

Auditing Process and Service Delivery in Kabale Local Government, Uganda

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ABSTRACT

This study's aim was to ascertain how the auditing procedure affected the provision of services by the Kabale District Local Government. Service delivery was the study's end variable, while the study's predictor variables were how the money was allocated. The cross-sectional survey came before the research. It was decided to conduct both a quantitative and a qualitative analysis using the data from 86 respondents. To fit the data, a linear regression model was employed. According to research results from the regression model, the distribution of money ($R=656$) has a positive importance on the capability of the local government of Kabale District. The key finding of this study is that service delivery at Kabale District Local Government is impacted by the auditing process, as shown by the findings and discussion. This is consistent with the researcher's subsequent findings. When asked if Integrate is observed in accordance with the auditing process, the respondents' responses revealed that 90.7% of them agreed with the claim and 9.3% were unsure. The study suggests emphasizing the auditing procedure when providing services. Integrate, relationship-building, objectivity, timeliness, and communication should be stressed in *order to achieve this*.

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Introduction

In order to support the state and democracy around the world, auditing serves a public interest role for public spending (Ferry, & Ahrens, 2022). However, following crises that test public finances, including at the state and local level, public sector auditing is coming under increased public scrutiny and political pressure (Moses & Turyasingura, 2022). The social and economic well-being of the country is in danger as a result of the public sector's subpar service delivery performance in Uganda (Masuku & Jili 2019(Ardian et al., 2023; Erwin & Nasfi, 2022; Hidayat & Muh. Abdul Aziz, 2022; Iskanto, 2022, 2023)). Mattei, *et al*, (2021) conducted a study on exploring past, present and future trends in public sector auditing research. It was found out that, Public sector auditing research has changed rapidly over the past four decades. the analysis highlights that academic research interest in public sector auditing has grown and become more diverse. The findings argue that this may reflect a transformation of the public sector in recent decades, owing to the developing institutional logics of public sector reforms and paradigms, from traditional public

administration to new public management and now new public governance. Despite auditing process being accountable offices like the Auditor General offices, the Ugandan public sector performs poorly. Inconsistencies in the local administration of Kabale district's financial accountabilities require immediate adjustment (Andrews, *et al.*, 2020) and this is also supported by Mbabazi and Agaba (2021). However, little has been done to use auditing process as a tool used by local governments for service delivery to its people. The purpose of this study was to examine the effect of auditing process on service delivery in Kabale District local government.

Literature Review

A study on the variables impacting audit findings of the financial accounts of Indonesian district administrations was conducted by Pamungkas *et al.* (2019). Using Weaknesses of the Internal Control System as the moderating variable, the study assessed their impact on Non-Compliance with Regulations. According to the findings, Size has a favorable effect on the internal control system. If not, both the Internal Control System and the Non-Compliance with Regulatory are negatively impacted by the completion of the audit recommendation. The two other independent factors, local income and capital expenditures, had no effect on the quantity of audit results. The results of non-compliance with regulations are indirectly related to Size, Local Income, Capital Expenditures, and Follow-Up of Audit Recommendation through Weaknesses in the Internal Control System. Research highlights the significance of strengthening asset governance and creating an extensive internal control system for local governments. In order to prevent the occurrence of such results in the future, the study also advise local governments to implement the audit recommendations.

The auditing initiative that local governments undertake to ensure financial responsibility, which this study has addressed, was not taken into account by the study. The impact of audit findings and audit recommendation follow-up on the financial report and public service quality was studied by Furqan *et al.* (2020). The results showed that, generally speaking, the quality of financial reporting has an impact on the quality of public services. Regarding the implementation of audits in the public sector, it has also been discovered that audit findings have a negative effect on the calibre of financial reports and the calibre of public services, whereas the calibre of financial reports and the calibre of public services are improved by the implementation of audit recommendations.

The implications of the study's findings are directly tied to the initiatives being taken to achieve the overarching objective of the most recent government changes. The government should concentrate on the quality of financial reports, audit results, and the follow-up on audit recommendations in order to improve the quality of public services in the period of stricter reporting requirements brought on by an accrual accounting system. This study sheds fresh light on the relationship between public sector audits, the quality of accrual accounting in practice, and the standard of public service. In the wake of COVID-19, Ahrens and Ferry (2020) undertook a study on the financial resilience of English local government. The results showed that local governments' financial resilience could handle typical levels of risk brought on by austerity. However, the gravity of COVID-19 and the ongoing difficulties from Brexit necessitate a sizable amount of support from the central government. This is crucial because local government is anticipated to support future UK economic growth and provide a crucial social response. Currently, the financial system for supporting COVID-19 through the central government does not have a solid foundation to meet specific demands for funding local authorities. This might encourage gaming and provide bad incentives. However, the study could not demonstrate how the auditing process could impact local government's ability to provide services, which is the main objective.

Materials used

Research Design

An opportunity to thoroughly and in-depth analyses specific aspects of the data collected is provided by a cross sectional survey just once (Turyasingura & Agaba, 2022). After accounting for the views, preferences, behaviours, concerns, attitudes, and opinions of the target sample within the total population at a certain time, the results are extrapolated to the entire population. For this inquiry, the cross-sectional survey is suitable because it takes into.

Study Population

The study was carried out in southwest Uganda's Kabale District local government. The demographic for the study was chosen based on its accessibility and familiarity with the topic. Target respondents for the study included 2 town clerks, 12 sub county chiefs, 7 department heads, 1 chief administrative officer, and 12 political and community leaders..

Sample size determination

According to Agaba and Turyasingura (2023), a sample is a compendium of a few constituents of a population. An individual sample participant is referred to as a subject. According to Anggadini et al. (2021) "Population" refers to the total group of individuals; occasions or objects of interest that the researcher desires to examine. As a result, the Kabale District served as the location for this investigation. A sample is a subset of the population whose findings are representative of the whole. A sample size of 86 individuals was chosen from the 117 stakeholders in the study population (as taken from the table created by Krejcie and Morgan in 1970 and reported by Patience, *et.al.* (2022)

Table: 1 Categories of study population, population sample size

Study population/ category	Total population	Sample size to be selected	Sampling technique
CAO	1	1	Purposive
Finance department	10	7	Purposive
Human Resource department	3	2	Purposive
Sub county chiefs	12	08	Simple random sampling
Political leaders	41	24	
Community members	50	44	
Total	117	86	

Source: Human Resource Office Kabale District Local Government 2022.

Data collection methods

Questionnaire survey

According to Agaba *et al.* (2023) and Agaba & Emenike (2018) a questionnaire is a research tool that gathers information from a big sample. Here are several questionnaires that go along with this methodology for gathering data. The sample questions were distributed to 50 community members and 12 sub county heads in the Kabale District in order to enable data collecting in the area. There were both closed-ended and open-ended questions in them.

Interviews Person-to-person verbal contact called an interview involves asking another person or group of people questions in an effort to elicit information or opinions (Turyasingura and Agaba, 2023). The researcher directed the flow of the questions she asked the respondents during face-to-face, unstructured interviews. The approach was focused on direct interaction, in which the researcher asked and answered questions from the respondents. 50 community members and one sub-county head each received this method.

Validity of the research instrument

According to Agaba *et al.* (2023), a questionnaire is a research tool that gathers information from a big sample. Here are several questionnaires that go along with this methodology for gathering data. The sample questions were distributed to 50 community members and 12 sub county heads in the Kabale District in order to enable data collecting in the area. There were both closed-ended and open-ended questions in them. The content validity index (CVI) was calculated by adding up the number of items each judge rated as valid divided by the total number of items in the instrument after consulting the two (Kabale University) supervisors and four judges to rate the items for each instrument. The average CVI was computed.

Thus,
$$CVI = \frac{\text{Number of items rated relevant by expert}}{\text{Total number of items in the instrument}}$$

For instance, if the instruments have 40 questions and the following summary of the data is obtained; Average CVI will be calculated.

Table2: Content Validity

INDEX Judge	Score	Valid
Judge 1	38/40	0.95
Judge 2	36/40	0.90
Judge 3	36/40	0.90
Judge 4	34/40	0.85
Total		3.60
Average		0.90

Source:Primary data 2023

These results suggested that the research tools may be used to acquire information regarding who is responsible for paying for the provision of services. The average content validity index (CVI) for instruments should be 0.7 or higher, according to Amin (2005). The average index of 0.90 may exceed the permitted maximum. For the same reason, instruments would be regarded as legitimate.

Reliability of research instruments

These results suggested that research tools may be used to acquire information regarding who is responsible for paying for the provision of services. The average content validity index (CVI) for instruments should be 0.7 or higher according to Agaba and Kanyesiime (2019). The average index of 0.90 may exceed the permitted maximum. For the same reason, instruments would be regarded as legitimate. The researcher conducted a pilot study to determine how service delivery was impacted by the local government's financial responsibility in Kabale District. It was investigated whether the responses given by the various study participants were consistent. The Cronbach's Alpha Coefficient (1951) was then determined, as shown below.

Table 3: Reliability Statistics

Variable List	Cronbach's Alpha	N of Items
Funds disbursement	.812	7
Auditing process	.742	7
Record keeping system	.811	7
Overall	0.788	21

If the reliability test will be 0.7 and above, the instrument will be reliable as the basis to make decision.

Qualitative data analysis

The researcher organised all the qualitative data that had been acquired through document analysis, key informant interviews, and qualitative data coding in order to more fully understand the phenomenon under study.

Quantitative data analysis

The quantitative data analysis employed both descriptive and inferential statistics. Data was first calculated using frequencies, which also comprised means and percentages, to evaluate how respondents felt about the effect of financial accountability on service delivery at the Kabale District local government. The significance of the correlation technique will be examined at 99% and 95% confidence levels. The correlation approach was based on Pearson's coefficient (+ or - to demonstrate the direction of the link between the variables). It was based on two-tailed correlations and had a significance level of 0.05 or higher. A negative correlation suggests an inverse relationship between the two variables, whereas a high correlation suggests a direct positive association. Using the adjusted R² values and significance values from the regression analysis, gauge the degree of the independent factors' impact on the dependent variable.

Measurement of variables

The variables in the study were measured using the nominal, ordinal, and interval scales. A nominal scale was used to collect data on variables that can be divided into two or more categories that are equally

exclusive and mutually exclusive, such as categorizing gender and educational background. The researcher also used the interval scale to assess the respondents' range of attitudes and opinions. A Likert scale of 1 to 5 was used to score the responses (strongly agree, agree, not sure, disagree, strongly disagree).

Ethical issues

In order to avoid lowering the standard of the research, the researcher made sure that all ethical considerations were taken into account. Prior to gathering data from respondents, the researcher obtained their informed consent. She also made sure that key informants were kept private while providing information, and she worked to reduce instances of plagiarism by acknowledging authors.

Results

The second goal was to evaluate how the auditing process affected the local government of Kabale District's service delivery. The following research question served as the basis for this study's design: "What impact does the auditing process have on the local government of Kabale District's service delivery? The researcher's interest in the study was maintained by this research question. Once more, it assisted the researcher in maintaining concentration on the study's particular subject and in defining the types of more precise questions that needed to be raised. In order to do this, data were gathered from both primary sources (personnel) and secondary ones (recorded work). The table below provides a summary of the responses.

Table 4: A summary auditing process on service delivery at Kabale District local government

Responses	Agree		Undecided		Disagree	
	F	%	F	%	F	%
Integrate is observed according to auditing process	78	90.7	8	9.3	00	00
I have observed relationship building for effective service delivery due to auditing	86	100	00	00	00	00
Objectivity is the principle during auditing process	86	00	00	00	00	00
Timeliness is key in auditing process for service delivery	86	100	00	00	00	00

Key: Strongly Agree (SA) 5, (Agree (A) (4), Undecided (UD) 3, Disagree (D) 2 and strongly Disagree (SD) 1

Source: Primary data 2023

Table above, indicates analyses on the four statements that were subjected to the respondents and intended to measure auditing process on service delivery at Kabale District local government. The descriptive statistics from the table above are explained as follows. Respondents were asked whether Integrate was observed according to auditing process. 90.7% of the respondents agreed with the statement, leaving 9.3% of the respondent's undecided. Respondents were further asked whether they had observed relationship building for effective service delivery due to auditing, all respondents agreed with the statement. Respondents were asked whether, all respondents agreed with the statement. Finally, respondents were asked whether timeliness is key in auditing process for service delivery, all respondents agreed with the statement during data collection. This implies that auditing process affects service delivery at Kabale

District Local Government.

Following the examination of quantitative data, qualitative analyses of qualitative data produced by key informant interviews were carried out. The qualitative findings related to the auditing procedure are shown below. One key informant noted that:

"Processes are audited to ensure that they are operating within set parameters and accomplishing set goals (objectives). A process quality audit looks at a process to make sure that the inputs, actions, and outputs meet the established standards, which aids in the efficient provision of services. One of the most important components of public financial management that focuses on providing services to the public is auditing practices. an audit as an unbiased, impartial assurance procedure intended to provide value and enhance

an organization's operations. An organizations operations, financial performance, and other factors are systematically and independently examined in an audit for a defined goal, typically to support the provision of services to the public.

Second respondents

"In any auditing, the auditor observes and recognises the propositions that are being examined, gathers supporting documentation, assesses it, and then formulates a conclusion that is given in an audit report. Additionally, quality audits should emphasise instances of best practises and conformity proof in addition to reporting non-conformance and corrective actions. Other departments may then disseminate the knowledge and modify their operational procedures. Enhancing continuous improvement can help an organisation achieve its goals by using a methodical, disciplined approach to evaluate and boost the efficiency of its risk management, control, and governance procedures."

Most of the auditing process paradigms (integrate, relationship building, objectivity, timeliness, and communication) show that the auditing process has an impact on service delivery. The study confirmed that there was a relationship between quantitative and qualitative findings after doing a qualitative data analysis. The two data sets agreed, and it was evident that qualitative data supported quantitative data.

Hypothesis I Testing

The Pearson's product moment correlation coefficient was used to calculate the size of the link in order to confirm the alternative hypothesis that there is a strong relationship between the auditing process and service delivery, as shown in the table below.

Table 5: Correlation analysis auditing process

		Service delivery	Auditing process
Service delivery	Pearson	1	656**
	Correlation		
	Sig. (2-tailed)		.000
	N		
Auditing process	Pearson	86	86
	Correlation		
	Sig. (2-tailed)	.656**	
	N	.000	.000
		86	86

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

Source: Primary Data 2023

The correlation coefficient in the table above, which is 656** and significant at the 0.01 level, indicates a very strong significant positive link. Thus, in order to ascertain how the auditing procedure affected the provision of services by the Kabale District Local Government, a regression analysis was conducted. This shows the degree to which the dependent variable might be impacted by the independent variable's volatility.

Table 6: Model summary Auditing process

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1				
1	.656 ^a	.099	.087	.32040

a. Predictors: (Constant), Auditing process

Source: field data 2022.

According to the coefficient of determination of .656, there is a considerable association between the auditing process and service delivery at the Kabale District Local Government. This indicates that Kabale District Local Government will provide more services the more audits is done. As a result, the auditing process has a 65.6% impact on the local government of Kabale District.

Table 7: Regression output summary of auditing process

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.680	.507		5.282	.000
1 Budgetary challenge	.362	.124	.656	2.928	.004

a. Dependent Variable: Service delivery

Source: Field Data 2022

The results again showed a significant connection with a regression coefficient of .456 at the 0.01 level of significance. With a Beta value of 0.656 at a 95% level of confidence, the results further demonstrate that the auditing process has an impact on service delivery. As a result, the researcher supports the research hypothesis that "service delivery at Kabale District local government is positively impacted by the auditing procedure.

Empirical finding on service delivery

The information in this section focuses on the conclusions regarding the dependent variable, which is the local government of Kabale district's provision of services. This information came from both primary and secondary sources. The table below provides a summary of the responses.

Table 8: A summary of the findings on service delivery at Kabale district local government

Statements on service delivery	Agree		Undecided		Disagree	
	F	%	F	%	F	%
Access to Health Services gives clear justification of service delivery	86	100	00	00	00	00
Access to education is going on well due to proper financial accountability	76	88.4	10	11.6	00	00
Access to roads / infrastructure has developed in the district	86	100	00	00	00	00
Service delivery at Kabale District is visible due to proper financial accountability	80	93.1	6	6.9	00	00

Source: Primary data 2023

Four comments about service delivery at the Kabale District Local government were given to respondents. If access to health services provides a clear reason for service delivery, respondents were questioned. The statement was endorsed by each and every respondent. Respondents were asked if effective financial accountability is having a positive impact on access to education. 11.6% of respondents were unsure, leaving 88.4% of respondents in agreement with the statement. Once more, respondents were asked if the district has established access to roads and infrastructure. During the data gathering process, every respondent who had 100% agreed with the statement. Finally, respondents were asked if Kabale District service delivery was evident due to effective financial accountability. 6.9% of respondents were unsure during data collection, which shows that Kabale District local government cannot provide services without sufficient practicing auditing procedures. 93.1% of respondents said they agreed.



Discussion

The purpose of the study was to evaluate how Kabale District Local Government's auditing process affected the provision of services. Numerous auditing process concepts, including Integrate, Relationship building, Objectivity, Timeliness, and Communication, were taken into account in the study. The respondents agreed at a rate of 80% on average and with $r=656^{**}$ about the nine questionnaire questions pertaining to auditing process on service delivery in Kabale District.

The findings of the data collection and analysis showed that there was a significant and positive association between the two variables. Qualitative research revealed that the Kabale district local government's auditing process had an impact on service delivery.

This is consistent with Ahrens, & Ferry, (2020) findings. It also makes clear that the auditor perceives and recognizes the propositions that are being examined, gathers supporting documentation, assesses it, and then formulates a conclusion that is delivered in an audit report. Pamungkas, et al, (2019) goes on to say that quality audits should not only highlight instances of best practices and proof of conformity but also report non-conformance and corrective actions.

Conclusion

The conclusion drawn from the findings and discussion is that the Kabale District Local Government's auditing procedure has an impact on service delivery. This is consistent with the researcher's subsequent findings. When asked if Integrate is observed in accordance with the auditing process, the respondents' responses revealed that 90.7% of them agreed with the claim and 9.3% were unsure. All respondents agreed with the statement when asked whether they had seen relationship development occur during efficient service delivery as a result of auditing. All respondents agreed with the statement made during data collection when it was asked of respondents whether punctuality is important in the auditing process for service delivery. This implies that the auditing process has an impact on how local government services are delivered in Kabale District. The study suggests emphasizing the auditing procedure when providing services. Integrate, relationship-building, objectivity, timeliness, and communication should be stressed in order to achieve this.

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