

BINDURA



EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTANCY

**THE IMPACT OF INDEPENDENCE OF INTERNAL AUDIT FUNCTION ON
TRANSPARENCY AND ACCOUNTABILITY IN ZIMBABWE'S LOCAL
AUTHORITIES. CASE OF BINDURA RURA DISTRICT COUNCIL.**

BY

SARUDZAI BLANTINA KACHERE

B1850652

**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS OF THE BACHELOR OF ACCOUNTANCY HONOURS
DEGREE.**

APPROVAL FORM

The undersigned certify that they read and recommended to Bindura University of Science Education for acceptance, a research project entitled “The impact of independence of internal audit function on transparency and accountability in Zimbabwe’s local authorities: Case of Bindura Rural District Council”, submitted in Partial fulfilment of the requirements of Bachelors of Accountancy Honours Degree.

To be completed by student

I certify that this dissertation meets the preparation guidelines as presented in the faculty guidelines for dissertations.

Signature of student..... Date /...../.....

To be completed by the supervisor

This dissertation is suitable for submission to the faculty. This dissertation should be checked for conformity with faculty guidelines.

Signature of supervisor..... Date /...../.....

To be completed by Chairperson of the Department

I certify to the best of my knowledge that the procedure has been followed and the preparation criteria has been meet for the dissertation.

Signature of Chairperson Date /..... /.....

RELEASE FORM

NAME OF AUTHOR : SARUDZAI BLANTINA KACHERE

PROJECT TITLE : THE IMPACT OF INDEPENDENCE OF
INTERNAL AUDIT FUNCTION ON
TRANSPARENCY AND ACCOUNTABILITY
IN ZIMBABWE'S LOCAL AUTHORITIES.
CASE OF BINDURA RURAL DISTRICT
COUNCIL.

DEGREE TITLE : BACHELOR OF
ACCOUNTANCYHONOURS DEGREE.

YEAR OF COMPLETION :2022

Permission is hereby granted to Bindura University of Science Education to produce single copies of this project for private, scholarly research purposes only. The author does not reserve other publication rights of the project nor extensive extracts from it, be it printed or otherwise reproduced without the author's written permission.

Signed Date...../...../.....

Permanent address 2664 Herbert Chitepo Road, Ruwa

DEDICATION

I dedicate this study to my daughter (Mufarowashe)

ACKNOWLEDGEMENTS

I would like to God Almighty for giving me strength, insight and guidance throughout my studies. Special thanks goes to my mother Mrs N Samvura, my father Mr M Kachere for their surmountable support throughout the course of my studies. I would also like to thank my supervisor Mr Manyani for his unwavering support through-out this study. Lastly, I would love to thank my friend Violet Stabile Bvekerwa for the companionship, advice, emotional and ideological support.

ABSTRACT

This study aimed at examining the impact of Internal Audit Function independence on Transparency and Accountability. The main objective of the study was to establish the relationship between transparency and accountability. The study adopted independence as the independent variable and transparency and accountability as the dependant variable, measured by reporting relationships, segregation of duties, and management perspective and risk exposure of the organization. A descriptive research design was used. Survey data was collected from Bindura Rural District Council through a self- administered questionnaire and in-depth interviews. For this study the researcher chose a sample of 40 respondents and out of 40 questionnaires distributed 39 were successfully returned. The data was inserted into the SSPS version 20 and Microsoft Excel 2013 and the results were analyzed through descriptive statistics and Pearson's Correlational coefficients. Data presentation was done by use of tables for easy of understanding and interpretation. The results suggests that independence of internal audit function has a positive significant effect on transparency and accountability. Demographic variables such as gender, age and length of work were also major factors that contributed to the validity and reliability of data collected. It was recommended that since the study did not look into methods to strengthen and improve internal audit function's independence, hence it advises more research into how to strengthen the independence of internal audit function in local authorities. In addition In order to ensure that the internal audit function is independent the government should foster laws among politicians and other stakeholders who has influence on internal audit function.

Key words: Internal audit function, Independence, Transparency and Accountability.

TABLE OF CONTENTS

APPROVAL FORM.....	i
RELEASE FORM.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENTS.....	iv
ABSTRACT.....	v
CHAPTER ONE	1
INTRODUCTION OF THE STUDY	1
1.0 Introduction.....	1
1.1 Background of the study	1
1.2 Statement of the problem	2
1.3 Research Objectives	3
1.4 Research questions	3
1.5 Research Hypothesis	4
1.6 Assumptions of the study	4
Significance of the study.....	4
1.8 Delimitations of the study	5
1.9 Limitation of the study	5
1.10 Definition of terms	5
1.11 Chapter summary	6
CHAPTER TWO	7
LITERATURE REVIEW	7
2.0 Introduction.....	7
2.1 Theoretical Framework	7
2.2 The Agency Theory	7
2.3 The Theory of Inspired confidence	8
2.4 The concept of Internal Auditing	9
2.5 The Internal Audit Function.....	10

2.6 Internal audit function and accountability in Local authorities.	11
2.7 Internal audit function and transparency in local authorities.	12
2.8 Independence of internal audit function.....	12
2.9 Empirical research.....	12
2.9 Gap Analysis	16
2.10 Chapter Summary	16
CHAPTER THREE.....	17
RESEARCH METHODOLOGY	17
3.0 Introduction.....	17
3.2 Research design.....	17
3.3 Target population	18
3.4 Sampling method	18
3.4.1 Determination of sample size.....	18
3.4.2 Sampling method	18
3.4.2.1 Judgmental sampling.....	19
3.5 Data collection methods.....	19
3.5.1 Questionnaires.....	19
3.5.1.1 Self-administered questionnaire.....	19
3.5.1.2 Likert scale	20
3.5.2 Interviews.....	20
3.6 Secondary data	21
3.7 Data collection procedure	22
3.8 Data analysis and procedure	22
3.9 Validity and reliability	22
3.10 The Pilot study	23
3.11 Chapter Summary	23
CHAPTER FOUR.....	23

ANALYSIS OF DATA AND PRESENATATION	23
4.0 Introduction.....	24
4.1 Questionnaire response	24
4.2 Demographical data	25
4.2.1 Gender.....	25
4.2.2 Age.....	26
4.2.3 Length of work.....	26
4.3 Understanding the role of internal audit function	27
4.3.1 The primary purpose of internal audit function is to assist organizations in achieving their goas by offering a disciplined and systematic approach to analysing and improving corporate governance risk management performance?	27
4.3.2 Internal audit examines books of accounts often to ensure correctness and compliance with applicable legislation?	28
4.3.3 Internal audit frequently conducts a physical count on non-current assets on a quarterly basis to ensure their presence?	29
4.4 Internal auditing at Bindura RDC is conducted with independence and objectivity?	29
4.5 Internal audit function adds value and improves Bindura RDC’s operations by providing assurance that is objective and independent, and advisory services	30
4.6 At Bindura RDC, there is sufficient employees to conduct internal audits?	31
4.7 Organizing a transparent budgeting process with full participation from all stakeholders has strengthened accountability?	31
4.8 Employees have the right to participate in the management of council assets and to improve internal control procedures?	32
4.9 Internal audit reduces corruption and fraudulent activities actions in the RDC as a measure for promoting transparency?.....	34
4.10 The implementation of asset registers has enhanced the location, existence and valuation of non-current assets held by the Council?	34

4.8 Political interference and the CEO’s influence are two of the challenges Bindura RDC faces in promoting internal audit independence.	35
4.12 Internal controls and operating systems used by Bindura RDC’s internal audit department.	35
4.13 Correlation analysis.....	36
4.14 Chapter Summary	38
CHAPTER FIVE.....	38
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....	38
5.0 Introduction.....	38
5.1 Summary of findings.....	38
5.2 Conclusions.....	40
5.3 Recommendations	40
5.4 Chapter summary	41
REFERENCES.....	41

LIST OF TABLES

Table number	Page
1	23
2	24
3	25
4	25
5	27
6	27
7	28
8	29
9	30
10	31
11	31
12	32
13	33
14	33
15	

LIST OF FIGURES

Figure number	Description	Page
Fig 1	Gender	24
Fig 2	Length of work	26
Fig 3	Independence and objectivity	29

LIST OF APPENDICIES

APPENDIX 1:	LETTER OF CONSENT.....	43
APPENDIX 2:	QUESTIONNAIRE.....	44
APPENDIX 3:	INTERVIEW GUIDE.....	48

LIST OF ABBREVIATIONS

IIA	-	INSTITUTE OF INTERNAL AUDITORS
RDC	-	RURAL DISTRICT COUNCIL

CHAPTER ONE

INTRODUCTION OF THE STUDY

1.0 Introduction

According to the Institute of Internal Auditors (IIA) (2017) internal audit is defined as an independent, objective guarantee and advisory services focused at adding value and enhancing a company's operations. The internal audit function's job is to help firms achieve their objectives by assessing and enhancing the effectiveness of corporate governance in a systematic manner. According to Christopher, (2014), an auditor's independence is referred to as the aptitude and ability of an audit expert to evade circumstances that could impair fairness in order to improve impartial personal judgement. However, due to a rise in business indignities such as the Enron disaster, the independence of the internal audit has been quizzed in the audit vocation. The aim of this research is to scrutinise the independence of internal audit function and how it influences local government transparency and accountability.

1.1 Background of the study

As a response to major business and accounting scandals which had crushed the confidence of investors and resulted in the death of corporates like the Enron, WorldCom and Parmalat, according to Lakis and Giriunas (2012) the internal audit was established. Several notable business miscarriages around the world have increased demand for regulations, especially in terms of governance, transparency and accountability (Lipunga, A.M, 2014). The increase in the numeral of allegations of weak practices of corporate governance in Zimbabwe's public sector, has been reported nation-wide. Corruption, misuse of funds and fraud are only a few examples of the poor practices of corporate governance. As a result of increased reporting on the sector's insufficient corporate governance procedures, internal audit functions have been made available in virtually all public sector entities. Internal audit's growing importance in improving effective corporate governance has been reinforced

in an indirect way to ensure good corporate governance practices. Internal audit legal statements have been made public, and they emphasize the function's role in maintaining solid corporate governance norms. Corruption, fraud and financial mismanagement among other irregularities are unlikely to succeed now that the resident internal audit function and legal declarations are available.

Zimbabwe's public sector is governed by a number of statutes which includes but not limited to the Constitution of Zimbabwe Amended (No 20) Chapter 9, and Acts which include the Public Entities Corporate Governance Act (Chapter 10:13), The Public Finance Management Act (Chapter 22:19), and the Rural District Councils Act (Chapter 29:13).The roles of the internal audit function are outlined in these statutes, hence the function was deemed more significant in maintaining answerability.

One of the three principal components that determines the internal audit function independence is the reporting structure (Chain of command). Secondly is whether the audit function reports directly to the audit committee (Stewart and Subramaniam, 2010). Lastly is whether auditee committee is entirely accountable for monitoring the performance of the internal audit function(Christopher, 2014).

According to Kimotho, (2014) arguments against internal auditor's ability to maintain independence state to the unavoidable type of affairsthat develop with time, which incline to erode the objectives of the internal auditors. Dezoort and Reisch (2015) indicate that since internal auditors are employees of the company, their conduct is certainlyinclined by incentives, in their study on incentive compensation based on corporate performance. According to Vinten (2013), since internal auditors work for a firms they serve that alone evidences that their autonomy cannot be definite. However Schneider (2013) on contrary, disagreed saying that pay compensation is a debatable indicator of impartiality.

1.2 Statement of the problem

Internal audit is an important part of successful governance of the public since it ensure that controls are working properly. It assesses the efficacy of assured internal controls, evaluates the efficient and efficacy with which resources are utilized, examines the accuracy and veracity of record observanceand reportage. It examinesanomalies and certifies that revenue is collected and accountable for,

and validates inventory records and its relationship with physical inventory (INSTOL, 2016).

Due to defies faced by the local governments in Zimbabwe, the internal audit function was made available. These challenges includes but are not limited to corruption, misappropriation of funds and fraud. The internal audit function is intended to operate freely from manipulation and influences from stakeholders thus it is supposed to function self-sufficiently. Conversely the impartiality of internal audit function became debatable since internal auditor is an employee of the firm it serves as a results this led to clashes of interest. This is evidenced by the audit reports of the external auditors, which tend to expose some corrupt acts and other poor corporate governance acts which the internal audit, may have overlooked and fail to indicate them in the audit reports. Because of that problem this research was conducted, and in this study the researcher choose to look into the influence of the impartiality of internal audit function on transparency and accountability.

1.3 Research Objectives

The research pursues to:

- To outline internal auditing function's role in local government.
- To expound the internal audit function independence.
- To establish the relationship between the independence of the internal audit function and transparency and accountability...
- To examine the influence of the independence of the internal audit function on transparency and accountability.

1.4 Research questions

Is there a relationship between the internal audit function's independence and transparency and accountability in Zimbabwe's local governments?

Sub-research questions

- What function does internal audit play?
- Is the internal audit frankly independent?

- What is the relationship between the internal audit function's independence and accountability and transparency?
- What impact does the internal audit function have on local government transparency and accountability?

1.5 Research Hypothesis

H0: A positive relationship is expected between internal audit function's independence and transparency and accountability.

H1: A positive relationship is not expected between internal audit function's independence and transparency and accountability.

1.6 Assumptions of the study

- Respondents will provide honest answers which allows reasonable conclusions and recommendations. All information gathered will be anticipated to be accurate and without prejudice.
- The theoretical features of the internal audit role will be understood by the staff of the institutions examined.
- There are secondary data sources relevant to the research.
- The various samples that will be used will accurately reflect the entire population.
- The Government of Zimbabwe will not make any major policy interventions which could modify the focus of the study.

1.7 Significance of the study

The outcomes of this study will assist in improving corporate governance practices, ethics as well as business reputation in general. On the other hand, the organization, the researcher and the university would instantly benefit.

To the organization

Numerous concerns have been expressed about auditor impartiality as they are perceived to untrustworthy and tolerating management to compactillegitimately with public funds. The goal of this study is to see if the local authority and the general public agree on the auditor's independence.

The researcher

The study will benefit the researcher by enhancing her with most of the important aspects of academics, which includes learning and researching abilities. Also for personal improvement as well as acquaintance and expertise of the industry.

The university

The input of this research will aid the university as it will oblige as a locustext for future researches by anybody concerned with this subject.

1.8 Delimitations of the study

The study uses Bindura Rural District Council as a case study to provide information on the internal audit function's independence and its impact on transparency and accountability as a means of resolving concerns about weak corporate governance standards. The study will span the years 2017-2021, allowing the researcher to collect data on establishment of the internal audit function and relevant statutes directing the function on every public sector entity, with much attention to local authorities, using qualitative methodologies such as content analysis.

1.9 Limitation of the study

The research's focus would be narrowed to one local authority, nonetheless data from all local authorities in Zimbabwe would have been more useful. The issue's sensitivity appeared to jeopardize job security. Other respondents were unwilling to reveal part of the required information owing to a concern of being victimized by their superior because of the issue of secrecy. Threats to the sensitivity of the information provided and fears of job loss have been mitigated by promising respondents that the information gathered will be kept with discretion and will be used for learning purposes only.

1.10 Definition of terms

- **Internal audit function**

Joyce (2011), defines internal audit function as a liberated, objective guarantee and consulting bustle that adds value and improves the operations of the institution.

- **Independence of the internal audit function**

Institute of Internal Auditors (IIA) (2017) postulates that independence refers to the absence of circumstances which jeopardize objectivity.

- **Accountability**

Schedler, (2014)) defines accountability as the process by which individuals and entities are held answerable for their actions and decisions, including performance areas and are subject to scrutiny.

- **Transparency**

According to Jiang (2014), transparency refers to access to and the correct disclosure of financial information such as audited financial statements. It also means in terms of investment of funds as well as various fees charged to clients.

1.11 Chapter summary

The chapter has presented the topic under the study to the reader. The next chapter is going to review the literature on internal audit function and its relationship with transparency and accountability.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The purpose of this chapter is to review the literature on the internal auditing and the internal audit function. The opinions of authors who have written about internal audits, accountability and transparency will be given special attention. Both a theoretical framework and empirical literature review will be used in this chapter. In addition, the researcher defends the study by examining the discrepancies between previous studies and the researcher's findings.

2.1 Theoretical Framework

The theoretical framework is based on and tied to a review of the topic's knowledge. This understanding is the foundation upon which the research problem was first formulated. On the independence of the internal audit function and corporate governance, several ideas have been proposed. Some theories on internal auditing evolutions are illustrated in this section.

2.2 The Agency Theory

Based on economics, the agency theory is an accountability theory that explains how auditing has evolved and become so significant. The company's owners or principals, the shareholders hires the agent to perform work on their behalf. According to Clarke (2014), the principal delegates business management to the agents, who are the directors or managers. Even though it is not always in the principal's best interest the agent should make decisions in the interest of the principal, Padilla(2015). According to Adams (2016), the agents hypothesis the agents'hypothesis, outlines a clash that

comes from absence of trust between the principal and the agent as a product of information asymmetry and motivational differences. This idea became an important basis for understanding the necessity for internal audit functions' diversity, despite the fact that it has not been commonly smeared in the research on internal audit. Adams (2016), further asserts that an organization's internal audit function is designed to reduce agency expenses, the agency theory is used to expound the presence plus scope of services of the internal audit.

However, Carey et al. (2013), claim that internal audit function's presence has no bearing on agency characteristics. The monitoring role of internal audit is considered as supplanting rather than complementing that of external audit. Internal audit's monitoring role is seen as replacing rather than complementing external audit. The purpose of this overview of agency theory is to better understand the role of internal audit in the governance system of a business. The addition of a distinct internal audit function as a means of boosting transparency and accountability is justified by the agency theory.

2.3 The Theory of Inspired confidence

By incorporating external stakeholders in corporate activities, the importance of the concept of inspired confidence has been stressed. Theodore Limperg in the 1920s (Hayes et, al 2005), established the notion of inspired confidence, often known as the theory of rational expectations. Those in charge of the day-to-day operations of the organization must answer to interested stakeholders who contribute to the organization's survival. There is an inherent risk due to potential conflicts between management and stakeholders. Management may fail to provide stakeholders with accurate information about the organization's operations, necessitating an independent review. Carmichael (2014), stresses that the auditor should use all accessible resources to manner such an independent review in order to ensure that the expectations of stakeholders are met by providing an expected level of confidence.

According to Limperg Institute (1985), inspired confidence expresses society's conviction in the auditor's ability to positively influence management's information reliability and encourage quality accountability. "The entire function of the auditor-confidential agent is predicated on the requirement for and independent examination, as well as expert and independent opinion based on that scrutiny."

The function is founded on society's belief in auditing efficacy and accountant perception. As a result, the function's existence is dependent on this trust, if the trust is violated, the function will be destroyed and rendered worthless. Carmichael (2014) underlines the importance of an auditor being constantly on the lookout for societal expectations that have been developed as a result of the circumstances and acting carefully to meet those expectations in order to preserve confidence.

According to the principle of inspired confidence, the environment influences internal auditors' practices. Internal auditors can better match their goals with the organizations if they understand social interactions and cultural expectations. The internal audit function's perspective has an impact on external stakeholder confidence in company, according to discoveries from a sample performed by Holt and Dezoort (2017). The quality internal audit functions should stand assessed in respect of expectations of stakeholders from the existing corporate governance atmosphere in Zimbabwe's public sector and modern internal audit function.

2.4 The concept of Internal Auditing

Internal auditing has evolved into a crucial component of the new era of accountability and control. The Institute of Internal Auditors (IIA, 2017), defines internal audit as an independent objective assurance and consulting activity that provides value and improves a company's operations. Internal auditing is defined) as a systematic objective appraisal of the diverse operations and controls within an organization by internal auditors to determine whether financial and operating information is accurate and reliable, risks to the enterprise (or organization) are identified and minimized, external regulations and acceptable internal policies and procedures are followed, satisfactory operating criteria are met, resource requirements are met, according to Awdat, A.A, (2015).

The purpose of the internal audit function is to bring significance and advance the operations of the organizations and the control structure. Barisic et al, (2016) state that an Effective and efficient audit of accounting ensures that an organization's operations are properly reported. As a result of the foregoing viewpoints, internal auditing can function as an autonomous assessment function for the review of control systems and quality performance within the organization. In other words internal auditing is a logical and impartial evaluation of an organization's internal control systems, ensuring proper verification of assets and liability, and improving

amenability with the organization's objectives, procedures and policies in order to reach a clear, fair and reliable outcome.

2.5 The Internal Audit Function

IIA(2017), defines internal auditing as an objective, unbiased assurance and consulting activity aimed at providing value and enhancing an institution's operations, by employing a systematic disciplined approach to reviewing and enhancing the efficacy of risk management, control and governance systems, it helps the company achieve its objectives. According to Joyce (2011), when properly conceived and executed, the internal audit function can play a crucial role in promoting and supporting successful organizational governance by providing oversight of risk and control activities conducted by the management.

The internal audit function's role according to the Audit Standard (2014), is to assess and improve efficacy of these processes. Processes for identifying and assessing potential jeopardy to an organization's ability to achieve its goals as well as determining the appropriate corrective actions. It is possible to create a link that will lead to essential success. Control processes are the rules, methods and guarantees that ensure hazards stay bounds of the risk management process's defined boundaries. Stakeholders can assess risk and control strategies defined by management using governance systems.

Internal auditing services assist in the development of the systems by examining their operation and dependability (assurance services) and making specific recommendations (consulting services). According to Joyce (2011), internal audit function serves as an intramural advising utility providing analysis and assurance to the board of directors on the effectiveness and risk management of internal control systems.

Internal auditing contributes to good corporate governance in various conducts. It aids in the identification of risk and the scope of their consequences, as well as management's prioritization of control systems and risk management. It also demonstrates the efficacy of risk management techniques. Internal audit provides consulting services to management and the board of directors to help strengthen risk management and control systems. Internal auditing assists the audit committee and other stakeholders in attaining the organization's goals. The goal of this study is to

determine how the independence of the internal audit function influences transparency and accountability and Bindura RDC.

2.6 Internal audit function and accountability in Local authorities.

Local governments are entrusted with public finances, which include revenue from local businesses, government grants and contributions, which are used to deliver services to the public. As a cause, it's a stewardship portent which can be analyzed properly by auditing, predominantly internal auditing. Accountability is important to management of the organization's operations because it guarantees that the resources are used for their proposed purpose.

The internal audit function is vital in detecting and preventing deception, which is a key distress of local government enactment. Internal audit examines situations and identifies loopholes where theft could occur, as well as whether existing control methods can magnificently decrease the jeopardy to a bearable glassy, avoiding financial and organizational anomalies and as a result, enacting extended tenures. According to Diamond (2013), apparent budgeting and execution processes should be tracked in order to improve performance and accountability of the local government, of which it is a critical component of sustaining in-house mechanisms.

Internal control systems and proceedings together with operational and competent use of public funds should be maintained in all Local governments. Maimona et, al (2017), articulates that they are common areas of internal auditing which involves but not limited to evaluating the usefulness and ability of the internal control systems, checking compliance with government's stated laws and regulations, as well as according policies and procedures. Internal audit examines policy and procedure compliance as well as protecting the assets of the organization, as well as avoiding and identifying mistakes, deception and mugging.

According to the Financial Memorandum (2013), an internal audit function is in charge for piloting an autonomous evaluation of local governments, monetary as well as other regularities with an objective of aiding in Local government's assets protection and welfare through a practice of unceasing activities and warranting a constant of its undertakings, ensuring the constant maneuver of a demanding internal control system in each department. The internal audit is also liable for appraising and where necessary, making some commendations for enrichment of the system, controls and procedures in the local government with the impression of

guaranteeing that there is operative and proficient utilization of resources in order to achieve local government's goals.

2.7 Internal audit function and transparency in local authorities.

Transparency is regarded as a stake of noble corporate governance since it safeguards that administrative matters, financial dealings, and enactment are all recorded in order to determine the state of the local authority. When an entity is investigated by a third party it is said to be transparent only when its financial tracks are recorded and can be traced (Kings Report, 2012). The duty of the internal audit function is to give financial data proceeding in the organization's enactment requirements. Internal auditing is a tool for promoting transparency in the public sector by eliminating corruption and fraudulent acts. Transparency ensures that in the administration of local government affairs, a disclosure method is applied. Auditing, financial reporting and monitoring of council records are part of the disclosure system. The committee arrangement in local authorities endorses transparency since the council's operations are handled in an open way.

2.8 Independence of internal audit function.

Internal auditors must work independently and objectively in order to maintain their independence. The audit must be carried out without the involvement of the entity being audited. The function must be sufficiently autonomous from those it is supposed to appraise in order to be able to carry out its task without being hindered while seeming to be capable to do so. When organizational independent is combined with objectivity, the auditor's effort is more precise and the capacity to trust the consequences and report is increased. Defining a single reporting line for multiple sorts of government audits might be difficult. More guidance is now available from professional standards.

2.9 Empirical research

Internal auditing roles (Ethiopia),Mihret and Woldeyohannis (2008).

In Ethiopia's public sector, the efficacy of internal auditing was investigated. An analytical framework was used to investigate the operation of a public sector organization's internal department. Internal auditors and other employees were given questionnaires to complete, as well as semi-structured interview with the head of the internal audit department and document review. The objectives and methods pursued by an effective internal audit function, also the glassy of jeopardy confronted in organizations for whom internal audit provides services, are specified. The quality subjective of the audit department also revealed the extent to which an adequate value added summary could be treated in a certain scenario.

Internal Audit Unit's Impact on the Effectiveness of Tertiary Educational Institutions in Adamawa State, Moddibo (2015). (Nigeria)

Although the impact of internal audit function on the efficacy of the internal control scheme has been studied, the focus of this study is on the impact of internal audit independence on transparency and accountability in local authorities. Chi-square was utilized to examine the information, although this study required a more complex approach. Internal audit units are ineffective, according to the findings, due to absence of independence, limited employment and late internal audit reports.

Impact of competent Internal Audit Functions on public sector management and accountability in Edo State, Onatuyeh and Aniefor (2013). (Nigeria).

The examiner looked into the possibility of using proficient internal audit functions to strengthen public government and liability. The Spearman rank order correlation coefficient, cross tabulations and descriptive statistics were all used. In respect to their findings, noble internal auditing allows for accurate stewardship reportage, while a shortage of skilled workers obstructs proficient government accounts reviewing. Account reviewing is vital to accounting official's effective and efficient stewardship reporting accounting officials.

Internal Audit Function and Accountability of Tertiary Institutions in Kano State, Sholadoye and Muhammad (2018) (Nigeria)

In Kano state tertiary institutions, the impact of internal audit function on the public sector was investigated with a focus on financial accountability. Using questionnaires distributed to respondents from across the state's higher education institutions, data was collected. The data was analyzed using the Spearman rank order correlation coefficient. The findings revealed that in Kano State's tertiary institutions, the internal control system has a significant positive relationship with accountability.

Independence of internal auditing independence and accountability of Child Funded NGOs, Asiimwe, Akankunda and Nahukenge (2019). (Uganda)

The researcher looked into the relationship between the internal audit function's independence and the accountability of child-funded NGOs in Uganda. A self-administered questionnaire was used to collect data from 97 NGOs, of which 84 answered. To evaluate data, they employed correlational together with an ordinary least square regression. An independent internal audit function, according to the findings has a significant positive impact on accountability.

Effectiveness of internal audit in Tanzanian Commercial Banks, Irene, J.K, (2012) (Tanzania)

The study looked into the effectiveness the internal audit function in Tanzanian commercial banks. The study focussed on the effectiveness of internal audit in Tanzanian commercial banks and also the factors which haslead to internal audit triumph in commercial banks in Tanzania for two reasons. Several African countries are seeking to expand their markets and create an investment friendly climate as a way of attracting investors so as to jointly boost economies. Banks in Tanzanian has begun to shift their activities from cultural to customer focussed perspective as a result.

Second, Tanzania's financial sector has had numerous failures over the years. In Tanzania commercial banks, internal audit means and proficiencies are associated to

internal efficacy, according to the findings. Internal audit effectiveness at these organizations will increase as internal audit resources and competencies develop.

According to the findings, there is a link between internal audit effectiveness and the extent of internal auditor involvement with the audit committee in Tanzanian commercial banks. This indicates that Tanzanian banks must focus on developing human resources and capabilities in order to expand internal audit usefulness. The outcomes of this study add to a better understanding of the agency theory which describes the interaction between the owner and the agent. The lack of internal auditor independence in commercial banks of Tanzania has been found to constitute a danger to the relationship of owner-agency.

Role of Internal Auditing in Risk Management in the Public Sector and Local Entities –Gherai D. S. Balaciu D (2014). Case Study Bihor County (Belgium)

This study's purpose was to investigate the role played by the internal audit function in the management of risk in public institutions in Bihor. Questionnaires were used and the analysis of data was divided into groups of two after taking into consideration the sample. The findings revealed both public and private sector activities are becoming increasingly complex as a result of the news that comes and the hazards they encounter. Organizations are paying increasing attention to risk management, built requires time and acquaintance to develop strategies which are effective in the management of risk. Internal auditors are aware that they play a vital role in the management of risk, as revealed by the findings, but that they must also accomplish various other jobs within the organization. As a result they have a better understanding of the management risk processes as well as the role they can play in enhancing the activity. Performance and risk management are hampered by concerns such as lack of disposable income allocated to the bustle and absence of management concerns in boosting competence and public revenue through the activities of internal audit.

A study on the relationship between internal auditing and quality of financial statements, Maryam and Mansour (2014). (IRAN)

For the years 2008- 2012, a research was conducted in Iran on 40 selected companies listed on the Tehran Stock Exchange. Only enterprises with available financial statements were chosen, and their share activity should not be disrupted for more than three months. The study used a variety of facsimilia, and the findings there is a positive relevant association between financial statement eminence and assisting outside organizations with internal scrutiny.

2.9 Gap Analysis

A literature study might help to find knowledge gaps in the area being studied. The researcher learnt that journals and documented publications focused mainly on internal auditing roles in local governments after reviewing relevant literature. Prior academics did miniature to investigate the independence of internal audit function's influence on transparency and accountability in countries such as Zimbabwe that are still in the developing stage. It is of paramount importance that this gap be expanded to local government answerability and openness, notably Bindura Rural District Council, which necessitates the inclusion of literature in this study.

2.10 Chapter Summary

The relevant literature has been reviewed in this chapter. The methods of research are subject of the next chapter.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter describes the strategies and techniques utilized in the study to improve legitimacy and dependability of the data collected. This chapter presents reasons in support of the researcher's strategy to data collection and objectives. It addresses the research design, data collection methods, procedures for analysing reliability and validity.

3.2 Research design

It is defined by Creswell (2013), as a method for obtaining, scrutinizing and take to mean data. Cameron (2015), describes research design as an analytical technique that ties logical confirmation into logical confirmation into initial questions and eventually to its conclusion.

The four main key study designs according to Saunders et al (2014), are descriptive, correlational, experimental and predictive research designs. A descriptive study design was utilized in this study. In accordance with Mckim (2017), descriptive research is apprehensive with attaining knowledge concerning present events in order to define and construe them. It is feasible to conduct a qualitative and quantitative research. The research will employ qualitative and quantitative research methodologies to exploit the in-depth scrutiny centred on a case. The quantitative data from records such as statistical analysis, as well as qualitative data from target respondents at Bindura RDC, were combined in this study using descriptive and case study approach.

3.3 Target population

Cameron (2015), defines population as “the whole assemblage of individuals or collection of items and procedures that the investigator wishes to investigate.” Plano and Ivanok (2016) define population as all potential opinions in a study confined in a collection of data. The researcher gathered information from the managers and middle managers, staff from, finance, internal audit, and procurement and administration departments. This study’s target population is sixty (60).

3.4 Sampling method

A subset of a population is referred to as a sample. A sample according to Leedy and Omrod (2016), is a subclass or fraction of a larger population. In other terms, it is a group of people who will be studied by the researcher. The sample was divided into four groups, which are the management, middle management, the general employees and the councillors.

3.4.1 Determination of sample size

A total of 40 people took part in the survey. There are four managers, four middle managers, and twenty councillors among the respondents: three from the administration department, five from the department of finance, three from the department of internal audit and one from the department of procurement.

3.4.2 Sampling method

Judgmental sampling technique was used by the researcher in selecting the members of the staff as they concerned to be well versed with the information concerning the study area.

3.4.2.1 Judgmental sampling

The researcher uses her/his experience and knowledge in selecting items to be sampled. In this study, the researcher had to choose employees with skills in the local authority who met a specific criterion. The researcher also piloted interviews with a group of managers.

Justification of Judgmental sampling

- Since most of the interviews were her former workmates, the method was found to be cheap and time saving.
- Data was collected from skills workers and this has aided in the easy analysis and presentation of data, and data was considered reliable.

Weakness of Judgmental sampling

- Due to tight schedules of the management as part of the sample, the process was costly as the researcher had to make some follow-ups with them.

3.5 Data collection methods

Primary and secondary data collection methods were employed in this study. Research tools were utilized in the primary data collection. Research tools are described as data gathering tools and in other words they are viewed as devices or procedures used in the systematic data collection. In this study descriptive questionnaires (close ended questionnaires) and personal interviews were used.

3.5.1 Questionnaires

A questionnaire or (survey) according to Creswell (2014), is a method of gathering information or data from people expressing their opinions. Referring to Saunders et al., (2012), a survey is a typical tool for gathering information from a wide diverse sample of people who are beyond the researcher's physical reach. Questionnaires are used in descriptive research, it gives the examiner the assurance that all correspondents are going to understand standardized questions in the same manner.

3.5.1.1 Self-administered questionnaire

In accordance with Saunders et al. (2012), a self-administered questionnaire is considered to be a cost effective method of collecting data. A survey is made up of a series of enquiries that are meant to collect specific information. A questionnaire is required for this in order to evaluate each of the crucial triumph elements. The researcher created appropriate questionnaires based on the research's requirements. The following are a few of the **benefits of using a questionnaires**:

- It is a quick method of data collection.
- Prospective data is obtained from the sample.
- Confidentiality and privacy of responders is assured

Disadvantages of questionnaires:

- To minimize respondents’ time they surveys were reduced to only a few and straight forward questions.
- Without appropriate appointment approaching the targeted responders was challenging,
- Some employees felt apprehensive about their positions since they were expected to maintain strict confidentiality.

3.5.1.2 Likert scale

According to Brink and Wood (2013), Likert scale is described as a way of assigning a numerical value to qualitative data in order to make it statistically tractable. One of the commonly used scales in questionnaires is Likert scale, and is mainly used in research surveys. This scale posits that intensity of one’s familiarity is undeviating, that is on a scale ranging from Strongly Agree to Strongly Disagree and those assertiveness can be quantified. Individuals are asked to rate their level of agreement with a statement on a five-point scale (Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree)

Table 3.1 Likert Scale

Strength of feeling	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	5	4	3	2	1

To ensure that each question in the questionnaire has a table with the ticked item the Likert Scale will be utilized to analyse the obtained data. When data is collected in tabular form such as the Likert scale, it is simple to analyse and draw conclusions.

3.5.2 Interviews

Sharan and Tidsel (2015), asserts that “an interview or dialogue entails collection of information through oral contact among persons” in which the researcher orally solicits responses (Cooper and Schindler, 2012). The researcher interviewed the Head of Departments (HODs) and internal audit staff at Bindura RDC. To avoid rigidity in the

form of interviews, semi-structured interviews were used. This was done to give the interview a direction and to give the interviewer control over the session's direction. Interviews had various advantages in this study including:

- The comprehensive information is obtained.
- Interviews allow exploratory in order to obtain complete appreciative replies to enable precise analyses
- The data collection process was quick because immediate responses were received for the asked questions.
- They were helpful in gathering extensive information about individual feelings, perceptions and attitudes.
- They made it possible to ask more comprehensive questions.
- Interviews allowed for the clarification of ambiguities and the follow-up of partial answers.

However interviews presented some disadvantages as stated below:

- The interviewer's presence obliterated anonymity
- Interviews were time consuming since. Follow-ups were done on a regular basis to confirm interview appointment dates.

3.6 Secondary data

For this study secondary data used was in form of previous study verdicts, books, bulletin articles, produced writings, internet pages, and broadcastings. It was used to create operational meanings of the study and to lay a framework for comparing it to the other studies. Secondary data served as a monitor to this study anticipations, likely outcomes as well as research suggestions.

Benefits of secondary data:

- It is a cost-effective way of collecting data, since the researcher used the university library to access the publications.
- It aided in making primary data collection more specific because secondary data allowed the researcher to identify gaps and shortcomings as well as what more information needed to be obtained.

- Prior to gathering of actual information, it aided the researcher in better understanding of the situation.
- It served as a benchmark against which the researcher's data could be compared.

Disadvantages of secondary data

- The researcher was unable to verify the validity or accuracy of secondary data.
- Some of the literatures appeared to be out of date.

3.7 Data collection procedure

The questionnaires were distributed and the responder had at least three days to respond to the questionnaires. The dates for the interview were set a week in advance to give the interviewee time to get ready for an interview. To ensure that all of the interview questions were answered, each interview was given a maximum of thirty minutes.

3.8 Data analysis and procedure

With the use of Statistical Package for Social Studies (SPSS), and Microsoft Excel the data which is to be obtained will be corrected for accuracy, reliability and efficacy before being examined using descriptive statistics.

3.9 Validity and reliability

According to Creswell (2014), validity is defined as a degree to which the values produced by the instrument accurately defines the properties designed for it to assess meaning the tool must exactly measure what it is supposed to measure. The degree to which the samples are a sufficient sample of the overall population is referred to as sampling validity. The degree to which the sample tests items represent the content that the test is supposed to measure is referred to as the content sampling. Cameron, (2015) asserts that the degree of consistency displayed by the process used in a study is to provide accurate estimates is referred to as reliability .Reliability means the extent to which a quiz is unswerving and trustworthy in evaluating its intended purpose. The survey will have same inquires so that the replies from different people can be compared. This study's validity and reliability were enhanced by the use of a combination of questionnaires, interviews and secondary data. The two

methodologies were used to determine how internal audit function independence affects openness and accountability.

3.10 The Pilot study

A pilot study, as asserted by Gulati (2011), is a preliminary evaluation of a study conducted in order to assess feasibility, time and other factors in order to enhance research instruments prior to the actual research. In order to improve validity and reliability of the questionnaires and interviews, Cohen et al. (2015) believe that a pilot study is necessary. The preliminary test for this research was carried out in the District of Bindura at Bindura RDC and Bindura Municipality. The canvasser was fortunate in that she was able to identify responders for the real study, which provided her with insights into specific concerns such as the need for more research.

3.11 Chapter Summary

This chapter looked at research methods, the next chapter is on data analysis and presentation.

CHAPTER FOUR

ANALYSIS OF DATA AND PRESENTATION

4.0 Introduction

This chapter is going to focus on presentation and analysis of primary and secondary data. Data was collected using questionnaires (for non-managerial staff), interviews (managerial staff) and documentary search.

4.1 Questionnaire response

Questionnaire response is the measurement of individuals in a statistical study who answered to the researcher's questions, according to Lincoln and Denzin (2013). The researcher handed forty (40) questionnaires to Bindura RDC personnel, administration, and councillors. The research participants' response rate was pretty high. Out of the total questionnaires distributed thirty-nine were responded. All eighty questionnaires to management and thirteen general staff questionnaires were completed giving a 100% response rate. Councillors successfully completed eighteen questionnaires, representing a 95% response rate. This study's results are legitimate and dependable because of the high response rate. As a result such a response rate lends credibility to the study's conclusions and findings. Interviews yielded a 100% response rate.

Table One: Response rate of Questionnaires

Category	Total	Sample	Response received	Response rate
Management	5	4	4	100%
Middle managers	5	4	4	100%
General employees	44	13	13	100%
Councillors	20	19	18	95%

Source: Primary data, 2022

4.2 Demographical data

4.2.1 Gender

Table Two: Gender

Sex	Frequency	Percent	Valid percent	Cumulative Percent
Female	9	23.1%	23.1%	23.1%
Male	30	76.9%	76.9%	100%
Total	39	100%	100%	

Source: Primary data, 2022

According to outcomes presented in table 2, the bulk of responders (30 or 76.9%) were males, while only 9 (23.1%) were females. This means that, despite widespread calls for gender equality, Bindura RDC continue to employ more men than women. The males were available to participate in the study, with a ratio of 76.9% to 23.1%, as a result there are more males than females engaged in the various sections of Bindura RDC. Figure 1 illustrates this point.

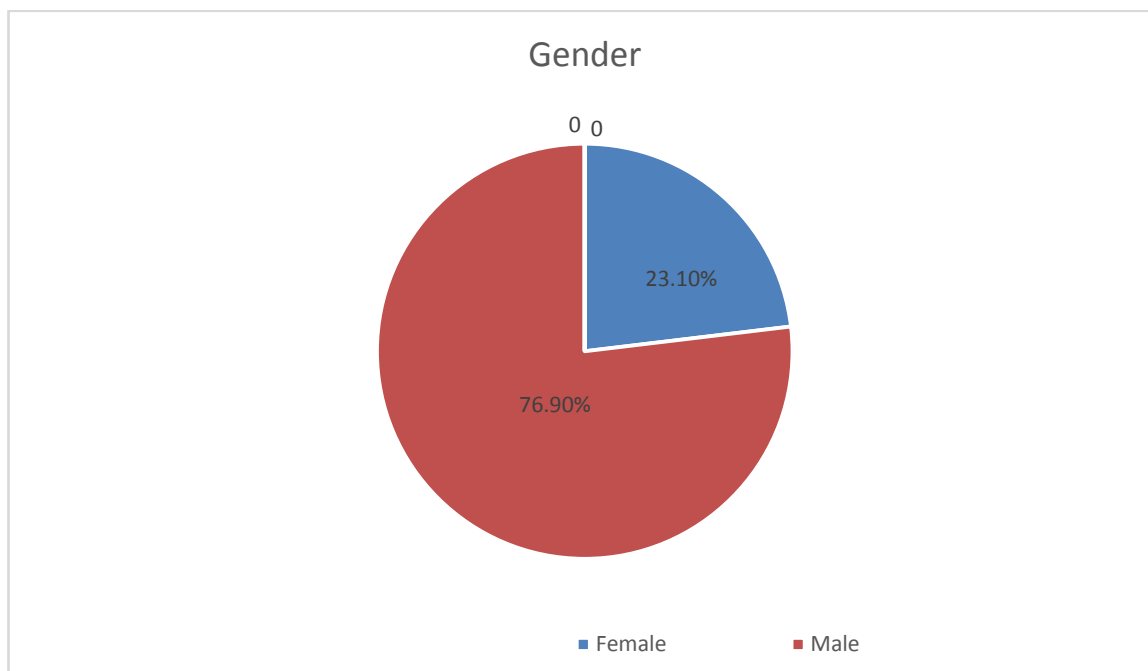


Fig 1: Source: Primary data, 2022

4.2.2 Age

Table Three: Age of respondents?

Age	Frequency	Percent	Valid Percent	Cumulative Percent
18-24	0	0	0	0
25-45	29	74.4%	74.4%	74.4%
46 and above	10	25.6%	25.6%	100%
Total	39	100%	100%	

Source: Primary Data,2022

According to table 3, above the majority of respondents (74.4%) were between the ages of 25-45, while the minority were 46 years and older (25.6%). All of the respondents were over eighteen (180, indicating that they are able to provide accurate information.

4.2.3 Length of work

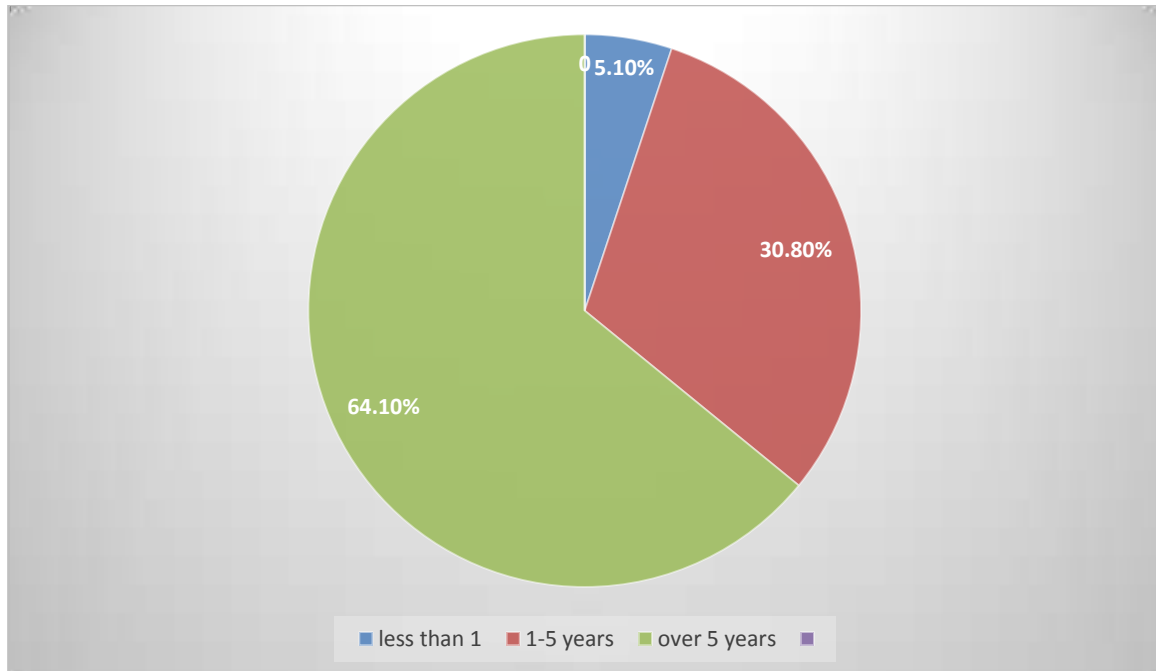
Table Four: How long have been working here?

Work experience	Frequency	Percent	Valid Percent	Cumulative Percent
Less than a year	2	5.1%	5.1%	5.1%
1-5 years	12	30.8%	30.8%	35.9%
Over 5 years	25	64.1%	64.1%	100%
Total	39	100%	100%	

Source: Primary data, 2022

Table 4 shows that 64.1% of staff and councillors had worked at Bindura RDC for five years and more. 30.8% of those who responded constitute of councillors sworn in after the 2018 elections and members of the staff who joined Bindura RDC and have been at work for the period 1-5 years. At Bindura RDC, about 5.1% of staff have worked there for less than a year. This indicates that employees' familiar with their organization's operations. Their answers will be more reliable as a result of this.

Cameron (2015) stated that in order to assure trustworthy responses through job exposure, the targeted respondents should have at least 5 years of experience. These findings are shown in the diagram below



Source: Primary Data, 2022

4.3 Understanding the role of internal audit function

Internal auditing is a separate activity which rings value to an organization, according to all 39 respondents. It is an unbiased, objective assurance and consulting activity that add value and improve the operations of an organization, according to the definition of the Institute of Internal Auditors' (2017). They also agreed that the primary role of the internal audit function is to support the organization in achieving its objectives by offering a disciplined and methodical approach to analysing and improving corporate governance and risk management performance management.

4.3.1 The primary purpose of internal audit function is to assist organizations in achieving their goas by offering a disciplined and systematic approach to analysing and improving corporate governance risk management performance.

The responses stated that they are aware of internal audit function's role. Their level of responses, as indicated in table five, demonstrate this.

Table Five: Responses

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	23	59%	59%	59%
Agree	15	38.5%	38.5%	97.4%
Disagree	1	2.6%	2.6%	100%
Total	39	100%	100%	

Source: Primary data, 2022

According to the above data 23(59%) of respondents strongly agreed on the internal audit's role, whereas 15(38.5%) agreed. A smaller minority of respondents (2.6%) disagreed with internal audit's role. This aligns with the institute of Internal Auditors' (IIA) (2017) definition which states that the role of internal audit is to help organizations achieve their objectives by providing a disciplined and systematic way of evaluating and improving effectiveness of corporate governance and risk management.

4.3.2 Internal audit examines books of accounts often to ensure correctness and compliance with applicable legislation?

The responses to this question were tabulated in table 6 below,

Table Six: Responses

Scale	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	23	59%	59%	59%
Agree	15	38.5%	38.5%	97.4%
Disagree	1	2.6%	2.6%	100%
Total	39	100%	100%	

Source: Primary Data, 2022

Acquiescence with recognised rules, policies and measures appears to have a good impact on local government accountability and transparency. The data in the table above supports this, with an indication that a larger portion of respondents (97.4%) agreed that the internal audit inspect the books of accounts more often. However only a small proportion of respondents disagreed with this opinion. The larger the number of respondents who agreed on the concept, indicates that the internal audit unit is performing its roles of checking compliance with stated policies and relevant laws.

4.3.3 Internal audit frequently conducts a physical count on non-current assets on a quarterly basis to ensure their presence.

Responses are presented in table 7 below,

Table Seven: Responses

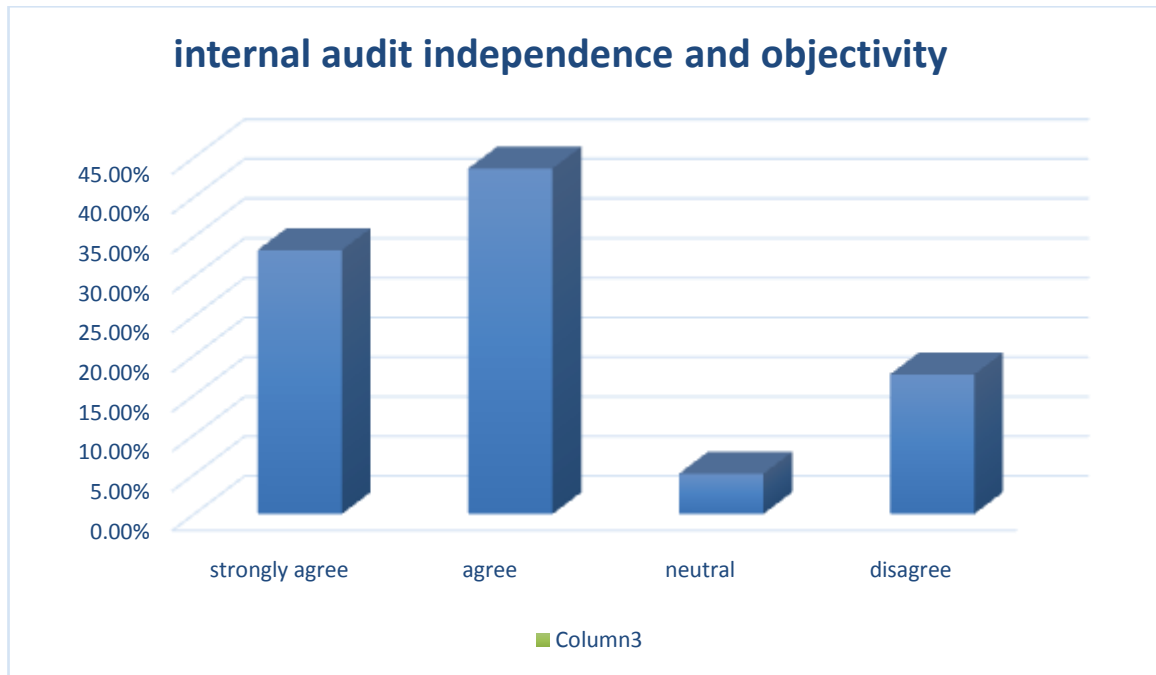
Scale	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	22	56.4%	56.4%	56.4%
Agree	17	43.6%	43.6%	100%
Total	39	100%	100%	

Source: Primary data, 2022

The results in table above, represents that the verification of assets has a beneficial influence to Bindura RDC’s accountability. This is evidenced by a 100% response rate, as respondents agreed that the internal audit function frequently conducts verification of assets. It is worth noting that those who agreed are more answerable. However this contradict with findings by Sholadaye et al. (2018), which shows that assets and liability verification has a detrimental impact in Kano State’s tertiary institutions accountability.

4.4 Internal auditing at Bindura RDC is conducted with independence and objectivity?

According to the outcomes, thirteen (33.3%) respondents strongly agreed and seventeen respondents (43.6%) agreed that internal audit department is independent and objective whereas seven (17.9%) respondents disagreed. The other two (5.1%) respondents were undecided. The results are illustrated below,



Source: Primary data, 2022

4.5 Internal audit function adds value and improves Bindura RDC’s operations by providing assurance that is objective and independent, and advisory services.

Responses are tabulated in table 8 below,

Table Eight: Responses

Scale	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	23	59%	59%	59%
Agree	11	28.2%	28.2%	87.2%
Neutral	4	10.3%	10.3%	97.4%
Disagree	1	2.6%	2.6%	100%
Total	39	100%	100%	

Source: Primary data, 2022

According to the response rate of 87.2%, of the respondents agreed that the internal audit function adds value and improves Bindura RDC’s operations by providing assurance that the is objective and independent as well as advisory services.. 10.3% of respondents were undecided about this concept. Only 2.6% of those polled disagreed with this idea that the audit function adds value and improves Bindura RDC’s operations by providing assurance that is objective and independent as well as advisory services. These results are in consistency with the IIA (2017) criteria.

4.6 At Bindura RDC, there is sufficient employees to conduct internal audits?

It was the requirement of the question for responders to provide their responses on the opinion that there is adequate audit personnel at Bindura RDC to conduct the internal audit works. The responses are tabulated below,

Table Nine: Responses

Scale	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	9	23.1%	23.1%	23.1%
Agree	23	59%	59%	82.1%
Disagree	3	7.7%	7.7%	89.8%
Strongly disagree	4	10.3%	10.3%	100%
Total	39	100%	100%	

Source: Primary Data, 2022

The findings in the above table, shows that 23.1% of respondents who strongly agree and 59.0% agreed that there is adequate staff to conduct audit works at Bindura RDC. However 7.7% disagreed whilst 10.3% of the respondents strongly disagreed to the idea that there is adequate personnel to perform the audit activities.

4.7 Organizing a transparent budgeting process with full participation from all stakeholders has strengthened accountability?

The questions required the respondents to express their opinion on guided questions which states that arranging a budgeting process which is transparent with all stakeholders participation enhances answerability when analysing the link between the independence of internal audit function, transparency and accountability the. The results are listed in table 10 below:

Table Ten: Responses

Scale	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	28	71.8%	71.8%	71.8%
Agree	8	20.5%	20.5%	92.3%
Neutral	1	2.6%	2.6%	94.9%
Disagree	1	2.6%	2.6%	97.4%
Strongly Disagree	1	2.6%	2.6%	100%
Total	39	100%	100%	

Source: Primary Data, 2022

According to the results shown in table above, stakeholder involvement in the budgeting process improves answerability, as evidenced by 92.3% of respondents agreeing to that fact but however 5.2% of respondents differed and 2.6% were undecided. This is in line with Diamond (2013) perspective which stated that in order to improve performance and answerability, translucent budgeting and enactment methods should be shadowed, which in theory is a critical component of sustaining in-house controls.

4.8 Employees have the right to participate in the management of council assets and to improve internal control procedures.

Responses are presented in table 11 below,

Table Eleven: Responses

Scale	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	16	41.0%	41%	41%
Agree	22	56.4%	56.4%	97.4%
Strongly Disagree	1	2.6%	2.6%	100%
Total	39	100%	100%	

Source: Primary Data, 2022

According to the table above, 41% of respondents strongly agree and 56.4% agreed that employees have the right to control processes and partake in administration of

Council assets. 2.6% of those polled strongly disagreed. By signing job descriptions and procedure manuals all employees are evaluated in their engagement in protecting the assets of the Council, and adherence to internal controls.

4.9 Internal audit reduces corruption and fraudulent activities actions in the RDC as a measure for promoting transparency.

Responders delineated their opinions, by answering to a directed question. Their responses are presented in table 12 below:

Table Twelve: Responses

Scale	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	21	53.8%	53.8%	53.8%
Agree	11	28.2%	28.2%	82.1%
Disagree	7	17.9%	17.9%	100%
Total	39	100%	100%	100%

Source: Primary Data, 2022

Results presented in the table above shows that 53.8% of respondents agreed, whilst 28.2% agreed with the idea that internal audit reduces corruption and fraudulent acts in the RDC as a measure of promoting transparency. However 17.9% of respondents disagreed with that fact. The interview respondents also agreed with the fact that internal audit reduces corruption fraudulent acts as they highlighted that CEO’s corrupt actions were discovered during an internal audit, which led to her dismissal in 2020.

Data presented in table 14 above, depicts that the majority of respondents strongly agreed and agreed with the fact that the implementation

4.10 The implementation of asset registers has enhanced the location, existence and valuation of non-current assets held by the Council.

The responses are summarised in table 13 below:

Table Thirteen: Responses

Scale	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	26	66.7%	66.7%	66.7%
Agree	8	20.5%	20.5%	87.2%
Disagree	4	10.3%	10.3%	97.4%
Strongly Disagree	1	2.6%	2.6%	100%
Total	39	100%	100%	

Source: Primary Data, 2022

of asset registers has enhanced the location, existence and valuation of non-current assets held by Council. On the other hand, 10.3% disagreed with that fact and 2.6% strongly disagreed. The results indicates that accountability in the management of assets is certain.

4.8 Political interference and the CEO’s influence are two of the challenges Bindura RDC faces in promoting internal audit independence.

The results are presented in table 15 below,

Table Fourteen: Responses

Scale	Frequency	Percent	Valid Percent	Cumulative
Strongly agree	16	41%	41%	41%
Agree	23	59%	59%	100%
Total	39	100%	100%	

Source: Primary Data, 2022

The main problems that Bindura RDC is encountering in establishing internal audit independence in the workplace are political intervention and Chief Executive Officer’s influence, according to the findings of the research.” Councillors should carry out their jobs as a policy makers and should not use political power or partisan interests to control and influence any council operations,” one of the management said. According to information acquired from interviews, the internal auditor’s independence is also harmed by the independence of internal audit Bindura RDC was familiarity and relationship.

Due to ever-changing political, economic and social context, internal auditing faces a number of issues around the world. Internal audit should adapt to the changing environment, by focussing not just on transactions but also on raising flags for technology advances and compliance risks. Zimbabwe has a lot of political wrangling and feuding, so there is a lot of decentralization of power in politics which has resulted in recentralization in many places.

4.12 Internal controls and operating systems used by Bindura RDC’s internal audit department.

According to the interview responses, performance audit, financial audit, risk management and spot checks audit together with value for money are all used by the internal audit unit at Bindura RDC. The internal audit function analyses the

competencies of good corporate governance and risk management. This is according to the IIA (2017). Performance audit According to Brewster (2011), is more concerned with efficacy, which is described as the link between inputs and outputs In line with the current study 56.5% indicated that financial audit is the most utilized.

According to Theofanis et al. (2014), first-hand data indicated the rival which is between the internal audit function and its effectiveness. He demonstrated five interrelated components of internal audit, which are reporting relationships, segregation of duties, management perspective, risk exposure and the control activities.

4.13 Correlation analysis.

A correlation analysis is performed in table below. The relationship between independence as an independent variable and transparency and accountability as dependent variable, as measured by reporting relationships, segregation of duties, management perspective and risk exposure.

Table Fifteen: Correlation between Independence and transparency and accountability.

Correlation	Reporting relationship	Segregation of duties	Management perspective	Risk exposure	Independence
Reporting relationship(Pearson Correlation)	1.00	.371**	.063	.303**	.452**
Sig. 2(tailed)		0.00	0.00	0.00	0.00
Segregation of duties(Pearson Correlation)	.371**	1.00	.226**	.174*	.121*
Sig. 2(tailed)					

Management perspective (Pearson Correlation)	.063	.226**	1.00	.138*	.189*
Sig. (2-tailed)	0.00	0.00	0.00	0.00	0.00
Risk exposure (Pearson Correlation)	.303**	.174*	.138*	1.00	.333**
Sig. (2-tailed)	0.00	0.00	0.00	0.00	0.00
Independence (Pearson Correlation)	.452**	.121*	.289*	.333**	1.00
Sig. (2-tailed)	0.00	0.00	0.00	0.00	0.00

** Correlation is significant at the 0.01 level (2-tailed).

*Correlation is significant at the 0.05 level (2-tailed).

Findings in table, above indicate that there was a significant relationship between internal audit independence and transparency and accountability at Bindura RDC. The findings indicate that there is a positive correlation between independence and reporting relationships of 0.452. The correlation between internal audit independence and segregation of duties of 0.121 with a significant level of 0.05 shows that there is a significant relationship. Correlation analysis between internal audit independence and management perspective shows that there is positive significant relationship between the independence of internal audit function and management perspective of 0.289 with a significant level of 0.01. Results show that there is a significant positive relationship between independence of internal audit function and risk exposure as indicated a correlation of 0.333 with a significant level of 0.01. These results imply that there is constructive association between internal audit function independence and transparency and accountability, therefore we reject the null hypothesis (H1), which states that the independence of an internal audit function in local governments is not positively associated to transparency and accountability.

4.14 Chapter Summary

The main goal of this chapter was to present and analyze the data collected on the research grounds. In a nutshell, data was collected from respondents through surveys and interviews. The following chapter will summarize the entire study, generating useful recommendations based on the research findings. To solve the study problem, both the researcher and the respondents must make recommendations.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter aims to summarize the extensive research that has been conducted, as well as to provide recommendations and a general conclusion. The primary and secondary data will be used to form the suggestions and conclusion.

5.1 Summary of findings

The findings of the study are as follows:

•Internal audit function in Local authorities.

According to the findings, the primary duty of the internal audit function is to support system of government in achieving their goals by offering an orderly and efficient approach to analysing as well as improving corporate governance's efficacy and risk management. This has been supported by the fact that the large number of respondents with a 97.4% agreeing and strongly agreeing. Internal audit frequently inspects the books of accounts to ensure correctness and conformity applicable legislation, according to the majority of respondents. Internal audit frequently conducts physical verification of fixed to establish their presence, according to the respondents.

•Internal audit function's independence

According to the findings in Chapter 4, the majority of respondents agreed that Bindura Rural District Council practices internal audit independence and objectivity. This is supported by the fact that 76.9% of respondents agreed with this viewpoint. The findings also revealed that Bindura RDC's independent internal audit utility provides autonomous, objective assertion and gives advice advisory which aids in value addition and improvements in its operations.

•Relationship between independence of internal audit function and transparency and accountability.

The study discovered that internal audit function transparency and accountability had a substantial benefit relationship. According to the data presented in Chapter 4, it is presented that a constructive association between the internal audit function independence and transparency and accountability. Stakeholders participation in the processes of budgeting increases answerability, as shown by a 92.3% of respondents strongly agreeing or strongly agreeing that organizing a budgeting process which is translucent, with all stakeholders present has increased accountability in local authorities.

•Internal audit function's impact on transparency and accountability.

According to the findings of the study, internal audit function has been successful in reducing corruption and fraudulent activities in local authorities as a means of enhancing transparency and accountability. Managers indicated during interview that

the internal audit has been successful in uncovering some of Council's corrupt and fraudulent conducts, resulting in CEO's dismissal in 2020.

- A large number of respondents agreed that they have a responsibility to take part in the asset management and in enhancing internal control systems.
- The internal audit function uses financial audits, performance audit, advisory and investigative audit, though financial audit is the most used type of audit.

5.2 Conclusions

The research looked into the influence of independence of internal audit function on local authority's transparency and accountability. According to the findings there is a considerable positive association between independence of internal audit function and transparency and accountability. Also according to the findings, the internal audit function plays an important role in the organization, ensuring robust compliance with good corporate governance. Internal auditing is also important in reducing risk, safeguarding stakeholders' interests and detecting and preventing fraud. It was also shown that internal auditing is not limited to financial institutions.

5.3 Recommendations

To improve transparency and accountability, local governments in Zimbabwe must emphasize the need of internal audit independence. The study did not look into methods to strengthen and improve internal audit function's independence, hence it advises more research into how to strengthen the independence of internal audit function in local governments. Further suggestions are stated beneath:

- In order to accomplish objectivity and escape prejudice and unfitting connections, an internal audit department should be established outside of the corporation as a self-sustaining body with its operational mechanisms.
- Internal audit leadership should be paid at a level compared to local government management so that they can do their duties competently.
- In order to escape familiarity, rotation of workers in the internal audit department should be adopted. The Chief internal auditor should be given

statutory grades equal to management's influence and behaviour do not override their authority.

- Management should work together with the internal auditor, by responding to the internal audit reports' recommendations.
- The internal audit team should report their findings to the audit committee rather than the Chief Executive Officer.
- Internal audit staff, particularly councillors, should attend human development and continuous training courses to ensure that manual and computerized auditing and accounting ideas are used consistently. Councillors who will serve on the audit committee should be trained and where necessary attend forums which enhances a dais for capacity edifice.
- Interested parties should sustenance internal audit manoeuvres by reviewing audit reports quarterly basis and making some recommendations.
- In order to ensure that the internal audit function is independent the government should foster laws among politicians and other stakeholders who has influence on internal audit function.

5.4 Chapter summary

It can be concluded that the internal audit function's independence is constructively associated with the local authorities' transparency and accountability in Zimbabwe.

REFERENCES

- Adams, M. B. (2016). Agency theory and the internal audit, *Managerial Auditing Journal*, 9(8), 8-12.
- Asiimwe. M, Akankunda. B and Nalukenge. I, (2019). Independence Internal Audit Independence and Accountability of Child Funded NGOs on Uganda: *International Journal of Research in Humanities and Social Studies*, 6(3). Pp. 29-37.
- Auditing Standard, (2014).Audit Manual-Office of the internal Oversight services, *International Standards for Professional Practice of Internal Auditing (standards)*. Retrieved online on 15/04/22, from ([http:// www.aud/theija.edu.org](http://www.aud/theija.edu.org)).
- Awdat, A.A. (2015). "The impact of internal auditing function to improve financial performance of commercial banks in Jordan, vol6,no 3

Barisic, I. and Tusek, B. (2016). The importance of the supportive control environment for internal audit effectiveness- the case of Croatian companies, Economic Research.

Cameron. R, (2015). Mixed methods research workshop.

Carmichael, D. R., (2004). The PCAOB and the social responsibility of the auditor. Accounting Horizons, 18(2), pp. 127-133.

Christopher, J., Sarens, G. & Leung, P., (2012). A critical analysis of the independence of the internal audit ,Research Journal of Finance and Accounting function: Evidence from Australia. Accounting, Auditing and Accountability Journal, Vol 22 (2), pp. 200- 220.

Christopher, J., (2014). Internal Audit: Does it enhance governance in the Australian University Sector. Education Management Administration and Leadership, pp. 1-18.

Clarke, Thomas (2014), "Theories of Corporate Governance; the Philosophical Foundations of Corporate Governance", New York, Routledge.

Creswell, J. W. (2013). Research design: Qualitative, quantitative, and mixed methods approaches. Thousand Oaks, CA: Sage Publication 2.

Creswell. J.W. (2014). Research Design: Qualitative, Quantitative and Mixed Methods Approaches :4TH Edition, Sage Publications.

Cohen, A., & Sayag, G. (2010), The Effectiveness of Internal Auditing: An Empirical examination of its determinants in Israeli organizations. Australian Accounting Review, 20(3), 296-300.

Cooper, D. R., & Schindler, P. S. (2012). Business Research Methods. New York: Irwin McGraw-Hill.

DeZoort, F. T., Houston, R. W. & Peters, M. F., (2015). The impact of internal auditor compensation and role on external auditors' planning judgements and decisions. Contemporary Accounting Research, Vol. 18 No. 2, pp. 257-281.

Gherai D. S. Balaciu D. (2014). Role of Internal Auditing in Risk Management in The Public Sector and Local Entities – Case Study Bihor County (Belgium)

IIA, (2017). Definition of Internal Auditing. USA: Institute of Internal Auditors.

Irene, J.K, (2012).Effectiveness of internal audit in Tanzanian Commercial Banks: Tanzania.

Jiang, L., Andre, P. & Richard, C., (2014). Determinants of Internal Audit Function Quality: An International study. s.l.: ESSEC Business School.

Joyce, O. A. (2011). Assessment of Financial Control Practices in New Juaben Senior High Commercial School-Koforidua. A thesis submitted to the department of Institute of Distance Learning, Kwame Nkrumah University of Science and Technology

Kimotho, N. T., (2014). Factors affecting internal audit independence: A case study of Technical University of Mombasa. Journal of Business & Management, 6(6).

Leedy.P.D and Ormrod, (2016). Practical Research: planning and design, 11th edition. Boston: Pearson.

Limperg institute, (1985). The social responsibility of the auditor. A basic theory on the auditor's function. Amstedam: Limperg Institute.

Lipunga, A.M. (2014). Corporate Governance Practices in Commercial Banking Sector of Malawi: Evidence from Annual Reports. Journal of Applied Finance & Banking, (4), no 5, 201, pp. 115-133.

Maryam and Mansour (2014). A study on the relationship between internal auditing and quality of financial statements (IRAN).

Modibbo, S. A. (2015). Impact of Internal Audit Unit on the Effectiveness of Internal Control System of Tertiary Educational Institutions in Adamawa State Nigeria: International Journal of Humanities Social Sciences and Education (IJHSSE), 2(5), 140-156. Available at: www.arcjournals.org.

Mckim, C. A. (2017), A MIXED METHODS STUDY, JOURNAL OF MIXED METHODS RESEARCH, VOL11

Onatuyeh and Aniefor (2013). Impact of effective internal audit functions on public sector management and accountability in Edo State. Nigeria

Mihret and Woldeyohannis (2008). Roles of internal auditing. Ethiopia.

Padilla, A. (2015). "Can Agency Theory Justify the Regulation of Insider Trading". The Quarterly Journal of Austrian Economics, Volume 5, (1): 3-38

Saunders et al, (2014) Research Methods for Business Students, 2nd edition. Prentice Hall.

Schneider, A., (2010). Determining whether there are any effects of incentive compensation and stock ownership on internal audit procedures. International Journal of Auditing, Vol. 14 No. 1, pp. 101-110.

Sholadoye. L.M and Muhammad. A, (2018). Internal audit function and Accountability of Tertiary Institutions in Kano State-Nigeria: International Journal of Innovative Research and advanced Studies, Vol 5 Issue 7.

Stewart, J. &Subramaniam, N., (2010). Internal audit independence and objectivity: Emerging research opportunities. Managerial Auditing Journal, Volume 25, p. 328.

Theofanis. K,(2014). Evaluation of the effectiveness of internal audit in Greek hotel business.

Vinten, G., (2013). Auditor Independence in the UK- the state of the art. Managerial Auditing Journal, Vol 14 (8), pp. 408-437.

c

APPENDICES 1: LETTER OF CONSENT

BINDURA UNIVERSITY OF SCIENCE EDUCATION



Dear participant

My name is SarudzaiKachere (B1850652). I am a 4th year student at Bindura University of Science Education undertaking an undergraduate degree. I am conducting a research entitled: The impact of independence of internal audit function on transparency and accountability in Zimbabwe's local authorities, Case of Bindura Rural District Council. This is in partial fulfilment of the requirements of the Bachelor of Accountancy Honours degree.

The purpose of the research study is to establish the relationship between internal audit function and transparency and accountability and assess the impact of internal audit function on transparency and accountability.

This is an invitation to participate in a research study conducted by the researcher. Your cooperation is sought to complete the questionnaire to gather information on the

research study. For further information, you can contact the university or the faculty of commerce at Bindura University of Science Education.

I thank you in advance for your support with this study

Yours faithfully

SarudzaiKachere

APPENDIX 2: QUESTIONNAIRE

My name is SarudzaiBlantinaKachere. I am currently studying towards the attainment of a Bachelor of Accountancy (Honours) Degree at Bindura University of Science Education. As part of my degree requirements I am carrying out a research. I am researching on the impact of Independence of internal audit function on transparency and accountability in Zimbabwe’s local authorities: The case of Bindura Rural District Council. May you kindly complete the following questionnaire, please note that this questionnaire is purely for academic purposes. Your responses shall be treated confidentially and they will not be published elsewhere. The responses are anonymous so please do not write your name on the questionnaire.

DEMOGRAPHIC INFORMATION OF RESPONDENTS		
Q.1	Specify your Gender	Female Male
Q.2	Indicate your age group	
Q.3	How long have you been working here	1. Less than a <input type="text"/> year 2. 1-5 years 3. Over 5 years

SECTION B:

In a scale of 1-5, kindly indicate your rating for the following questions. **Where 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree.**

NO.	QUESTION	1	2	3	4	5
Q.4	The primary purpose of internal audit function is to assist organizations in achieving their goals by offering a disciplined and systematic approach to analysing and improving corporate governance risk management performance.					
Q.5	Internal audit examines books of accounts often to ensure correctness and compliance with applicable legislation?					
Q.6	Internal audit frequently conducts a physical count on non-current assets on a quarterly basis to ensure their presence.					
Q.7	Internal auditing at Bindura RDC is conducted with independence and objectivity.					
Q.8	Internal audit function adds value and improves Bindura RDC's operations by providing assurance that is objective and independent, and advisory services.					
Q.9	At Bindura RDC, there is sufficient employees to conduct internal audits?					
Q.10	Organizing a transparent budgeting process with full participation from all stakeholders has strengthened accountability.					
Q.11	Employees have the right to participate in the management of council assets and to improve internal control procedures.					
Q.12	Internal audit reduces corruption and fraudulent activities actions in the RDC as a measure for promoting transparency.					
Q.13	The implementation of asset registers has enhanced the					

	location, existence and valuation of non-current assets held by the Council.					
Q.14	Political interference and the CEO's influence are two of the challenges Bindura RDC faces in promoting internal audit independence.					

APPENDIX 3: INTERVIEW GUIDE

My name is SarudzaiBlantinaKachere. I am studying towards completion of a Bachelor of Accountancy (HONOURS) degree at Bindura University of Science Education. I am researching on the impact of Independence of internal audit function on transparency and accountability in Zimbabwe's local authorities: The case of Bindura Rural District Council. I kindly ask for your assistance by answering all the questions included in this interview guide. Your response shall be kept confidential and only used for academic reference.

- 1) How successful has been the internal audit in reducing and eliminating fraudulent activities and corruption at Bindura RDC?
- 2) What problems are being faced by Bindura Rural District Council in upholding independence of internal audit and accountability?
- 3) Which types of the internal checks and internal operating systems used by the internal audit at this organization?
- 4) What are your recommendations towards improving effectiveness and efficiency of internal audit?