FACTORS AFFECTING SUCCESSFUL IMPLEMENTATION OF AUDITOR GENERAL'S RECOMMENDATIONS IN LOCAL GOVERNMENTS IN EASTERN UGANDA: A CASE STUDY OF SOROTI DISTRICT

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LIST OF ABBREVIATIONS

AICPA	American Institute of Certified Public Accountants
PAC	Public Accounts Committee
OAG	Office of Auditor General
SAI	Supreme Audit Institution
ACFE	Association of Certified Fraud Examiners
PFM	Public Financial Management
PEFA	Public Expenditure and Financial Accountability
RRH	Regional Referral Hospital
VFM	Value for Money
SPSS	Statistical Package for Social Sciences
PPDA	Public Procurement and Disposal of Assets
NGOs	Non-Government Organizations
PNFP	Private Not for Profit
ADB	African Development Bank
MoES	Ministry of Education and Sports
ICAEW	Institute of Chartered Accountants in England and Wales
LGAC	Local Government Accounts Committee
COSASE	Committee on Statutory Authority and State Enterprises

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

This study intends to examine the factors affecting successful implementation of Auditor General's recommendations in local governments of Uganda. The factors in this study conceived as the independent variables will include of institutional and individual factors Cepero, (2007:12) while successful implementation as the dependent variable will be measured in terms of increased accountability, improved health and better quality education as supported by Pierce, (2011:449). This chapter will include back ground to the study, problem statement, purpose of the study, objectives of the study, research questions, Research hypothesis, scope of the study which will include the content scope, geographical scope and time scope. This chapter will also look at the justification of the study and finally the significance of the study.

1.2 Background to the study

1.2.1 Historical background

Mathews (2000:165) report how auditing procedures have been relied upon for many years, though the formal practice of auditing has been in existence for a relatively short period. Emphasis in auditing has historically been placed on a periodic, backward-looking approach whereby key events and activities are often identified long after their occurrence or simply undetected.

Globally the Industrial Revolution and the resulting explosion in growth of business activity led to widespread adoption of auditing methods. As Chandler, (1977:11) reports, the railroads, in their efforts to report and control costs, production, and operating ratios, were major catalysts in the development of the accounting profession within the United States.

The demand for both external and internal auditing is sourced in the need to have some means of independent verification to reduce record-keeping errors, asset misappropriation, and fraud within business and non-business organizations. The roots of auditing, in general, are intuitively described by accounting historian Richard Brown in 1905 (Mautz and Sharaf, 1961:3) as follows: “The origin of auditing goes back to times scarcely less remote than that of accounting, Whenever the advance of civilization brought about the necessity of one man being intrusted to some extent with the property of another, the advisability of some kind of check upon the fidelity of the former would become apparent.”

Cangemi and Singleton, (2003:1) suggests that notwithstanding the progression toward computerized accounting, many auditors continued to audit around the computer and the minority who elected to audit through the computer relied on an array of proprietary programs that were expensive, cumbersome, inefficient, and in need of constant reprogramming.

Auditing supports the future audit, it is estimated that total global fraud losses were more than $2.9 trillion in 2009 (Association of Certified Fraud Examiners, 2010:3). More important, this figure continues to rise. Although some aspects of the traditional audit will continue to hold value, the audit of the future provides opportunities to increase the use of automated tools and remains a key for offering improved assurances relative to the responsible management and utilization of stakeholder assets.

Sian, (2006:23) informs us that in African context, accounting professionalization processes appear dependent upon a diverse and complex set of political, economic, and social contexts in which they take place. This process has been examined in different settings from the functionalist, interactionism and critical perspectives. The functionalist view argues that the crux of professionalization rests on the profession's ability to produce professionals, with esoteric knowledge and skills, who are to serve society in an altruistic fashion. On the other hand, the interactionism view maintains that professions are interest groups that attempt to persuade society to seek their services to defend and further the interests of their members.

According to this perspective, professions define and defend the interests of their members by creating professional monopoly through a process of closure and exclusion to prevent non-members from accessing professional practice (Uche, 2002:21). The formation of a professional association as an important point in the professionalization process and highlighted the pre- and post-association formation 'signals of movement' that help establish and then maintain closure. The professionalization literature also shows that the development of accounting profession as viewed in a Western context is closely tied to the rise and development of industrial society compared to African context that is politically influenced (Carnegie and Edwards, 2001:10).

The Office of the Auditor General is the Supreme Audit Institution in any country Uganda inclusive. Its history can be traced back to the 1900, when it was an extension of the Directorate of the Colonial Audit Office based in the United Kingdom. In 1929 the Office was established in Uganda and headed by an Auditor. During the last decade Uganda has experienced significant changes that have had a profound impact on all spheres of human endeavour. Some of the new developments which have taken place during this period include the enactment of the 1995 Constitution and related financial legislation, significant economic growth and development, and a noticeable drive for the improvement of service delivery by Government (Muwanga, 2015).

The 1995 Constitution established the Office of the Auditor General as a public Office and outlined the mandate of the Auditor General. This mandate entails the need to provide the necessary fiduciary assurance to Parliament, on the stewardship by Government in its management of the public funds and resources of Uganda. Change has been a predominate feature in the reforms which have taken place (Ugandan Constitution, 1985:111).

The Auditor General also known as Supreme Audit Institution (SAI) is established under the constitution of 1995. The Parliament and Head of State appoints the head of the SAI. The Head of the SAI can be removed by President on account of inability to perform the functions of the office, misbehaviour or misconduct and incompetence. The Head of SAI should be a professional accountant with fifteen years of experience (National Audit Act, 2008: 4).

There are extensive powers that the committees should exercise in order to ensure ministries, public enterprises and local authorities implement the Auditor General's recommendations. They should demand status reports on the implementation of recommendations because the rules empower them to make such demands. The Public Accounts Committee (PAC) is the parliamentary committee with a statutory mandate to review the Auditor General's reports and report to Parliament. The committee must therefore take a more leadership role in the enforcement of the Auditor General's recommendations (Nandala, 2010:4).

1.2.2 Theoretical background

French philosophy has been extremely diverse and has influenced Western philosophy as a whole for centuries, right from the medieval scholasticism of Peter Abelard, through the founding of modern philosophy by René Descartes, to 20th century existentialism and phenomenology. These philosophers came to have a deep influence on the politics and ideologies of France and America as urged by Balibar and Rajchman, (2011: 23).

Charles de Secondat, baron de Montesquieu (1689–1755) were social commentators and political philosophers whose theories deeply influenced the American Founders. Their belief that the state powers be separated into legislative, executive, and judicial branches formed the basis for separation of powers under the United States Constitution. In *The Spirit of the Laws*, Montesquieu outlined the view that man and societies are influenced by climate. He believed that hotter climates create hot-tempered people and colder climates aloof people, whereas the mild climate of France is ideal for political systems. This theory is believed to have led to adoption of separation of powers between the three arms of Government in Uganda during the amendment of Ugandan constitution in 1995 as discussed by Opiyo, Bainomugisha and Ntambirweki, (2013:58)

The phrase '*separation of powers*' is 'one of the most confusing in the vocabulary of political and constitutional thought'. Accordingly the phrase has been used '*with varying implication'* by historians and political scientists, this is because the concept manifests itself in so many ways. In understanding the concept of 'separation of powers' one has to take on board the three approaches that is traditional (classical), modern (contemporary) and Marxist-Leninist approaches. These approaches will link the study with the Ugandan situation about the three arms of Government as suggested by Marshall, (1971:97).

According to Montesquieu's strict doctrine (tripartite system), in every government there are three sorts of power *i.e.* legislature, executive and judiciary. The executive, makes peace or war, send or receives embassies, establishes the public security and provides against invasions. The legislature, prince and magistrate enact temporary or perpetual laws and amend or abrogate those that have been already enacted. The judiciary, punishes criminals, or determines the disputes that arise between individuals as discussed by Carney, (1993:3).

The Doctrine of Separation of powers includes the following distinct but overlapping aspects;Institutional separation of powers: (a tripartite separation of powers) – the need to have three major institutions or organs in a state i.e. Legislature, Executive and Judiciary as stated by Ruppel, (2008:206). Functional separation of powers: state power/functions must be vested and exercised by three separate institutions or organs i.e. law making, enforcement and interpretation. Separation of personnel: (each organ with own personnel) – no person should be a member of more than one organ. Limitation of appointing powers: state organs should not appoint or elect members for each other according to Carney, (1993:5).

Montesquieu's strict doctrine presents problems of a complete separation of the three organs may lead to constitutional deadlock (disunity of powers). Thus, a complete separation of powers is neither possible nor desirable. Partial separation of powers is required to achieve a mixed and balanced constitutional structure which would be impractical to expect each branch of government to raise its own finances. The theory is based on the assumption that all the three organs of the government are equality important, but in reality it is not so. In most cases, the executive is more powerful of the three branches of government as discussed by (Mojapelo, 2013:4).

Magna Carta (1215), the 'Great Charter of the Liberties of England' established the principle that our rulers, at that time the king, could not do whatever they liked, but were subject to the law as agreed with the barons they governed. This simple concept laid the foundations for constitutional government and freedom under the law. Insofar as Magna Carta was 'the first great public act of the nation', it also established the direction of travel for our political system towards representative institutions and, much later, democracy itself (Blackburn, 2012:6).

The other principal-agent relationship dealt with by corporate governance guidelines is that of the corporate with its auditors.The audit is seen as a key component of corporate governance, providing an independent review of the financial position of the organisation as put forward by Solomon, (2007:27). Auditors act as agents to principals (shareholders) when performing an audit and this relationship brings similar concerns with regard to trust and confidence as the director-shareholder relationship. Auditor independence from the board of directors is of great importance to shareholders and is seen as a key factor in helping to deliver audit quality. However, an audit necessitates a close working relationship with the board of directors of a company as argued by McConnell, (2012:128). This close relationship has led (and continues to lead) shareholders to question the perceived and actual independence of auditors so tougher controls and standards have been introduced to protect them (Julkaisuja, 2010:15).

Agency theory can help to explain the actions of the various interest groups in the corporate governance debate. Examination of theories behind corporate governance provides a foundation for understanding the issue in greater depth and a link between an historical perspective and its application in modern governance standards. Historically, companies were owned and managed by the same people. For economies to grow it was necessary to find a larger number of investors to provide finance to assist in corporate expansion as discussed byHill and Jones, (1992:6).

The policeman theoryclaims that the auditor is responsible for searching, discovering and preventing fraud. In the early 20th century this was certainly the case. However, more recently the main focus of auditors has been to provide reasonable assurance and verify the truth and fairness of the financial statements. The detection of fraud is, however, still a hot topic in the debate on the auditor’s responsibilities, and typically after events where financial statement frauds have been revealed, the pressure increases on increasing the responsibilities of auditors in detecting fraud (Hayes, 2005:19).

The study will be driven by the principal-Agency theory because of the relationship that it creates between the Auditees (Local Governments) and Principals (funders) in delivering services to the people of Uganda by increasingly demanding for proper accountability and transparency as urged by Luo, (2005:19). Accountability is a cornerstone of modern democracy. Accordingly accountability is the fundamental principle of a transparent society.

Accountability is the rational principle in dealing with systems of administration and economy in democratic societies. Only by insisting on accountability, public servants are constantly reminded that they are servants and maintain some confidence that merchants arenot cheating us or that factories aren't poisoning the water as stated by Brin, (1998: 12).

The study will therefore measure factors affecting successful implementation of Auditor general's recommendations in relation to accountability of funds in local governments.

1.2.3 Conceptual background

Public audits provide key mechanisms through which financial accountability is enforced within government ministries and state bodies. Across the world, public audits have been institutionalised through the creation of Offices of the Comptroller and Auditor General which act as supreme audit institutions. They prevent "dishonesty and abuses" by instilling "fear of detection" and also enhance institutional financial accountability by providing an expert, independent and unbiased opinion on specified issues relating to the activities of an organisation (Rutherford, 1983:91).

Public audits also enhance legislative oversight by ensuring that appropriated expenditures are spent as espoused by legislation governing them. They also promote excellence in fiscal management providing reform measures that should be adopted to correct identified faults in systems and procedures. Review of contemporary audit practices and academic discourse suggest a paradigmatic shift from traditional fixation was with compliance to broader issues of value for money audits and governance (Tawanda, 2012:2).

Zhou and Tawanda, (2012:219) see the scope and horizon of public sector auditing going beyond this as it strives to cope with e-governance reforms. Audits are essentially evaluations or reviews of the activities and operations of entities to ensure that they are being performed in compliance with set objectives, budgets, rules and standards. This conceptualisation echoed by (Mathison, 2005:23) who defines audits as “procedures in which independent third parties systematically examine the evidence of adherence of some practice to a set of norms or standards”. It also resonates with definitions by (Elder, 2010:4) where auditing is presented as the “accumulation and evaluation of evidence about information to determine and report on the degree of correspondence between the information and established criteria”. Emerging from these definitional perspectives is that audits are a way of checking the effectiveness of the internal control systems of the organisation. Audits are thus watchdogs against corruption, resource wastage and inefficient decision making.

The Public Accounts Committee is provided for under Rule No.148 of the Rules of Procedure and is mandated to examine the audited accounts showing the appropriation of the sums granted by Parliament to meet the public expenditure of government. PAC is one of the accountability committees that, without prejudice to sub-rule (6) of Rule No.134 is to be chaired and deputized by Members of Parliament designated by the Official Opposition Party or Organization. In its line of work, PAC's role is to scrutinize central government accounts and if it finds faults in them, it makes recommendations in a report, which is later forwarded to Parliament for debate. However, some members of the public are concerned that PAC's work has not been fully manifested in terms of publicizing their findings, or holding those implicate in misappropriating funds to account (Daily Monitor, 2014). But there belief that PAC has done its best in ensuring proper accountability in government as the committee has not only prosecuted corrupt officials but also followed up on the recommendations to be implemented on these officials (Ssebuliba, 2014:33).

Traditionally, in most countries there has been limited interaction between the PAC and other committees. Some recommend that sectoral committees should scrutinise audit reports that directly relate to their portfolios, and in particular value for money reports. This would, it is argued, inject subject relevant expertise into the audit process in parliament, which the PAC is often lacking. In turn, sectoral committees might benefit from more intimate knowledge of the audit outcomes with regard to their respective departments, especially when they are also involved in the ex-anteconsideration of spending proposals (Krafchik and Wehner, 1998: 523).Proponents also argue that scrutiny can be enhanced by involving sectoral committees, as audit reports would get more attention than the PAC, by itself, can give them.

Democracy and public service provision

Brown and Hunter, (2004:15) argue that this may include ensuring that a broad segment of society benefits from public spending on basic services like primary education and basic health service.

Ross, (2006:6) argues that democratically elected governments have a stronger incentive than their authoritarian counterparts to provide basic services more generally. Such governments may also be more responsive to other basic citizen interests, such as eliminating famine.

Others have argued that policies of African governments have been more specifically targeted at benefiting members of the state elite itself. When it comes to public spending on education, African rural voters are likely to be particularly concerned about provision of primary education, both because levels of primary enrolment in rural areas lag below those in urban areas, and because primary education is most frequently the only level of formal education that rural dwellers receive as put forward by Walle, (2001:23).

The potential problem with applying such optimistic predictions to African governments is that observers of African democracies have devoted considerable energy to arguing that the (re)establishment of contested elections since 1989 has not triggered a dramatic change in terms of economic policy as summed up by Poulton, (2012:21).

There are arguments that relative convergence around good governance criteria is higher in good governments than in less good governments and that many observations fall far short in providing rigorous evidence otherwise. Pre-empting such challenges, this argument analyses key characteristics of PFM systems in good governments, testing the implicit “good governance” idea that good governments look the same. This kind of focus is also sanctioned by institutional theory, which emphasizes that research in “organizational fields” is defined as the set of “organizations that, in aggregate, constitute a recognized area in institutional life” (DiMaggio and Powell, 1983:148).

This study will focus on the specific PFM field because this stands at the heart of resource management in all governments and has broad influence on the ability of governments to provide services, manage transparently, and ensure stability. Kettl underscores the centrality of PFM in the context of American government, describing it as the place where “everything of importance comes together,” because “nearly everything we want government to do requires money” (Kettl, 1992:1).

The increasingly use of Public Expenditure and Financial Accountability (PEFA) instrument allows developing country governments to compare their system quality with good practice in regard to elements of both the applicability of a standard model to all countries and the existence of good practice in the world's good governments. Blöndal, (2003:3) identifies institutional features of strong PFM systems, which play a key role in order to effectively control public expenditures. These key institutional characteristics are reflected both directly and indirectly in the PEFA measures.

1.2.4 Contextual Background

The Parliament of Uganda is a unicameral parliament, with 375 members and 28 parliamentary committees. Of these committees, three deal with public accounts. One committee deals with local government accounts, one deals with statutory enterprises and state authorities and one is a proper PAC.

The Ugandan PAC is with its 28 members is the largest PAC in East Africa, chaired by a member of the opposition, and is characterized by a fairly balanced representation of political forces: 17 members belong to the government, 8 belong to the opposition, 2 are independent and 1 represents the army.

A quorum is needed only when the PAC has to take vote, otherwise the committee can perform all its other activities even in the absence of a quorum.

The provisions in the constitution that mandates the Parliament to take action in ensuring Auditor general’s report recommendations are implemented, the Local governments have continued to receive the same audit opinions with similar findings despite the advice given by the auditor general on improvement of weak controls and systems. This is evidenced in the table below showing the trend of qualified audit opinions since financial years 2010/2011 to 2013.

Table 1: Showing Audit opinions of Local Governments for three Financial Years

	FY 2010/2011		FY 2011/2012		FY 2012/2013	
Opinion	Local Governments	%age	Local Governments	%age	Local Governments	%age
Un qualified	135	45%	98	32%	116	37.4 %
Except for (Qualified)	152	50%	191	62%	183	60%
Disclaimer	11	4%	15	5%	7	2.3%
Adverse	3	1%	3	1%	1	0.3%
TOTAL	301	100 %	307	100 %	307	100%

Source: OAG Volume 3 Local Authorities report 2012-13.

With regard to the relationship with the Auditor General, the PAC has the right to examine the Auditor General's compliance and performance reports and to refer matters to the AG for investigation. PAC reports directly to Parliament, where the reports are tabled and discussed (The African Parliamentary Index, 2012:27).

The Office of the Auditor General undertook a value for money audit of the operations of Regional Referral Hospitals (RRHs) to assess their efficiency in delivery of healthcare services at the regional level in Uganda. The overall objective of the audit was to assess whether there was efficient allocation and utilisation of resources in RRHs with specific focus on utilisation of medicines, health workers and infrastructure.

Based on the results of this audit, the average inefficiency scores were 6%, 13% and 9% in the financial years (FY) 2011/12, 2012/13 and 2013/14, respectively. This implies that for instance in 2013/14, all the inefficient hospitals had the potential to reduce their inputs by 9% in total, while continuing to produce the same level of output. Approximately 50% of the RRHs exhibited this potential for improvement (input saving potential). Although there was an improvement in efficiency between 2012/13 and 2013/2014, there was still a considerable variation in the inefficiency levels of individual hospitals, ranging from 1% to 33% (Value for Money Report, 2014:33)

Uganda has been implementing PFM reforms since the early 1990s, achieving the maintenance of robust and stable fiscal and macro-economic policies and fundamentals, more accurate planning and budgeting, enhanced control and management of public funds and higher standards of scrutiny and oversight of collection and utilization of public resources. Nonetheless, several challenges remain, particularly in the areas of budget credibility, enforcement of laws and regulations (compliance), combatting corruption and insufficient domestic revenues to finance the budget according to national priorities as argued by Nosworthy, (1990:4).

KfW as former chair of the PFM working group has been leading the support effort towards the Ugandan Government in the update of the PFM Reform Strategy 2014/15-2017/18 and assisted to design the new phase of FINMAP (FINMAP III 2014-2018). The program aims at achieving a more efficient, effective and accountable use of public resources, leading to improved service delivery according toGIZ report, (2014:33).

Despite the enactment of a number of public finance management reforms since the 1990s, misappropriation of public funds in Uganda remains a challenge. For example, scandals in the Office of the Prime Minister where UGX 60 billion was stolen and UGX 340 billion was lost to ghost pensioners in the Ministry of Public Services prompted several donor governments to suspend budget support to Uganda in 2012 according to Munyambonera and Lwanga, (2015:1).

It is on this background that the research intends to study the factors that have continuously hindered the successful implementation of Auditor general's recommendations in local governments particularly Soroti District.

1.3 Statement of the Problem

Globally through the mandate enshrined in the Constitution and via the process of auditing, the Office of the Auditor-General (OAG) plays a critical role in facilitating the accountability cycle and so promotes democratic governance in world wide. Canadian citizens elect legislatures, which enact laws. The implementation of these laws is supported by business plans, which are quantified into budgets. These budgets that are implemented by accounting authorities at various sectors of government, remain the fiduciary responsibility of these officials as put forward my McGlashan, (2015:2).

The Auditor-General conducts financial and compliance audits to provide assurance to the legislatures that the various sectors of government have managed their financial affairs according to sound financial principles; managed their financial affairs in accordance with the legal framework; and achieved their financial objectives as stated by Nitasha (2004:1).

The Auditor General submits to Parliament annually a report of the accounts audited by him for the financial year immediately preceding and within six months after the submission of the report, debate and consideration of the report to take appropriate action on the recommendations made by auditor general. However, Auditor General report revealed that most of the entities were not taking corrective action on the issues of irregularities raised in prior year audits hence some of the weaknesses remained unresolved or were recurring yearly, according to the Auditor General report, (2014:10).

This research intends to examine the factors that have continuously hindered the success implementation of Auditor general's recommendations in local governments particularly Soroti District.

1.4 Purpose of the Study

The purpose of this study is to examine factors that affect successful implementation of auditor general recommendations in local governments particularly Soroti District Administration.

1.5 Objectives of the Study

i. To examine what organisational factors affect the successful implementation of Auditor general's recommendations in Soroti district.

ii. To assess what individual factors affect successful implementation of Auditor general's recommendations in Soroti district.

iii. To establish how nature of findings affects successful implementation of Auditor general's recommendations in Soroti district.

1.6 Research Questions

i. Which organisational factors affect the successful implementation of Auditor general's recommendations?

ii. Which individual factors affect successful implementation of Auditor general's recommendations?

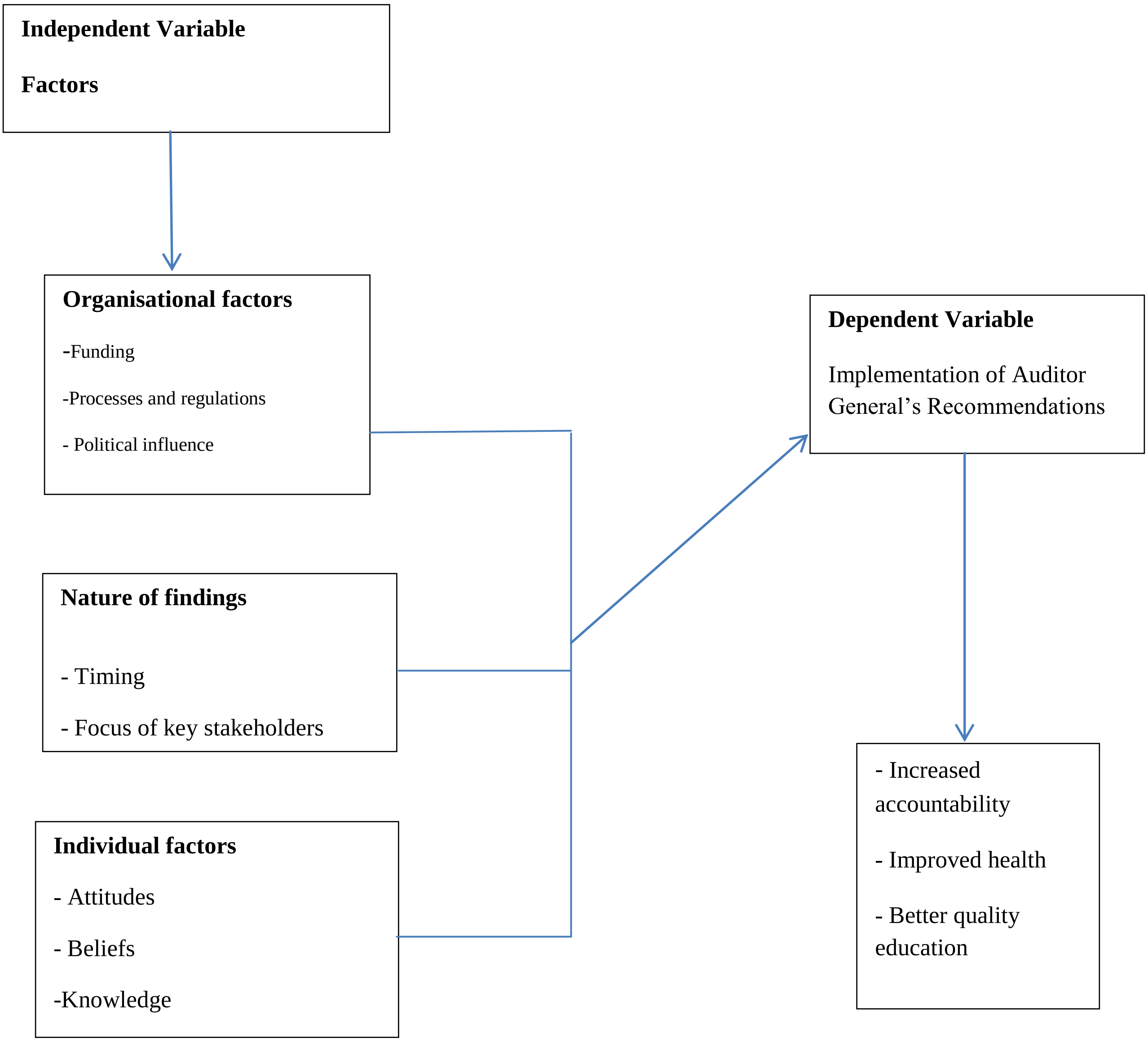
iii. How does nature of findings affect successful implementation of Auditor general's recommendations?

1.7 Research Hypothesis

i. Organisational factors affect the implementation of Auditor general's recommendations in Soroti District Administration.
ii. Individual factors affect implementation of Auditor general's recommendations in Soroti District Administration.
iii. Nature of findings affect implementation of Auditor general's recommendations in Soroti District Administration.

1.8 Conceptual Framework

The study will focus on how organisational, nature of findings and individual factors that affect the implementation of Auditor General Recommendations.



Source: Adopted from Cheah (2010) and modified by the Researcher.

Fawcett (1997) suggests that conceptual frameworks can be used for four purposes to guide practice; as a basis for research projects; for pedagogic purposes; and in administrative situations. The study will therefore use this conceptual framework as a basis for research by linking the relationship between dependent variable and independent variable.

Further, Nye and Berardo (1966) discuss the following advantages of conceptual frameworks. First, the development of a conceptual framework should provide adequate definitions of concepts, and thereby provide adequate measurement. Second, conceptual frameworks facilitate the researcher by providing an array of ideas. Third, it is important that not only are the substantive results of research understood, but also that the essential concepts used are understood by those who are using the results. Fourth, the development of a conceptual framework allows effective communication between academics, which often speak different languages and make implicit assumptions and concepts unconsciously without consideration of other readers. Lastly, conceptual frameworks allow the clarification of assumptions, frames of reference, and implied variables.Solomon andSolomon, (2005:4).

1.9 Justification of the Study

For the last three financial years (FY 2010/11 to 2012/13) Soroti District Administration Financial statements have been given qualified opinion by the Auditor General an indication that the Accounts do not present a true and fair view of the entity. Therefore the study will examine what factors are behind this trend of opinions and why has the district failed to put into action the audit generals recommendations for the past three years.

1.10 Significance of the Study

i. The findings of the study will specifically help the local government of Soroti District Administration to improve on their internal control systems for better audit opinions.

ii. The study will also help policy makers to formulate ways on how to improve on implementation of Auditor general recommendations to reduce on wastage of public funds of Uganda.

iii. The study will also act as a basis for further research to in the field of Public policy development on matters of transparency and accountability in Uganda.

1.11.0 Scope of the Study

1.11.1 Geographical Scope

The research will be carried out in Soroti District, Eastern Uganda because for the last three years the district has not successful implemented Auditor generals' recommendations.

1.11.2 Time Scope

The study will consider factors affecting successful implementation of auditor general's recommendations for the last three financial years (FY 2010/11 to FY 2013/14) to enable researcher obtain sufficient information to make substantive conclusions.

1.11.3 Content Scope

The study will focus on factors that affect implementation of Auditor General Recommendations that range from Organisational, individual factors and nature of findings.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Literature review is will be arranged according to theories, concepts and actual literature review as put forward by different scholars around the globe. The Audit process will be looked at a Global level, African level as well as the situation here in Uganda. Literature will be reviewed from studies carried out around the topic, books published by accredited scholars and researchers as well as articles from Journals.

2.2 Theoretical review

Audits provide a significant purpose in encouraging confidence and reinforcing trust in financial information. Several theories have emerged to explain the demand and supply of audit services in increasing accountabilities in government agencies. Agency theory appears to be the crucial economic theory of accountability to explain the development of audit and its vital role in today's economy as stated by Carmona, (2008:7).

2.2.1 The policeman theory

The policeman theory argues that the auditor is accountable for searching, disclosing and preventing fraud. In this sense, the auditor must act as a policeman and focus mainly on arithmetical accuracy, with the aim of detecting fraud. Hayes, (1999:31), states that the focus of auditors has shifted since then to provide a reasonable assurance, a verification of truth as well as a righteousness of the financial statements. The detection of fraud still mobilizes concerns about the auditor's responsibilities but does not embody the major purpose.

The Policeman Theoryregards the auditor as a policeman whose role is to check the accuracy of financial standings, for preventing and detecting frauds in an entity as stated by Hayes, (2005:12).

The ‘policeman theory’ narrows auditor’s responsibilities to prevention and detection of fraud by describing the expectations the stakeholders have of the auditors, including protection against fraud, warning of future insolvency, general re-assurance of financial well-being, safeguards for auditor independence and understanding of audit reports states Volosin, (2007:1).

The auditor is needed as an independent third party to “establish a degree of correspondence between assertions made by management and user criteria” Soltani, (2007:17).

2.2.2 The lending credibility

The lending credibility theory advances that audit’s primary function is an additional credibility to the financial statements provided by an entity. In this sense, the service the auditor sells to the customer is credibility, Audited financial statements could then be considered to have supplementary elements which enlarge the users’ confidence in the figures presented. According to this theory, the users gain benefits from the increased credibility, which has a direct impact on the quality of investment decisions as they are based on reliable information as argued by Carmichael, (2004:12).

Conforming to Hayes et al (1999), financial statements are frequently viewed as having a function of authenticating messages which were previously issued. However, several authors have concluded that investors do not consider audited information as their principal support for investment.

2.2.3 Quasi-judicial theory

Under this theory, the auditor is considered as a judge in the financial distribution process. The auditor's independence cannot be considered as equal as a judge's independence as a different reward system is involved (Salehi, 2011:31). However, the auditor's independence is nowadays guaranteed by an elaborated legal framework which gives the auditor a certain degree of authority.

2.2.4 The theory of inspired confidence

Humphrey, (1997:31) provides the most notable distinctions between views of auditing: as a socially oriented function, in which "the auditors are portrayed as ethical, socially responsible individuals", and auditing as a monopolistic business.

Limperg, (1985:16) describes the auditor's function / responsibility as follows: "The auditor-confidential agent derives his general function in society from the need for expert and independent examination and the need for an expert and independent opinion based on that examination. The function is rooted in the confidence that society places in the effectiveness of the audit and in the opinion of the accountant. This confidence is consequently a condition for the existence of that function; if the confidence is betrayed, the function, too, is destroyed, since it becomes useless."

"The normative core of the *Theory of Inspired Confidence* is this: the accountant is obliged to carry out his work in such way that he does not betray the expectations which he evokes in the sensible layman; and, conversely, the accountant may not arouse greater expectations than can be justified by the work done" Carmichael (2004:129).

2.2.5 The agency theory

Agency theory addresses a relationship where one party (the principal) delegates work to another party (the agent). An agency relationship therefore occurs when one or more principals such as the owner engage another person as their agent to complete a task on their behalf. In order to be effective, this task implies the delegation of some decision-making authority to the agent. This appointment of responsibility by the principal and the resulting division of labour contribute to a proficient and productive economy. They might be impacted by other factors such as financial rewards or labor market opportunities that are not directly congruent as argued by Donaldson and Davis, (1991:50).

Tanzi, (2000: 445) states that "Between theircreation and their final implementation, fiscal decisions go through many stages at whichmistakes, indifference, passive resistance, implicit opposition, and various forms of principal agentproblems may distort the final outcome." The problemsoccurring in formulating policies because the behaviour prescribed by the ideal role of thestate may not be in the interest of the individuals who constitute the government andproblems arising between the government (as principal) and top bureaucrats (as agents).

Deegan and Unerman, (2006:215) notice that within the agency theory the firm itself is considered to be a 'nexus of contracts'. These contracts are used with the intention of ensuring that all parties, acting in their own self-interest, are at the same time motivated towards maximizing the value of the organization.

This study will be guided by Agency theory as it gives more direction to the relation between Auditors and the Government.

2.3 Conceptual Review

2.3.1The Concept of accountability

Accountability derives from the practical need to delegate certain tasks to others so as to distribute delivery of large and complex workloads. In turn, those entrusted with these delegated duties must be required after the fact to *render an account* of their actions. This idea of accountability can be divided into two stages. First there is *calling to account*, that is being required to provide an explanation of what has been done, or not done, and why. Then there is *holding to account*, or being sanctioned and required to put into effect remedial measures if something has gone wrong. In addition the concept of accountability may embrace lesson learning and recognition that sanctions may not be appropriate where public officials have sought to innovate and have tried to manage the associated risks and effectively as possible.

The constitution provides that the Auditor General shall audit and report on the public accounts of Uganda and of all public offices, including the courts, the central and local government administrations, universities and public institutions of like nature, and any public corporation or other bodies or organisations established by an Act of Parliament; and shall conduct financial and value for money audits in respect of any project involving public funds as stated in the National Audit Act, (2008:8).

The same findings recur every year basically meaning that Parliament is not doing the job that it is mandated by the Constitution as per section 299 that requires it to monitor and oversee expenditure by the State and all commissions and institutions and agencies of government at every level, including statutory bodies, government-controlled entities, and local authorities. Such monitoring must ensure that all revenue is accounted for, all expenditure has been properly incurred and any limits and conditions on appropriations have been observed (Auditor General report, 2014:7).

Accountability may result in the allocation of praise or blame as suggested by Jones and Stewart, (2008:45). Accountability involves someonebeing held responsible for something by somebody or something, in a particular prescribed way. It may be horizontal, that is between parallel groups (such as the executive and the legislature) or vertical (for instance between the electorate and the legislature). Problems such as asymmetries of information between the two parties mean it is not possible for these or any other forms of accountability to entail constant and perfectly-informed oversight of all activities of those agents entrusted with certain responsibilities. Accountability therefore means the *potential* of being held to account.

Horizontal accountability relates generally to the checks and balances between the executive, legislature and judiciary, and between different tiers of government and administrative entities within the public sector as argued by Stapenhurst and O'Brien, (2007:87).
Horizontal accountability relates to the capacity of state institutions to check abuses by other public institutions and branches of government. "The agencies account for their behaviour towards accountees that are not their hierarchical superiors: clients, stakeholders or peers." (Schillemans, 2008:14).

Among these notions of accountability, PACs and SAIs are concerned principally with horizontal financial accountability between the executive and the legislature. In its representative function as a committee of an elected legislature the PAC also fulfils an indirect vertical accountability function, but the main interest in *ex post* financial scrutiny is horizontal accountability between the legislature and the executive as suggested by Blick and Hedger, (2008:31).

2.3.2 Public audit and parliamentary accountability: locating public financial accountability

Within the framework of intra-governmental horizontal accountability in most Commonwealth countries, responsibility for scrutinising public expenditure and for calling and holding government to account for that expenditure rests with the Supreme Audit Institution (SAI) and the Public accounts Committee (PAC). Public financial accountability is thus a triangular arrangement involving the executive arm of government, the parliament and the Supreme Audit Institution (headed by the Auditor-General). However, Parliamentary Public Accounts Committees also play a wider role in the context of accountability as suggested by Sabourin, (2002:7).

According to Parliament Watch, (2015:4) one of the core functions of parliament is to ensure transparency and accountability in the application of public funds, through the work of accountability committees such as the Public Accounts Committee (PAC), Local Government Accounts Committee (LGAC), and Committee on Statutory Authority and State Enterprises (COSASE). These committees are mandated to examine the audited accounts of the auditor general showing the appropriation of the funds granted by Parliament to meet the public expenditure of government.

Public audit and parliamentary accountability are thus two dimensions of the process of publicfinancial accountability as stated by Gay and Winetrobe, (2003:34).

The first of the two, public audit, involves the scrutiny of expenditure by an Auditor-General supported by a Supreme Audit Institution. It is usually retrospective, dealing with expenditure that has taken place, although it may comprise a forward-looking dimension. Public audit need not involve the legislature but in the Commonwealth there is an established principle of a link between the SAI and the Parliament, within which the PAC generally has the primary role on the parliamentary side as put forward by Gay and Winetrobe, (2003:38).

The second dimension of public financial accountability, parliamentary accountability, involves representatives (often elected) holding government to account for its actions and intentions. A central element within parliamentary accountability involves the granting of funds to the government in the form of a finance bill; and then ensuring that those funds have been used efficiently and effectively in the intended fashion. PACs are primarily concerned with this latter form of financial accountability as suggested by Gay and Winetrobe, (2003:34).

Their combined objective is to ensure that public money voted by Parliament is spent in accordance with legal and other norms, and is spent efficiently and in a way that provides value for money. But the two dimensions are neither the same nor subsidiary to one another.

The need for accountability and probity in public sector is the order of the day in every society. According to Oshisami, (2004:23) the drive for accountability often begins with an enthusiastic pursuit for probity and integrity on the part of public administrators. In recent times, the public sector, especially the local government system that is meant to draw attention of the government close to its citizens have suffered a lot of setback due to improper use of public funds. This practice has eaten deep into the local government system that public funds meant for development of the councils are converted into private use. This lack of transparency and accountability of funds in the third tier of government can be minimized through effective and efficient auditing of local government accounts.

Adeniji (2004), Appah (2008) and Akinbuli (2010) argue that good accounting and financial reporting aid organizations and society in allocating its resources in the most efficient manner. The goal is to allocate limited financial resources to production of goods and services for which demand is greatest.

The Ministry of Education and Sports (MoES) highly prioritizes gender mainstreaming as key to the success of achieving equality in the education sector. Citing the MDG goals 2 and 3 as well as Education for All commitments, MoES underlines gender parity as one of the priority aspects to achieve. In the revised Education Sector Strategic Plan (2010-2015), the ministry re-echoes the need to deal with gender inequalities, particularly girls' education. The ministry further developed its own specific Gender in Education Sector Policy (2009) and has put in place numerous legal and policy initiatives to promote not only increased access for all but also completion of school while ensuring quality education (MoES report, 2013).

Globally financial audits usually include recommendations that direct audited entities to positive changes they can make for the most serious deficiencies reported. Recommendations address areas where there are significant risks to the entity if deficiencies remain uncorrected. Recommendations should be fully supported by and flow from the associated findings and conclusions, aimed at correcting the underlying causes of deficiencies, and directed specifically at the entities responsible for acting on them (OAG Canada, 2015).

According to Minsky, (2013:31) during the examination phase of a regulatory audit, the audit team periodically offers to brief entity officials on emerging findings. The team also encourages discussion of proposed recommendations as they are developed and seeks views on actions needed to correct problems. At the end of the examination phase, the audit team seeks the views of entity officials to enable the development of clearly stated and action-oriented recommendations. This gives the audited entity time to prepare responses and develop an action plan. The team asks the senior management to provide input to ensure that recommendations are practical and feasible to implement.

On the African context, particularly in South Africa Regulatory audits are conducted in accordance with the *audit manual* of 2008, which contains the policies, standards and guidelines for the planning, execution, reporting and follow-up of audits conducted in the public sector. In view of the complexity of the environment to be audited, each financial audit focuses on a segment of the activities of a particular institution depending of funds allocated to that entity and the likely risks of funds abuse. Preference is therefore given to the more risky institutions, whose finances are more prone to abuse according to Makwetu, (2014:11).

In Uganda the Auditor General delivers his mandate from the constitution of 1995 as well as the National Audit Act of 2008. The Auditor General makes recommendations in his report to Parliament with an aim ofminimising the unproductive expenditure of public moneys, maximising the collection of public revenues and averting loss by negligence, carelessness, theft, dishonesty orotherwise of public moneys. Recommendations made to parliament by theAuditor General are considered necessary for the better managementof public finances, and the Public Accounts Committee of Parliament follows them up to check whether they have been implemented to achieve value for money spent (National Audit Act, 2008:26).

2.4 Review of Empirical studies

Globally empirical studies indicate that the factors that affect successful implementation of Audit recommendations in Malaysia included the auditor type, audit opinion and firm performance in terms of financing according to Shukeria, (2011:1). However, no evidence was found to support the effect of board independence, audit committee size, audit committee meetings and audit committee qualifications on implementation of Auditor General's recommendations.

On the African context studies show that failure to implement auditor General's recommendations is as a result of political, economic and business environment, legal framework, education background, culture, and perceptions of audit as put forward by ICAEW, (2010:7).

Uganda, like many countries in Sub Saharan Africa continues to lag behind in poverty reduction, good governance and service delivery. Studies indicate that Auditor General's recommendations continue not to be implemented as a result of corruption, poor financial management and governance challenges, which consequently decapitate their ability to ensure effective and efficient service delivery to the masses according to Wamajji, (2015:2).

In the recent report to parliament, factors behind unsuccessful implementation of Auditor general's recommendation include backlog on reports of accountability committees that spans over five years, inadequacy of laws, abuse of office, leadership, technical and financial support as stated by Wamajji, (2015:6).

The researcher will therefore examine whether the above factors have also affected implementation of Auditor general's recommendations in Soroti District.

2.5 Synthesis /summary of the literature

Despite the considerable amount of money spent on audit public institutions little attention has been paid to ensuring that the findings and recommendations of audit are implemented in routine practice as observed by Letza, (1995:5).

The main aim of auditing is to improve organisational efficiency and effectiveness through constructive criticism. Audit recommendations are based on four main components: verification of written records; analysis of policy; evaluation of the logic and completeness of procedures, internal services and staffing to assure they are efficient and appropriate for the organisation’s policies; and reporting recommendations for improvements to management as argued by Eden and Moriah, (1996:11).

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter shows a description of research design, study population, determination of the sample size, sampling techniques and procedure, data collection methods, data collection instruments, pre-testing, procedure of data collection and measurement of variables as guided by Collis and Hussey, (2009:55).

3.2 Research Design

Burns and Grove (2003:195) define a research design as "a blueprint for conducting astudy with maximum control over factors that may interfere with the validity of the findings".Parahoo (1997:142) describes a research design as "a plan that describes how, when andwhere data are to be collected and analysed".

The study will adopt and use a case study research design with triangulation researchmethod where both qualitative and quantitative techniques will be used for datacollection purposes. Qualitative statistics will be used to analyse individuals' perceptions and opinions about Audit generals' recommendations, while quantitative statistics will encompass adescriptive analysis of facts arising from various variables.

3.3 Study Population

Parahoo (1997:218) defines population as "the total number of units from which data can be collected", such as individuals, events or organisations. Burns and Grove, (2003:213) describe population as all the elements that meet the criteria for inclusion in a study.

Burns and Grove (2003: 234) define eligibility criteria as “a list of characteristics that are required for the membership in the target population”.

The criteria for inclusion in this study will be employees of the District,Executive members of council and learned residents of Soroti district.

3.4 Determination of the Sample size

Polit, (2001:234) define a sample as “a proportion of a population”. The sample will be chosen from staff employed by Soroti District. A carefully selected sample can provide data representative of thepopulation from which it is drawn.

A sample size of 100 respondents will be determined using statistical tables of (Krejcie and Morgan, 1970) as cited by Amin (2005). These will include various categories as specified in table 1 below:

Table 1: Research respondents by category and sample

No.	Category of respondents	(N)	(S)	Sampling technique
1	Top Management	25	20	Simple random sampling
2	Finance & Accounts Staff	51	40	Purposive sampling
3	Executive council members	40	30	Purposive sampling
4	DPAC	14	10	Non-probable
		130	**100**	

Key: **N** – Population Size, **S** – Recommended Sample Population (Krejcie & Morgan, 1970).

3.5 Sampling techniques and procedure

Burns and Grove, (2003:31) refer to sampling as a process of selecting a group of people,events or behaviour with which to conduct a study. Polit, (2001:234) confirm that insampling a portion that represents the whole population is selected. Sampling is closelyrelated to generalizability of the findings. In this study the sampling will be non-probable andpurposive.

According to Parahoo (1997:223), in non-probability sampling researchers usetheir judgment to select the subjects to be included in the study based on their knowledgeof the phenomenon.

Purposive sampling will be used in this study. Parahoo (1997:232) describes purposivesampling as “a method of sampling where the researcher deliberately chooses who toinclude in the study based on their ability to provide necessary data”.

The rationale forchoosing this approach is that the researcher will be seeking knowledge about the respondents’ opinion of on the factors that affect successful implementation of Auditor general’s recommendations in the district. In this case study staff, Executive members of council and District Public Accounts Committee (DPAC) members will be eligible and purposivelychosen to participate in this study.

3.6 Data Collection Methods

This study will use both quantitative and qualitative data collection methods. Quantitative data will be collected using questionnaires that will be filled by the staff and executive members of council while qualitative data will be obtained from focus group discussions with the top managementof the district.

According to Parahoo (1997:296), a focus group discussion is an interaction between oneor more researchers and more than one participant for the purpose of collecting data.

Holloway and Wheeler (2012:110) state that in focus group discussion researchersinterview participants with common characteristics or experience for the purpose of elicitingideas, thoughts and perceptions about specific topics or certain issues linked to an area ofinterest.

According to Parahoo (1997:298), a focus group discussion has the advantagesof being cheaper and quicker way of obtaining valuable data, Colleagues and friends are more comfortable in voicing opinions in each other’s company than on their own with the researcher and Participants are provided an opportunity to reflect or react to the opinion of others with which they may disagree or of which they are unaware.

Holloway and Wheeler (2002:117) list the strengths of focus group discussion as the dynamic interaction among participants stimulates their thoughts and reminds them of their own feelings about the research topic, all participants including the researcher have an opportunity to ask questions, andthese will produce more information than individual interviews.

3.7 Data collection instruments

According to Parahoo, (2007:325) a research instrument is "a tool used to collect data.An instrument is a tool designed to measure knowledge attitude and skills."

Johnson and Turner, (2003:16) define a questionnaire is a set of questions for gathering information from individuals. Questionnairescan be administer by mail, telephone, using face-to-face interviews, as hand outs, or electronically (i.e., by e-mail or through Web-based questionnaires).

An interview guide is a set of questions that the researcher asks during the interview (McNamara, 2009). The researcher is expected to design an interview guide which will be used during the interview of the key respondents who will be the District topmanagement. The researcher will pose questions intended to lead the respondents towards giving data to meet the study objectives and will also probe the respondents in order to seek clarification about responses provided. A structured interview guide will be used to stimulate respondents into detailed discussion of factors that affect successful implementation of Auditor General's recommendations.

Structured interviews are useful not only because they show excellent validity in meta-analytic research (Hunter and Schmitt, 1996), but also because structured interviews provide a chance to probe the answers of the management and understand precisely what they mean.

Interviewing is a very useful approach for data collection because it allows the researcher to have control over the construction of the data and it has the flexibility to allow issues that emerge during dialogue and discussion to be pursued (Charmaz, 2002).

3.8 Pre-testing (Validity and reliability)

Key indicators of the quality of a measuring instrument are the reliability and validity of the measures. The process of developing and validating an instrument is in large part focused on reducing error in the measurement process. Reliability estimates evaluate the stability of measures, internal consistency of measurement instruments, and interrater reliability of instrument scores. Validity is the extent to which the interpretations of the results of a test are warranted, which depends on the particular use the test is intended to serve. Several issues may affect the accuracy of data collected, such as those related to self-report and secondary data sources. Data that were originally gathered for a different purpose are often used to answer a research question, which can affect the applicability to the study at hand as argued by Kimberlin,(2008:65).

A pilot study is a mini-version of a full-scale study or a trial run done in preparationof the complete study. It can also be aspecific pre-testing of research instruments, including questionnaires or interview schedules Teijlingen and Hundley, (2001:1). The pilot study will be conducted in the Finance department of Soroti district.

3.9 Procedure of Data Collection.

According to Holloway and Wheeler (2012:115), facilitators must have social andrefereeing skills to guide the participants to interact effectively and exert control over thetopic and participants without directing the discussion or coercing the participants.

In order to collect data effectively while at the same time limiting problems associated with data collection, the researcherwill obtain an introduction letter from the Supervisor as a way of convincing participants that the study is purely academic.

3.10 Data analysis

Data analysis occurs simultaneously with data collection as argued by Holloway and Wheeler (2002:235).

Field and Morse, (1996:82) identify intellectual processes that play arole in data analysis:

• Comprehending: The researcher wants to learn about what is going on. Whencomprehension is achieved; the researcher is able to prepare a detailed description of the phenomenon under study. Saturation is achieved when new data cannot be added.

• Synthesising: This involves sifting data and putting the pieces together. This enables the researcher to make sense of what is typical regarding the phenomenon. Theresearcher makes general statements regarding the phenomenon and participants.

• Theorising: This is the systematic sorting out of data. Alternative explanations of thephenomenon are developed by the researcher to determine their correlation with thedata.

According to Picciano, (2004:18) Statistical Package for Social Sciences (SPSS) provides a number of statistical procedural programs for doing a wide variety of analyses. A partial list of the most commonly used programs is include, ANOVA - Analysis of Variance, CORRELATION - Correlational Analysis (Pearson's Product Moment Coefficient), FREQUENCIES - Frequency Distributions, Graphs, Charts, MEANS - Measures of Central Tendency among others.

Therefore data collected will be processed and analysed using Statistical Package for Social Sciences (SPSS) in order to come up with frequencies and percentages. The relationship between the variables will be established and tested using Pearson correlation. Microsoft word and excel will be used in drawing tables, charts and graphs so as to clearly present the research findings.

3.11 Measurement of variables

The study will use a 5-point likert scale to quantitatively measure the variables which are factors affecting successful implementation of Auditor general recommendations to come up with reliable findings. This ranged from strongly agree to strongly disagree (strongly agree, agree, not sure, disagree, and strongly disagree).

According to Bertram, (2007:2) likert scale is a psychometric response scale primarily used in questionnaires to obtain participant's preferences or degree of agreement with a statement or set of statements. Likert scales are a non-comparative scaling technique and are unidimensional (only measure a single trait) in nature. Respondents are asked to indicate their level of agreement with a given statement by way of an ordinal scale.

A Likert-type scale assumes that the strength/intensity of experience is linear, i.e. on a continuum from strongly agree to strongly disagree, and makes the assumption that attitudes can be measured. Respondents may be offered a choice of five to seven or even nine pre-coded responses with the neutral point being neither agree nor disagree.

Checklists will also be used to qualitatively measure the variables.

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APPENDIX 1: QUESTIONNAIRE
UGANDA TECHNOLOGY AND MANAGEMENT UNIVERSITY

School of Business and Management

Dear respondent (s), am a student of Uganda Technology andManagement University carrying out research on your organisation (Soroti District) about the factors that affect successful implementation of Auditor General's recommendations. The research is purely academic being a requirement for a qualification of a master's degree in Public Administration and Management.

Information and your opinion provided will be treated with the highest degree of confidentiality. Therefore I request you to answer the following questions

Thank you.

Yours Sincerely

Gad Atuhumuza

SECTION A: DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS; (tick the appropriate)

1. Department

…………………………………………………..

2. Gender

a) Male ☐

b) Female ☐

3. What is your level of education?

a) Diploma

b) Bachelor's degree

c) Professional

d) Any other qualification specify……………………

4. How long have you been in this department?

a) 1-2 years

b) 3-4 years

c) 5-6 years

d) 7 and above

5. Do you participate in the auditing exercise when external auditors are in your district?

a) Yes

b) No

SECTION B: ORGANISATIONAL FACTORS AFFECTING IMPLEMENTATION OF AUDITOR GENERALS RECOMMENDATIONS.

6. To what extent do you agree that funding constraints to your district affect implementation of Auditor general's recommendations?

a) Strongly agree

b) Agree

c) Not sure

d) Disagree

e) Strongly Disagree

7. To what extent do you agree that accounting and financial regulations affect implementation of Auditor general's recommendations in your district?

a) Strongly agree

b) Agree

c) Not sure

d) Disagree

e) Strongly Disagree

8. To what extent do you agree that auditing processes and procedures affect implementation of Auditor general's recommendations in your district?

a) Strongly agree

b) Agree

c) Not sure

d) Disagree

e) Strongly Disagree

8. To what extent do you agree that political influence affect implementation of Auditor general's recommendations in your district?

a) Strongly agree ☐

b) Agree ☐

c) Not sure ☐

d) Disagree ☐

e) Strongly Disagree ☐

SECTION C: INDIVIDUAL FACTORS AFFECTING IMPLEMENTATION OF AUDITOR GENERALS RECOMMENDATIONS.

9. To what extent do you agree that attitudes of staff affect implementation of Auditor general's recommendations in your district?

a) Strongly agree ☐

b) Agree ☐

c) Not sure ☐

d) Disagree ☐

e) Strongly Disagree ☐

10. To what extent do you agree that staff beliefs affect implementation of Auditor general's recommendations in your district?

a) Strongly agree ☐

b) Agree ☐

c) Not sure

d) Disagree

e) Strongly Disagree

11. To what extent do you agree that skill and knowledge of staffabout auditing exercise affect implementation of Auditor general's recommendations in your district?

a) Strongly agree

b) Agree

c) Not sure

d) Disagree

e) Strongly Disagree

SECTION D: NATURE OF FINDINGS AFFECTING IMPLEMENTATION OF AUDITOR GENERALS RECOMMENDATIONS.

12. To what extent do you agree that timing of findings of Auditor general affect their implementation in your district?

a) Strongly agree

b) Agree

c) Not sure

d) Disagree

e) Strongly Disagree

13. What do you think would be the best time of implementing Auditor general recommendations in your district?

a) Immediately on receiving report ☐

b) In the next financial year ☐

c) After report has been discussed by PAC ☐

d) Any other time ☐

14. To what extent do you agree that the focus of key stakeholders affect implementationof Auditor general's recommendations in your district?

a) Strongly agree ☐

b) Agree ☐

c) Not sure ☐

d) Disagree ☐

e) Strongly Disagree ☐

15. What other factors other than those mentioned above do you think affect implementation of Auditor general's recommendations in your district?

i) ....

ii) ....

iii) ....

SECTION E: OUTCOMES OFIMPLEMENTING AUDITOR GENERALS RECOMMENDATIONS

16. To what extent do you agree that implementation of Auditor general's recommendations has increased accountability in your district?

a) Strongly agree ☐

b) Agree ☐

c) Not sure ☐

d) Disagree ☐

e) Strongly Disagree ☐

17. To what extent do you agree that implementation of Auditor general's recommendations has improved health service delivery in your district?

a) Strongly agree ☐

b) Agree ☐

c) Not sure ☐

d) Disagree ☐

e) Strongly Disagree ☐

18. To what extent do you agree that implementation of Auditor general's recommendations has improved quality of educationin your district?

a) Strongly agree ☐

b) Agree ☐

c) Not sure ☐

d) Disagree ☐

e) Strongly Disagree ☐

19. What other benefits do you think your district could enjoy if they implemented Auditor General's recommendations?

i) ....

ii) ....

iii) ....

Thank you for taking time to fill this questionnaire. God bless you.

APPENDIX 2: KEY INFORMANT INTERVIEW GUIDE

Introduction

I am Gad Atuhumuza, a student of UTAMU pursuing a Masters in Public Administration and Management. I am conducting this academic oriented study about the factors affecting successful implementation of Auditor general's recommendations in Eastern Uganda. The information provided will be treated with high level of confidentiality as your names will not be required in this study. Please do not indicate your name.

Thank you,

Gad Atuhumuza

Questions

1. Gender of respondent

___

2. Position in the District

___

3. What kind of influence do Auditor general recommendations have on the nature of your operations?

___

___

___

4. In which ways do Auditor general recommendations affect your budgeting /resource allocation process?

5. How do Auditor general recommendations determine your implementation of activities in the district?

6. How do Auditor general recommendationsinfluence the revision of your budgets?

7. In what ways have Auditor general recommendations contributed to your general performance in service delivery as a district?

8. Do Auditor general recommendations affect your decision making in implementation of your activities?

9. Whatorganisational factors affect the successful implementation of Auditor general's recommendations?

10. Whatindividual factors affect successful implementation of Auditor general's recommendations?

11. How does nature of findings affect successful implementation of Auditor general's recommendations?

12 According to your experience, why does Auditor general's recommendations fail to be implemented on time?

13 In which ways hasimplementation of Auditor general's recommendations improved the status of your district in the eastern region?

Thank you very much for your time and the information