Synthesis*.

 David O. Mbat and EyoI.Eyo: *Corporate Failure: Causes and Remedies Business and Management Research Vol. 2, No. 4; 2013. 116*

Deloitte and Touche, 2012. *Doing business in Zimbabwe, the jewel of Africa. Deloitte studio. Johannesburg. South Africa.*

DessalegnGetieMihret (2007). *Internal audit effectiveness: an Ethiopian public sector case study.*

DessalegnGetieMihret, Australia Kieran James and Joseph M Mula 2018: *Antecedents and organisational performance implications of internal audit effectiveness.*

Donaldson, L. and Davis, J. H. (2016) *Stewardship theory or agency theory: CEO governance and shareholder returns, Australian Journal of Management, Vol16 (1) pp.49-64.*

Eke, F. N. (2018). *The internal audit function and risk management effectiveness in Nigerian banks. International Journal of Business and Management, 13(2), 1-15.*

George, D., Theofanis, K., Konstantinos, A. (2015). *Factors associated with Internal Audit Effectiveness: Evidence from Greece. Journal of Accounting and Taxation, vol.7 (no.7), pp: 113 - 122.*

Goodson, S. G., Mory, K. J., Lapointe, J. R. (2012). *The Role of Auditing in Public Sector Governance. Altamonte Springs, Fla., USA: The Institute of Internal Auditors.*

Greece Drogalas George, KaragiorgosTheofanis and ArampatzisKonstantinos: *Factors associated with Internal Audit Effectiveness.*

Haliti, L., & Rudhani, R. (2017). *Factors Contributing to the Effectiveness of Internal Audit: Case Study of Internal Audit in the Public Sector in Kosovo. Journal of Accounting, Finance and Auditing Studies, 3(4), 91-108.*

Haliti, L., Nexhmie, R., Vokshi, B., & Hashani, S. (2017). *Factors Contributing to the Effectiveness of Internal Audit: Case Study of Internal Audit in the Public Sector in Kosovo. European Journal of Multidisciplinary Studies, 2(4), 88-93.*

Hermanson, D. R., and Rittenberg, L. (2012). *Internal auditing: Role in governance. In The Internal Auditing Handbook (pp. 295-318). John Wiley & Sons.*

Hermanson, D. R., Ye, Z., & Rittenberg, L. (2013). *Internal auditing: Assurance and consulting services. The Institute of Internal Auditors Research Foundation.*

J. U., &Aladeraji, O. K. (2015). *Strategic Management and Corporate Performance: A Resource-Based Approach. Ife Journal of Humanities and Social sciences, 2(2), 15-32.*

 John Wiley and Sons Ltd. 117 KPMG. (2012). *Quality assessment of internal auditing. Switzerland: KPMG. Kuta, H. I. (2008). Effectiveness of Auditing for Proper Accountability in Nigerian Local Governments. Social Science Research Network*.

Julien, R., & Rieger, L. (2011). *Strengthening corporate governance with internal audit. Chicago: Crowe Howath LLP. King, M., 2010. Corporate governance. In: The A - Z of corporate social responsibility. (Eds.). Visser, W., Matten, D., Pohl, M. and Tolhurst, N. Chichester:*

Mebratu, A. A. (2015). *Internal audit function and its challenges in public sector governance: Empirical evidence from Amhara National Regional State, Ethiopia. AshEse Journal of Economics, 1(1), 001-012*.

Mebratu, D. (2015). *Effective risk management in the public sector. Journal of Risk Management in Financial Institutions, 8(1), 31-47.*

Mihret, DessalegnGetie and Yismaw, AderajewWondim 2007, *internal audit effectiveness: an Ethiopian public sector case study, Managerial auditing journal, vol. 22, no. 5, pp. 470-484.*

Mohammed, A. S., Unuigbokhai, P. O., & Ihimekpen, O. M. (2014). *The role of internal audit in strengthening corporate governance in Nigeria. International Journal of Research in Management, Economics and Commerce, 4(4), 161-166.*

Mupeta, G. (2009). The factors that determine internal audit effectiveness in the selected public sector and parastatal organizations in Zambia. Conference ID: CFP/126/2017.

NasibahHalimah Ahmad, Radiah Othman, Rohana Othman and KamaruzamanJusoff, 2012: *The Effectiveness of Internal Audit in Malaysian Public Sector 118 Philip Ayagre; Internal Audit Capacity to Enhance Good Governance of Public Sector Organisations: Developing Countries Perspective JGD Vol. 11, Issue 1, June 2015, 39-60.*

Njunwa, W. K. (2013). *Internal audit and corporate governance in local governments in Tanzania, Mwanza city council as a case study. International Journal of Business and Management Invention, 2(5), 16-27*.

Odoyo, F. O., & Omwono, G. E. (2014). *The role of internal audit in enhancing corporate governance for companies listed at the Nairobi stock exchange. International Journal of Humanities and Social Science Research, 4(1), 1-8.*

Odoyo, F., &Omwono, G. (2014). *The role of internal audit in enhancing corporate governance for companies listed at the Nairobi Stock Exchange. Research Journal of Finance and Accounting, 56-61.*

Omolaye KE and Jacob RB (2017) *The Role of Internal Auditing in Enhancing Good Corporate Governance Practice in an Organization*.

Omri.M.A.B and Dellai (2016) “*Factors affecting internal audit effectiveness in Tunisian Organizations. “Research Journal of Finance and Accounting, Vol.7, Issue No.16, pp 208*

Rahmatika, D. N. (2014). *The Impact of Internal Audit Function Effectiveness on Quality of Financial Reporting and its Implications on Good Government Governance Research on Local Government Indonesia. Research Journal of Finance and Accounting, 5(18), 64-75.*

Rensburg.J.O.J and Coetzee.P (2016) “*Internal audit public sector capability: a case study” Journal of Public Affairs, Vol.16, Issue No.2, pp.181-191.*

Sackey, S et al (2012) *Promoting good Governance in public sector (The role of Internal Auditor in effective corporate governance, MBA- Accounting thesis of christian service university college.*

Salehi, T. (2016). *Investigation Factors Affecting the Effectiveness of Internal Auditors in the Company: Case Study Iran. Review of European Studies; vol 8 (No 2), p; 233.*

Sarens .G, Lenz .R and Decaux. L (2016) “*Insights into self –images of internal auditors” EDPACS, Vol.54, No.4, pp.1-18.rens*

Sarens G. and Abdolmohammadi J.M. (2011). “*Monitoring Effects of the Internal Audit Function: Agency Theory versus other Explanatory Variables”. International Journal of Auditing. Vol.15, No. 1, pp. 1-20.*

Smallman, C. (2014), *Exploring Theoretical Paradigm in Corporate Governance. International Journal of Business Governance and Ethics, Vol 1(1) pp.78-94.*

Smet.D and Mention. A .L (2012) “*Improving auditor effect in assessing KYC/AML practices in a Luxembourgish context” Managerial Auditing Journal ,Vol.26,No.2,pp.182-203.*

Spanos, L. J. (2015), *Corporate Governance in Greece: Developments and Policy Implications. Corporate Governance, Vol 5(1) pp.15-30.*

Suyono, E., &Hariyanto, E. (2012). *Relationship between Internal Control, Internal Audit, and Organization Commitment with Good Governance: Indonesian Case. China-USA Business Review, 11(9), 1237-1245.*

Taolu, S. I., Adedokun, A. O., & Monday, O. C. (2016). *Promoting Good Governance through Internal Audit Function (IAF): The Nigerian Experience. International Journal of Economics, Commerce and Management, 4(6), 174-185.*

Transparency International Zimbabwe (TI-Z). (2012). *The Coalition against corruption. Retrieved on February 20, 2013, from www.transparency.org.zw Transparency International Zimbabwe (TI-Z). (2018). The Coalition against corruption.*

Tusek.B (2014) “*The influence of audit committee on internal audit operations in system of corporate governance-evidence of Croatia.” Economic Research Journal. Vol.28, No.1, pp. 187 203. 120*

Unegbu, A. O., & Kida, M. I. (2011). *Effectiveness of Internal Audit as Instrument of Improving Public Sector Management. Journal of Emerging Trends in Economics and Management Sciences, 2 (4), 304-309.*

Wafawarova, R. (2011, February 3). *Why Corruption is now endemic. The Herald. Retrieved On March 28, 2013, from* [*www.herald.co.zw/index*](http://www.herald.co.zw/index)

Werner, S. B. (2006). *The Development of Political Corruption: A Case Study of Israel. Journal of Political Studies Wiley Online Library, 31(4), 620-639.*

Zaharia, D., Tilea, D., &Andreea, L. (2014). *The role of internal audit regarding the corporate governance and the current crisis. Procedia-Social and Behavioral Sciences (ELSEVIER), 4819- 4823.*

# APPENDIX I: QUESTIONNAIRE FOR RESPONDENTS

7484 Garikai

Bindura

10 May 2023

The Respondent

Bindura City Council

Dear Sir or Madam

**RE: REQUESTING FOR QUESTIONNAIRE COMPLETION**

I am a part 4.2 student pursing a Bachelor of Accountancy Honors Degree at Bindura University of Science Education. I am doing a research titled **the role of internal auditing in enhancing good corporate governance: A case study of Bindura City Council.**

I humbly want you to assist in answering this form with as much precision and accuracy as possible. The information you submit will be used purely for academic purposes and will be kept strictly secret; thus, you should not enter any personal details in this questionnaire. Please be aware that your involvement in completing this questionnaire is entirely optional, and you can opt out at any time without cost or penalty.

Your help will be highly valued.

Yours sincerely

B191450B

1. Complete all of the questions in each area.
2. Select the most relevant response by checking the box next to the one which best fits you.
3. Do not provide your full name.
4. To proceed to next, turn to the page that follows.

**SECTION A: DEMOGRAPHY**

1) Please check the box to identify your age, gender, qualification, and years of work with the organization in question.

1. **Age**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 25 or less years | 26-35 years | 36-45 years | 46-55 years | 56 and above |
|  |  |  |  |  |

1. **Gender**

|  |  |
| --- | --- |
| Male | Female |
|  |  |

1. **Qualification**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Secondary | Diploma | Degree | Masters | PhD |
|  |  |  |  |  |

1. **Years of employment at the organisation**

|  |  |  |  |
| --- | --- | --- | --- |
| **1 or less years** | **2-5 years** | **6-9 years** | **10 and above** |
|  |  |  |  |

1. **Position held in the Organisation**

**…………………………………………………………………………………….**

**SECTION B: INTERNAL AUDINTING AND CORPORATE GOVERNANCE**

**How to answer**

Mark using a tick how much you agree or disagree with each of the following where applicable.

**Strongly Disagree is 1 Disagree is 2 Neutral is 3 Agree is 4 Strongly Agree is 5**

**Qn.1**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1 | 2 | 3 | 4 | 5 |
| **i)** | You are familiar with internal audits. |  |  |  |  |  |
| **ii)** | You are familiar corporate governance |  |  |  |  |  |

**Qn.2**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | very poor | Poor | average | good | very good |
| **i)** | How would you rank the quality of the recent audits? |  |  |  |  |  |

**Qn.3**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | very poor | Poor | average | good | very good |
| **i)** | What would you say about the corporate governance practices at your organisation? |  |  |  |  |  |

**Qn.4**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1 | 2 | 3 | 4 | 5 |
| **i)** | Is there a link between internal audits and corporate governance? |  |  |  |  |  |

**Qn.5**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Do the following arguments for internal audits improve organisation’s corporate governance? | **1** | **2** | **3** | **4** | **5** |
| **i)** | Help in safeguarding of organisation’s assets |  |  |  |  |  |
| **ii)** | Increased transparency |  |  |  |  |  |
| **iii)** | Enhance financial performance |  |  |  |  |  |
| **iv)** | Enhance audit committee |  |  |  |  |  |
| **v)** | Prevent corruption and fraud |  |  |  |  |  |
| **vi)** | Assists in improving accountability  |  |  |  |  |  |
| **vii)** | Internal audit independence |  |  |  |  |  |
| **viii)** | Helps policy formulation |  |  |  |  |  |
| **ix)** | Detects corruption and fraud |  |  |  |  |  |
| **x)** | Improve financial controls |  |  |  |  |  |
| **xi)** | Management support enhances internal audit effectiveness in giving good corporate governance |  |  |  |  |  |

**Qn.6**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | **3** | **4** | **5** |
| **i)** | Do your auditors make suggestions taking governance into consideration? |  |  |  |  |  |
| **Justify** |  |

**Qn.7**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| How efficient are your organization's present policies, processes, and systems in guaranteeing the following governance issues? | **1** | **2** | **3** | **4** | **5** |
| **i)** | Integrity |  |  |  |  |  |
| **ii)** | Accountability |  |  |  |  |  |
| **iii)** | Fairness |  |  |  |  |  |
| **iv)** | Transparency  |  |  |  |  |  |
| **v)** | Openness |  |  |  |  |  |
| **vi)** | Effectiveness and efficiency |  |  |  |  |  |
| **vii)** | Rule of law |  |  |  |  |  |
| **viii)** | Ethical conduct |  |  |  |  |  |
| **ix)** | Sound financial management |  |  |  |  |  |
| **x)** | Competence and capacity |  |  |  |  |  |
| **xi)** | Innovation and openness to change |  |  |  |  |  |
| **xii)** | Human rights and social cohesion |  |  |  |  |  |

**Qn.8**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **1** | **2** | **3** | **4** | **5** |
| **i)** | Do you believe that the expectations of corporate governance standards are being encountered? |  |  |  |  |  |

**Qn.9**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Do these categories of audits indicate internal audit's ability to improve corporate governance? | **1** | **2** | **3** | **4** | **5** |
| **i)** | Financial audit |  |  |  |  |  |
| **ii)** | Corruption audit |  |  |  |  |  |
| **iii)** | Risk assessment audit |  |  |  |  |  |
| **iv)** | Operational audit |  |  |  |  |  |
| **v)** | Internal control review and monitoring |  |  |  |  |  |
| **vi)** | Regulatory compliance monitoring |  |  |  |  |  |
| **vii)** | Information technology audit |  |  |  |  |  |

**SECTION C: RECOMMENDATIONS**

**How to answer**

Mark using a tick how much you are agreeing or disagreeing with the following where applicable.

**Qn.10**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| In terms of auditing principles that promote internal audit performance. Do you support the assertions below? | **1** | **2** | **3** | **4** | **5** |
| **i)** | Professional behaviour |  |  |  |  |  |
| **ii)** | Integrity |  |  |  |  |  |
| **iii)** | Auditor independence |  |  |  |  |  |
| **iv)** | Confidentiality |  |  |  |  |  |
| **v)** | Competency |  |  |  |  |  |
| **vi)** | Qualifications |  |  |  |  |  |
| **vii)** | Objectivity |  |  |  |  |  |

**Qn.11**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| These factors lead to corporate failure | **1** | **2** | **3** | **4** | **5** |
| **i)** | Lack of professionalism |  |  |  |  |  |
| **ii)** | Mismanagement |  |  |  |  |  |
| **iii)** | Fraudulent management |  |  |  |  |  |
| **iv)** | Poorly structured board |  |  |  |  |  |
| **v)** | Dishonest audit committees  |  |  |  |  |  |
| **vi)** | Weak internal auditing |  |  |  |  |  |

**Qn.12**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| These are strategies to curb corporate failures | **1** | **2** | **3** | **4** | **5** |
| **i)** | Management co-operation |  |  |  |  |  |
| **ii)** | Company structure |  |  |  |  |  |
| **iii)** | Training and guidance |  |  |  |  |  |
| **iv)** | Staff co-operation |  |  |  |  |  |
| **v)** | Internal audit independence |  |  |  |  |  |
| **vi)** | Application of appropriate financial structure |  |  |  |  |  |

**Qn.13**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Do the aforementioned elements support improved good corporate governance when it comes to internal auditing? | **1** | **2** | **3** | **4** | **5** |
| **i)** | Auditor competence influences the quality of audit work conducted.  |  |  |  |  |  |
| **ii)** | Independence and objectivity of internal auditors |  |  |  |  |  |
| **iii)** | Professionalism of the audit team  |  |  |  |  |  |
| **iv)** | Audit committee |  |  |  |  |  |
| **v)** | Management support for internal audit roles |  |  |  |  |  |
| **vi)** | Management training ground |  |  |  |  |  |
| **vii)** | Quality of internal audit |  |  |  |  |  |
| **viii)** | Organisational setting of internal audit  |  |  |  |  |  |

**Qn.14**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| The qualities of internal audit may be improved in a variety of ways. | **1** | **2** | **3** | **4** | **5** |
| **i)** | Audit independence |  |  |  |  |  |
| **ii)** | Internal controls |  |  |  |  |  |
| **iii)** | Audit committee |  |  |  |  |  |
| **Iv** | Auditor rotation |  |  |  |  |  |

**Thank you for your contributions**