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The undersigned certify that they have read, and recommended to Midlands State University for acceptance, a research project entitled, an investigation into the recurrence of audit observations in the Ministry of Home Affairs. A case study 2010 to 2013 financial years submitted by MABWE EVANS in partial fulfilment of the requirements of the Bachelor of Commerce Honours Degree in Accounting.

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DEDICATION

I dedicate this research project to my sweetheart Caroline for her unwavering support and prayers, my boys Kunashe and Kutidaishe. Special dedication also goes to my relatives and

my dear friends Exavier and Temba who stood by me during my dissertation when the going got tough. May our dear God grant you good health and more years.

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ABSTRACT

The research was prompted by the recurrence of audit observations in the Ministry of Home Affairs between 2010 to 2013 final years. The objectives of the study were to find out challenges in complying with audit reports. The researcher reviewed what different scholars say about audit recurrences. The research used a sample size of thirty people from a population of forty employees. A non-probability method was used to sample data. Questionnaires and interviews were used to collect data. The data was then presented in the

form of tables, pie charts and graphs. It was then analysed using the mode. The research managed to uncover the major reasons for recurrence of audit observations.

TABLE OF CONTENTS

Contents	Page
Approval Form	i
Release Form	ii
Dedication	iii
The Abstract	iv
Acknowledgements	v
Table of Contents	vi
List of Tables	ix
List of Figures	x

List of Appendices	xi
CHAPTER ONE: INTRODUCTION	
1.0. Introduction	1
1.1. Background of the Study	1
1.2. Statement of the Problem	3
1.3. Main research question	3
1.4. Sub-research questions	3
1.5. Research objectives	4
1.6. Significance of the study	4
1.7. Assumptions	5
1.8 Delimitations of the study	5
1.9 Limitations of the Study	5
1.10 Definition of Terms	6
1.11 Summary	6
CHAPTER TWO: LITERATURE REVIEW	
2.0. Introduction	7
2.1. Challenges faced in complying with audit reports	7
2.2. Causes for non-compliance with PFM Act and Treasury Instructions.	10
2.3. Experiences of other countries in solving audit observations recurrences.	12
2.4. Resolutions for recurring irregularities.	14
2.5. Summary	18
CHAPTER THREE: RESEARCH METHODOLOGY	
3.0. Introduction	19
3.1. Research Design	19

3.2. Qualitative Research	20
3.3 Quantitative Research	20
3.4 Population	20
3.5 Sampling	21
3.6 Sample Size/Frame	21
3.7 Sampling Techniques	22
3.8 Research Instruments	24
3.10 Data Presentation	28
3.11 Summary	28
CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION	
4.0. Introduction	29
4.1. Questionnaire response rate	29
4.4. Summary	50
CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATIONS	
5.0 Introduction	51
5.1 Summary of Chapters	51
5.2 Summary of major findings	52
5.3. Research conclusions	52
5.4 Recommendations	53
5.4 Further Area of Study	53
REFERENCES	54
APPENDICES	56

LIST OF TABLES

Table	Description	Page
1.1	Observation statistical table 2010 to 2013	2
3.1	Sample frame	22
3.2	Likert Scale	27
4.1	Questionnaire Response Rate	30
4.2	Interview Schedule	46

LIST OF FIGURES

Figure	Description	
	Page	
4.1	Audit Frequency	31
4.2	Efficiency in responding to queries	32
4.3	Occurrence of similar audit observation	33
4.4	Weaknesses contributing to recurrences in audit observations	34
4.5	Challenges faced in complying in audit reports	36
4.6	Challenges faced in complying in audit reports	37
4.7	Causes of non-compliance with PFM Act and treasury instructions	39
4.8	Experiences of other countries in solving audit observations recurrences	41
4.9	Resolutions for recurring audit irregularities	42
4.10	Resolutions for recurring audit irregularities	43

LIST OF APPENDICES

Appendix	Description	Page
A	Clearance Letter	56
B	Questionnaires	57
C	Interviews	60

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The purpose of this study is to make an investigation into the recurrence of audit observations in the MOHA between 2010 to 2013. The first chapter will discuss background to the study, statement of the problem, objectives of the research, research questions, significance of the study, assumptions of the study, delimitations, and limitations of the study and definition of terms.

1.1 Background of the study

In line with the constitution of Zimbabwe, the Ministry of Home Affairs (MOHA) is allocated funds from Treasury to be able to carry out its mandate. The allocated funds are expended as enshrined in the Public Finance Management Act (Chapter 22:19) and the Treasury Instruction. Section 14 (1) of the Audit Office requires that the Auditor General prepares and submits to the Minister of Finance by not later than 31 March of each year a report of his examination and audit of the accounts of Zimbabwe of the previous financial year. Zhou (2012) stated that, "Public audits provide key mechanisms through which accountability is enforced within the government ministries, departments and state entities.

Audits carried between 2010 to 2013 in the Ministry exposed lack of accountability and cited a number of irregularities, misallocation of funds, delayed banking, non-submission of returns, failure to maintain an asset register and unauthorised expenditure. Several management letters were sent to the ministry observed a lot of accounting system weaknesses

with recommendations having been made. However, the said weakness continues to recur in the Ministry.

Below is a statistical table which shows observations made to the Ministry of Home Affairs by the Audit Office during the period of 2010 to 2013.

Table 1.1

TYPE OF WEAKNESS	2010	2011	2012	2013
Failure to submit returns	15%	20%	25%	40%
Expenditure misallocation	\$1 187.00	\$ 782.00	\$2 443.00	\$24 374.00
Unauthorised expenditure	\$7 112.00	\$4 649.00	\$28 440.00	\$75 163 544.00
Delayed banking	\$ 643.00	\$70 297.00	\$330.00	\$1 336.00

Source: Ministry of Home Affairs: Audit Reports 2010 to 2013

It can be noted from the table above that failure to submit returns accounted for 15% in 2010, and subsequently rose to 20%, 25% and 40% in 2011, 2012 and 2013 respectively. The high of 40% is cause for concern to the researcher which needs to be investigated. Expenditure misallocation was \$1 187.00 in 2010 thereby reducing to \$782.00 in 2011. Thereafter, it slightly increased to \$2 443.00 in 2012 and drastically rose to \$24 374.00 in 2013. Unauthorised expenditure is of major concern to the Ministry, in 2010 it stood at \$7 112.00 decreased to \$4 649.00 in 2011. In 2012 it stood at \$28 440.00, while in 2013 it was \$75 163 544.00. Delayed banking was \$643 in 2010, sharply increased to \$70 297.00 in 2011 but took a decrease of \$330 in 2012 before closed 2013 at \$1 336.00.

The non-compliance to the audit observation and recommendations defeats the sound management of government resources as enshrined in the PFM Act. That will give weight to Makamure (2012:7) report which revealed the shambolic state of public funds management system. SADCOPAC (2010) “during a conference held in Swaziland recommended that performance or value for money audits (VFM) need to be conducted regularly alongside financial audits. Furthermore, it was mentioned that in order to strengthen public financial accountability and improve effectiveness, Parliament should have effective follow up mechanisms through the Public Accounts Committee (PAC). Therefore the study intends to investigate the recurrence of audit observations in the Ministry of Home Affairs.

1.2 Statement of the Problem

Although the ministry conforms to the requirement to submit accounts annually, there have been specific issues that have been raised by the Audit Office to enhance accountability in the use of public resources. The Ministry of Home Affairs seems to be continuously in violation of the best practices due to recurring observations and recommendations not being complied with. Therefore, this has prompted the researcher to carry out a research on the reasons for the none implementation of audit findings and recommend how the Ministry can improve efficiency and effectiveness in light of audit findings.

1.3 Main Research Question

What are the reasons for the recurrence of audit findings in the Ministry of Home Affairs?

1.4 Sub Research Questions

- a. What are the challenges faced in complying with audit reports?

- b. What are the causes for non-compliance with Public Finance Management Act and Treasury Instructions?
- c. What are the resolutions for recurring irregularities?
- d. What have been the experiences of other countries in solving audit observations recurrences?

1.5 Research Objectives

- a. To find out challenges in complying with audit reports.
- b. To find out causes for non-compliance with PFM Act and Treasury Instruction
- c. To suggest resolutions for recurring irregularities.
- d. To explore the experiences of other countries in solving audit observations recurrences.

1.6 Significance of the Study

1.6.1 To Ministry of Home Affairs

The research aims to promote the issue of accountability in the use of public resources in the Ministry of Home Affairs. There is need by all stakeholders in the Ministry to comply with audit reports for the public to get value for money in as far as government activities are concerned.

1.6.2 To the University

The material researched can be used for reference purposes by other researchers at the University. Apart, from that it will provide literature source for other scholars. Furthermore, the research can be used by the university to assess the student.

1.6.3 To the Researcher

The research is carried as partial fulfilment of Bachelor of Commerce Honours Degree. It gave the student the opportunity to develop research skills. Apart, from that the research gives the author more knowledge on the effectiveness of the Auditor General reports in improving accountability in the public sector.

1.7 Assumptions

The research is carried out on the following assumptions, the respondents will take the exercise seriously and give a true reflection of their Ministry.

1.8 Delimitations of the Study

The research is carried out in Harare at the Ministry of Home Affairs where the researcher works, under the department of National Archives of Zimbabwe. On this project the researcher covered the period (2010-2013). The research was based on the Auditor General reports the Ministry received for the period under study.

1.9 Limitations of the Study

Just like any study this study has its own limitations.

1.9.1 Time Span – the time for the research is too short, so the researcher will shelve all the other activities to focus on the research.

1.9.2 Confidentiality – some information is specified as confidential, so authority will be sought from the Director of Finance of the Ministry.

1.9.3 Co-operation -there might be lack of co-operation from interviewees.

1.10 Definition of Terms

Accountability -involves the proper way of using public resources for the benefit of the society.

PAC Public Accounts Committee is the committee mandated with scrutinising audit reports by the Auditor General and reports to Parliament.

Misappropriation Improper use of public resources through irregularities.

Asset Register Is an accounting method used for major resources of an organisation which shows the assets that it owns.

Non-compliance Failure to comply with rules and regulations governing public finance management.

Management letter It is a letter drafted by auditors after audit highlighting weaknesses picked at the time of auditing

1.11 Summary

The summary focused on the background of the study, statement of the problem, research questions, research objectives, significance of the study, assumptions, delimitations, and limitations of the study and definition of terms. The second chapter will focus on review of literature by authors.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Literature review is the purpose of evaluating books and articles that might have bearing on a given research topic, and review what other people have written about ones' area of interest, gathering information to support one's argument and one's findings, Sheldon (2010).

This chapter will evaluate the literature on the study areas by other scholars and researchers on the investigation into the recurrence of audit observations in the Ministry of Home Affairs. Under the chapter, the researcher will focus on areas identified in MOHA audit reports which need some improvements, non-compliance with set rules and regulations and lack of accountability in government. The literature will enable the researcher to appreciate accountability of public resources at a global scale.

2.1 Challenges faced in complying with audit reports

Zhou (2012) highlighted they are a lot of challenges faced in adhering with audit reports which will lead to shortcomings in the enabling legal instruments. The new Audit Office Act (Chapter 22:18) of 2011 seeks to address these challenges, raised on yearly basis with no remedial measures put in place to address them the challenges are as outlined below.

2.1.1 Improper Corporate Governance Practices

Muhammad (2010) bemoaned the absence of corporate governance in a number of organisations in Bangladesh which will negatively affect disclosure of information and governance practices in organization's hence leads to failure of institutions. Kwamina

Williford et al (2014) highlighted that an organization must have standards of conduct and proper corporate governance to eliminate the occurrence of criminal and improper conduct. Emmanuel Osajie (2014) added laws, regulations and accounting standards are crafted with the hope that they will adhere to and those who violate them will be punished. However Smith (2009) argued that boards may encounter obstacles in having enough independence skilled personnel in leadership positions, this will also lead to an increase in time required by management in executing their mandate therefore negatively impacting on the costs involved.

2.1.2 Training and Education

Holland and Knight (2014) highlighted that policies and procedures should be widely taught so as to equip subordinates with relevant training on the programs and policies. All employees including those in leadership positions should receive proper training on compliance, ethics and conduct. Scott Tannenbaum et al (2013) stated that training is effective when various jobs in an organization have been analysed, the skill sets of its employees are understood, supervisors and leaders are all on the same page and employees are motivated to learn. Sufficient structure and guidance should be offered to employees giving them opportunities to make decisions about their training experience. After the training, employees should be able to implement what they have learned in the work environment as feedback.

Muhammad Ansar (2009) added that training provides a sense of satisfaction which motivates employees and ensures organizations have multi skilled employees. Training increases employee commitment to their job and their organization as well as better understanding of jobs. Tysiac (2013) argued that recruiting, training officers in various

countries is challenging. He went further in highlighting the language, culture barriers as another stumbling block, time and other expenses involved are also prohibitive.

2.1.3 Accountability

Khan (2009) states that accountability laws should be clear on organizational and personal accountabilities on the existence of well-functioning of institutional committees such as internal and external audit and public accounts. More so, auditors should be able to monitor the implementation of their recommendations as well as to develop an organizational for feedback.

Jamal Mohammadi (2011) stated that accountability of public sector increases public confidence whilst the lack of accountability dents confidence. To survive, governments need public confidence which is enhanced by increasing accountability and transparency. Thus, a part of the information necessary for the public (financial and non-financial information) is the product of an accounting information system. A governmental accounting system with appropriate internal controls that can disseminate timely, reliable and complete information increases the possibility of people's supervision over the public services and therefore, provides a dynamic incentive for higher responsibility, improvement of the performance of the public sector and eventually will boost the commitment to accountability principles in the public sector. Zinyama (2012) argued that accountability is not all about apportioning blame or praise, it raises important questions about the purpose and practice of the public service organization. The role of accountability in an institution governance structure is sometimes easily ignored.

Timely reports for all users enhance accountability through reliable financial and non-financial information. Provision of reliable information needs strong internal controls and it shows a sense of responsibility towards the assets and properties since these assets are purchased by public funds, managers should be held accountable for the way how these assets are used.

2.1.4 Resources constraints

Zinyama and Zhou (2012) observed that the government activities are bailed by Treasury. Over the years, the allocations have been dwindling as a result of poor economic conditions causing some activities to be overlooked.

2.2 Causes for non-compliance with Public Finance Management Act and Treasury Instructions?

Khan (2009) noted that majority of the challenges public managers in complying with regulation requirements include neutrality, inconsistency of time, limitation of team leader, year-end rush orders, outdated rules and regulations, incompetence and negligence of staff and business by word of mouth. He further stated that the other major causes of non-compliance with designed rules and regulations stems from insufficient supervision, by those at the top leadership positions and lack of adequate internal control systems. Madue (2007), non-compliance with PFM Act results from many factors which include lack of insight into policy process or poor implementation, insufficient staffing and problems of capacity and resources.

Sarah Eyaa (2011) noted that the levels of compliance in Uganda are low in the public sector. This is despite effort made by the concerned institutions to come up with measures to

have an improvement on compliance. Report (2009) on Uganda which revealed that public procurement is marred by high levels of non – compliance with procurement regulations. Procurement officers and persons involved in procurement activities use wrong methods leading to high procurement costs, poor quality purchases, late.

2.2.1 Unauthorized, Irregular, Fruitless and Wasteful Expenditure

Joe Morolong Local Municipality fruitless and wasteful expenditure policy (2014/15), states that fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Unauthorised expenditure entails any expenditure incurred otherwise than in accordance with the approved budget and includes overspending of the total amount appropriated and overspending of the total amount appropriated for a vote in the approved budget. Wendy Morton- Huddleston et al (2014) added that improper payments occurs when funds go into wrong account, incorrect amounts are paid to recipients through under or over payment and non-existence of supporting. However, these irregularities can be reduced if proper internal controls are put in place.

Vinjevold (2013) argued that unauthorized, irregular, fruitless and wasteful expenditure can go for condonation with the person or institution in authority whose approval could have been sought before expenditure. But further argued that if anyone is responsible for fruitless and wasteful expenditure appropriate measures should be taken to recover the expenses from the concerned officer.

2.2.2 Breakdown of Internal Controls

International Organisation of Supreme institutions (2010), explained internal control system as systems to promote, orderly, economic, efficient and effective operations, This will result in safeguarding of resources against loss due to waste, abuse , mismanagement, errors, fraud to adhere to laws and regulations of management directives to develop a sound management data. Harcourt (2014) added that lack of internal controls like expenditure misallocation, unauthorized expenditure, delayed banking and failure to submit returns exposes the organization to financial risks. To be effective internal controls need to be appropriate, function consistently as planned and be cost effective. The absence of guidelines and policies as internal controls is severe negligence on the part of organizational responsibilities and non-compliance with set standards.

According to Sam Ashe-Edmund (2012), internal controls helps organizations avoid slowdowns in their activities, prevent fraud and limit errors. Failure by employees to follow laid down procedures results in an organization suffering from internal problems and also experience external public relations problems and possible legal sanctions.

Any lax with internal controls creates opportunities for fraud and can lead to employees stealing money or supplies, falsifying timesheets, paying invoices for services or goods not rendered, or awarding contracts to friends and family members rather than the most qualified supplier. The lack of or failure to adhere to internal controls results in each employee using their own methods for handling processes and procedures. This can lead to disruptions if departments have to stop and explain their procedures to each other or if employees have to start duplicating their efforts to satisfy the needs of each department with which they work.

2.3 Experiences of other countries in solving audit observations recurrences

2.3.1 Ghana

Tawiah (2011) stated there was massive misappropriation of public funds in government resulting in big losses. An auditor general report of 2009 in Ghana pointed to the recurrence of irregularities on annual basis and highlighted to some stunning findings which included procurement irregularities, poor cash management, payroll irregularities and unvouched expenditure. But he pointed out the need to tighten laws for the proper utilization of public resources. Asenso- Boakye (2014) highlighted that compliance with stated rules and regulations is the key to ensuring transparency and fair competition as well as guard against errors and irregularities on the use of public funds.

Faustina Akwa (2014) stated that Ghana had many experiences emanating from various audit observations which mostly emanated from lack of risk assessment initiation and decentralized of premium account. In order to curb the recurring of these irregularities, the government initiated risk assessment, and adopted forensic audit where by the offenders will be punished more so in order to improve accountability the Premium account was centralised. Albert Agyei et al (2013) added that members should be educated on the duties and responsibilities of the auditors as well as educating the users of financial statements to eliminate audit stereotype.

Based on Ghana experience, Zimbabwe has a lot to benefit in order to eliminate audit recurrences and amongst these lessons to be drawn there is need for adoption of forensic

audit as a routine assessment measure. Forensic audit exists in Zimbabwe but it has not been fully utilized in the Public Sector. Furthermore there is need for enforcement of punishment or prosecution of the accountable officer (accounting officer)

2.3.2 Uganda

Sarah Eyaa (2011) highlighted that whenever compliance is discussed, focus tend to be placed on unethical behaviour of the procurement officers and other aspects of public procurement. However, not much focus has been placed on explaining non-compliance with public procurement regulations in Uganda despite the fact that each year compliance reports produced report that there is non – compliance.. However, Sewanyana (2009) aided that reforms on some regulations in Uganda were due to some pressures because the country was losing a lot of money in poorly managed processes that costed the tax payers a lot of money. Report published in 2009 on Uganda revealed stunning levels of non – compliance with regulations to do with procurement. Officers involved used wrong methods resulting in high costs, substandard goods and delays in goods deliveries.

Maira Martini (2013) stated the following as the best solutions, adaptation of sound financial management systems, improving the level of transparency and accountability of the country's Public Financial Management system, establish institutions to fight corruption and passed the law to deal with corruption.

Zimbabwe can benefit through the adoption of laws and institutions to eliminated or reduce corruption even though the anti-corruption is in place there appears to be limited focus on issues to do with accountability especially on audit observations and findings.

2.4 Resolutions for recurring irregularities

2.4.1 Risk Management and Internal Controls

Harcourt (2014) described internal controls as a process designed to ensure reliability of financial reporting, and compliance with applicable set rules and regulations. The safeguarding of assets against irregular acquisition, disposal and unauthorized use is regarded as an internal control measure. Bhala B (2013) observed that the absence of internal controls is non-compliance with Public Finance Management Act and pure neglect of organizational responsibilities.

Zhou (2012), “ as a result of poor internal controls, government assets are exposed and sometimes not managed properly, debt management policy is not in place or debt recovered, writing off debts is not procedurally followed and internal auditing is not functioning well and there is absence of audit committees. If an internal audit or audit committee are not functional, there is likelihood that systems and internal controls become none operational and an organization or a department could become exposed to various forms of risks. By nature risk management gives management the power to manage risks and set up internal controls. James Ralston (2010) stressed that public sector entities need to adopt an effective performance management system that brings desired goals. A strong method of financial management is important in the application of public sector reforms to achieve set targets through applying financial discipline, strategic allocation of resources, efficient service delivery, and accountability.

Aurelia Stefanescu and Eugeniu Turlea (2009) as stated that in accordance with the guidelines on risk management in the public sector in Australia and New Zealand, risk shows the possibility for an event to occur and affect the objectives of an organisation. Their

importance is different from one period to another depending with the economy status and changes prevailing in the society as a whole. Thus risks generated by the regulation environment, risks concerning the non-compliance with the budgetary accounting or financial rules. An argument concerning unsound management of risks in the public sector is the survey done by Deloitte (2009), in 200 state departments from 28 nations, on which, 48% public officials in the world are of the view that inappropriate management of risks is one of the many challenges incurred by the financial departments of the public entities.

2.4.2 Public Expenditure Management controls

Zhou and Zinyama (2012) states that effective public expenditure management should question spending both at the macro and micro levels of government. Shahril Budiman (2012) added government expenditure includes expenditure incurred by the government on the consumption of goods and services. Public Expenditure management controls involve the following;

Treasury Controls

The Ministry of Finance (treasury) is constitutionally mandated to ensure public expenditure restraint within government institutions. The Ministry of Finance is authorized to issue instructions and directions to government officers to guide them in matters relating to collection, receipt, custody, control and issue of public moneys. Within ministries of finance are specific departments and units that are directly responsible for coordinating and supervising matters relating to expenditure. Bhala B (2013) added that within each ministry are internal auditors who inspect the books of accounts of the various cost centers to establish if the funds are being used for their intended purposes. In cases of anomalies, these are brought to the attention of Accounting Officers for redress. However their effectiveness as internal auditors may be compromised by lack of cooperation from other actors. It should

also be noted that as junior officers, auditing the spending decisions of their ministries amounts to auditing the decisions of the Head of Ministry. It may be difficult to ask the Permanent Secretary to enforce their observations when he/she is at fault.

Controls by Accounting Officers

Permanent Secretaries (as Heads of Ministries) are integral components of the national expenditure management systems. They serve as Chief Accounting Officers in ministries, exercising special responsibility to Parliament in as far as public funds under their charge are concerned Goel (2009). In fact the office of the Accounting Officer is one of the three public institutions that assist the Parliament in its day to day financial controls of public funds.

Controls by Procurement Committees

Zinyama (2012) Expenditure management is also enforced through procurement committees which are set up in each line ministry to ensure that all purchases are done transparently and guided by set criteria. Procurement committees operate on the basis of three quotations rule that requires submission of three quotations before a decision on where to make purchases can be made. The committee is thus forced to compare prices and make a decision on the merit of the companies that will have provided the quotations. Effectiveness of these frameworks is usually compromised by insider trading and lack of transparency. Etse (2014) stated that procurement is critical for ensuring that the government procures within established rules and procedures so as to attain value for money.

2.4.3 Follow up of audit findings

Khembo (2009) bemoaned failure to make follow ups on audit findings. He stated that responsible officers rarely response to audit findings and PAC recommendations due to the systems weakness which does not provide deterrent measures to the officers in charge. As a habit in Malawi officers found on the wrong side of the law are transferred to other Ministries with no remedial action on site. The PAC committee raised the issue of failure to check for accountability on their part due to other commitments.

2.5 Summary

The chapter reviewed literature related to public financial management as well as the control of funds. The basis of the information being literature from past researchers on issues linked to accountability, unauthorised expenditure, risk management and internal controls, public expenditure management controls as well as failure to submit accounts among other issues. The next chapter will cover methodology of the research.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The previous chapter dealt with literature review of the research. This chapter will deal with research design, sample, population, research instruments, pilot testing, validity, reliability, data analysis and lastly the conclusion on the research under study.

3.1 Research Design

Labaree (2013) defined a research design as the overall strategy that choose to integrate the difference components of the study in a coherent and logical way, thereby ensuring that the research problem is addressed effectively. A descriptive study (survey) design was adopted in conducting this study. Descriptive research is a process of collecting data in order to answer questions concerning the study. Descriptive research determines and reports the way things are. This design proved useful as respondents were given time to respond without any interference and manipulation hence information was generally obtained much faster. The study is a case study. A case study deals with the source of the problem in full coming up with objectives, recommendations as a result of the findings.

The design is based on qualitative research based through collection of primary and secondary data. Primary data was collected through questionnaires and interviews, to obtain responses to questions about Ministry of Home Affairs on an investigation into the recurrence of audit observations, data to be analysed and presented.

3.2 Qualitative Research

Dobрева (2010) stated that it is a research method of qualitative techniques and involves quality. This method is suitable mostly on small groups to be able to access a given situation. The researcher chose this method to be able to gather data that needs explanations. to some explanations. The researcher used this method when contacting interviews.

3.3 Quantitative Research

According to Henderson and Fernstrom(2009) quantitative method involves the use of objective measurement and the numerical analysis of data with the aim of establishing a relationship between dependent and independent variables. Data is gathered using different ways, a sample size big enough which represent the population. The method has clearly defined research questions, with all areas of the study clearly defined before the collection of data and statistical presentation of data. However, since the will presented in a numerical manner the researcher adopted this technique. The researcher adopted this research method due the following merits ;the sample size will be large enough to represent the population, it also has clearly defined research questions to be responded to ,all aspect are clearly defined before data is collected, data will be presented statistically and numbers. This method reduces personal bias from both parties (researcher and respondents).Vast information can be summarised and comparison across categories is easier.

3.4 Population

Brooke (2014) defined population as a group of people or items that you want to make assumptions about. The study population is the aggregate of elements from which the sample is selected. The research targeted a population of forty which comprised of four directors, four deputy directors, six accountants, ten assistant accountants, six auditors and ten

administration assistants. The population was selected based on individuals with knowledge or whose work has bias towards accountability of public resources.

3.5 Sampling

Robert (2010) stated that a sample is a representative of a given population. Sampling is important because it is impossible to examine items of a group as individuals. Accurate sampling comes out with positive results of a survey. According to Bougie (2010) sampling is a process of examining a portion of items from the entire population with the aim to get an understanding of some instincts of the entire population from a sample. A sample provides an estimate of the population characteristics and accuracy of the estimates.

The researcher selected a sample of about thirty from the population for interviews and questions, as it was impossible to interview or question the whole population.

3.6 Sample Size/Frame

Kothari (2009) defined a sample size as the total number of objects selected from a set of items to come with a sample. The sample size have to be optimal but it is difficult to come up with. Sekaran (2010) listed factors affecting decisions to come up with a sample size as; research objective, extend of precision required, acceptable risk in predicting that level of precision, amount of variability in the population itself, cost and time constraints as well as population size.

Table 3.1

RESPONDENTS	POPULATION	SAMPLE	PERCENTAGE
Directors	4	2	50%
Deputy Directors	4	3	75%
Accountants	6	4	67%
Assistant Accountants	10	8	80%
Auditors	6	5	83%
Administration Assistants	10	8	80%
Total sample size	40	30	75%

3.7 Sampling Techniques

3.7.1 Non Probability Sampling

Judgmental Sampling

The researcher used judgmental sampling because it is well understood, no time is wasted and no special knowledge on statistics is used. It simply involves sampling individuals based on their knowledge or professionalism. It is also non probability sampling where units selected in the sample are easier to access.

Cassel (2009) highlighted that this type of sampling involves convenience sampling when the researcher chose respondents on their willingness or availability to respond items.

This method was used by the researcher because the respondents are the ones involved in decision making in the organization. This method is accurate as it targets a specific group and as a result responses tend to be similar on the entire population.

3.7.2 Sources of Data

Frank et al. (2010) states that there are two sources of data which are primary and secondary data. This research is based on two types of data namely primary data and secondary data. Cooper and Schindler (2009) defined data as the facts obtainable to the researcher from the study environment.

3.7.3 Primary Data

According to Gratton and Jones (2010) primary data is referred as facts drawn in the collection of original data specific to a particular research topic. Best (2012) added that primary data involves of the collection data sources field work. Wilson (2009) it is undertaken when the researcher has some insight into the issue through reviewing secondary research and previously collected primary data and can be accomplished through some methods like questionnaires and interviews. Robert (2010) includes his own experience, original materials, interviews, diaries and field observations. Methods used for primary data collection were questionnaires and interviews.

The researcher used primary data to collect information because the information is collected for specific purpose of the study. Questions for collecting primary data are tailored to elicit data for the study. The researcher was able to decide on the size of the project and its timeframe.

3.7.4 Secondary Data

Collins (2010) defined secondary data as that data which involves using information researched by other people in primary research. Stevens (2009) Secondary data is data gathered for some other purposes. Robert (2010) stated that secondary resources are mostly

found in libraries in sources like magazines, encyclopedias, Journals, Books, Newspapers, indexes and government report. Secondary data has the following merits it was economical as there were no other costs involved. Familiarity with secondary data shows some loopholes as a result the researcher primary data collection more specific. Secondary data could be used as comparisons of reference to the primary data that the researcher had collected. Secondary data had the following disadvantage to the researcher the unit of measurement adopted was in some cases differed with the one needed in the project.

3.8 Research Instruments

Structured questionnaires, interviews and were administered to collect data. The researcher used the research instrument in the form of a questionnaire which uses a five point likert scale from,5-strongly agree,4-agree,3-not sure,2-disagree,1-strongly disagree, and the interview was used using the sample of 1 director, 1 deputy director, 2accountants and 1 auditor.

3.8.1 Questionnaires

Annum (2014) refers to questionnaires as a systematically prepared form or document of questions deliberately designed to elicit responses from respondents for the purpose of data collection or information Bell (2009) stated research instruments are easy to follow and the questions need to be specific. A total of 40 questionnaires were distributed to officers in the Ministry. During the questionnaire construction open and closed ended questions were used with open ended questions comes during quantitative data analysis. All questionnaires were hand delivered and interviews were done to some respondents.

The researcher took into consideration following factors points when selecting questionnaires as a research tool, questionnaires are considered economic when it comes to time and money. The respondents will remain anonymous. Questionnaire method promotes wide coverage permits, the study included thirty respondents, very difficult when using the questionnaire method given little time available. Questionnaires are properly written down and there are little chances for misrepresentation. The researcher would collect all completed responses within a short period of time. The researcher motivated the respondents to get the best of the responses. The researcher got favourable responses as he was there to clarify on some issues. The questionnaires have some disadvantages despite having some advantages.

The researcher experienced disadvantages also when using questionnaires, the researcher was present to assist the respondents in some areas they face difficulties to answer. There was no time to probe respondents to explain further the responses. Some respondents will end up giving false information fearing victimisation. There was failure to return questionnaires by the respondents.

3.8.2 Types of Questions

Questions for surveys are classified into two, categories which are closed ended questions and open ended questions. In this research closed ended questions were used.

3.8.3 Closed Ended Questions

According to Jackson (2011) closed ended questions are those questions that gives the respondents choice from given alternatives provided with all possible answers to the alternatives provided. It provides all possible answers to compromise the data collected to ensure its reliability and viability.

The researcher chose closed ended questions due to the following advantages; Responses to close ended questions can be ordered directly on scan able sheets that can be read and data entered into a computer database for analysis. Almost all respondents have the same frame of reference in responding and many also make it easier for subjects to respond to questions on sensitive or private topics. Closed ended questions are more easily analysed, every answer can be given a number or value so that statistical interpretation can be interpreted. Questions can be more specific, thus more likely to communicate similar meanings. Closed ended questions are faster for the interviewer, participant and the researcher and are less expensive survey method.

Closed ended questions also have disadvantages to the parties involved which are as follows simplicity and limitation of the answers, respondents have no choice to reflect their feelings. Closed ended questions give respondents no room to express that they are not understanding questions.

Likert Scale

Rattray and Jones (2009) defined a likert scale as one range of a scale type that researchers can choose from, and they identify frequency and multiple choice formats as alternatives. Dooley (2009) defines it as the most common method of creating a composite score in social search through summing the responses to items composed, this consist of a statement followed by a number of possible levels of agreement (strongly agree/strongly disagree).

This method produces more uniform scales and increases the probability that a unitary attitude is being measured, increasing validity and reliability. Likert scale method basically is based totally on experimental data regarding subject's responses rather than subjective opinions of judges.

The researcher considers the likert scale due to the following advantages; it is easy to prepare as compared to other scaling techniques, it is easily understood by respondents. The likert scale had also some disadvantages which are , it is longer to complete other than itemized rating scale and respondents read the entire statement rather than a short phrase.

Table 3.2 Likert Scale

Item	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Points	5	4	3	2	1

Source: Burns (2009)

3.8.5 Interviews

After the questionnaires, interviews were also carried out on the targeted sample. The aim of interviews was to be able to get individuals maximum cooperation. In the event the questions have been misunderstood the interviewer would repeat the question. Krishna and Kumar (2011) noted the interviewer should have a mental attitude on the subject by keeping opinions, judgments and feelings to himself. In a way the interviewer remained independent and avoided disagreements with the interviewees.

Interviewees were asked questions on the subject area that is, reasons for the recurrence of audit observations. Interviews were carried but with limitations as some respondents were committed to with organizational duties. As a result the interviewer had to consider the respondents convenience to do the interview.

3.8.6 Validity and Reliability

In research design validity refers to the appropriateness, meaningfulness and usefulness. The research seeks to establish whether the measures used were appropriate for the research and

the aim of the methodology used was to access sources of data as possible. To ensure reliability of data collected there was use of a larger sample since smaller some are subjective.

3.8.7 Data Analysis

Data analysis was done through the use of SPSS data analysis tool. The researcher used data obtained through various techniques to show relationships between variables to draw relationships between variables. The researcher had to use graphs and charts.

3.9 Data Presentation

Jim Taylor (2009) et al defined data presentations as methods used to illustrate gathered data and can be presented through tables, graphs and charts. It is a process which involves presenting the findings of the pieces of information. Answered questionnaires were collected from respondents.

Quantitative data analysis was used to produce charts, graphs and tables. The data collected from the questionnaires and interviews is consolidated and analysed and presented on pie charts, tables, graphs and summaries.

3.10 Summary

The chapter outlined how the study was carried out on the targeted population. It also focused on the sample size, instruments used in the collection of data and other factors that may determine reliability of collected data. Chapter four will focus on data analysis and presentation.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

After discussing the methodology used in the research, this chapter will now look at the techniques on data presentation, the research findings and interpretation. The data presentation process involves sifting the collected data and summarising it. The collected data will be interpreted using graphs, charts and figures. This chapter will summarise findings from interviews, and questionnaires. Officers in positions of authority and other employees gave responses on interviews and questionnaires.

According to Bobbie (2009) response rate is when the number of people taking part in the research is divided by the actual number of people asked to participate in the research. It is expressed in percentage form. A higher rate of response reduces bias response. The rate of response will determine reliability of results collected to be able reliance to be placed on the results.

4.1 Response rate

According to Bobbie (2009) response rate is the number of people taking part in a research divided by a number of participating people and is given in percentage form. A response rate leads to a reduced bias response. The rate of response will determine reliance on the collected data and research results.

4.1.1 Questionnaire response rate

Questionnaires were used as the research instrument for the collection of primary data. A total of 30 questionnaires were distributed in the Ministry of Home Affairs. 23 out of 30 representing 76.7% of the respondents completed and returned the questionnaires. The table below summarises the questionnaire response rate.

Table 4.1: Questionnaire response rate

Respondents	Distributed Questionnaires	Returned Questionnaires	Returned Questionnaires
Directors	2	2	100%
Deputy Directors	3	2	66.7%
Accountants	4	4	100%
Assistant Accountants	8	6	75%
Auditors	5	4	80%
Administration Assistants	8	5	62.5%
Total sample size	30	23	76.7%

The none response rate for the questionnaires distributed was 33.3% from Deputy Directors, 25% from Assistant Accountants, 20% from Auditors and 37.5 from Administration Assistants. Bobbie (2009) stated that a response rate in the range of 60% is a good response, and stated that 70% rate and above is very good. A 76.7% response rate was attained by the researchers' questionnaires as a result it ensures reliability and validity of the research findings.

Question 1

Is your Ministry audited regularly?

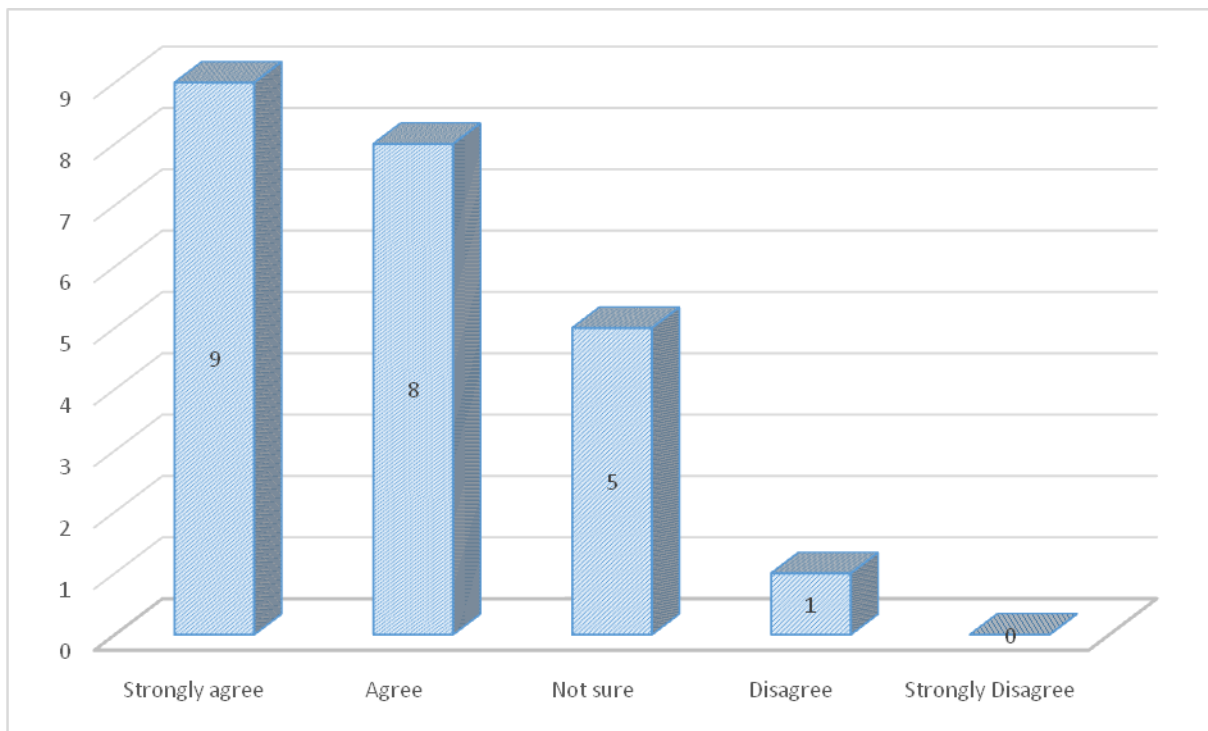


Figure 4.1 Audit Frequency

The above bar graph shows that nine out of the twenty three respondents strongly agree that the ministry is being audited regularly whilst eight agree. A further five respondents were not sure as to whether there were regular audits and only one respondent disagreed that there were regular audits.

Nine respondents represent thirty nine percent of the overall responses whilst eight represent thirty five percent and the five who were not sure represented twenty two percent leaving four percent representing those that disagreed. The research findings therefore show that seventy four percent of the respondents agree that the ministry was being audited regularly.

Question 2

Is your Ministry efficient in responding to audit queries?

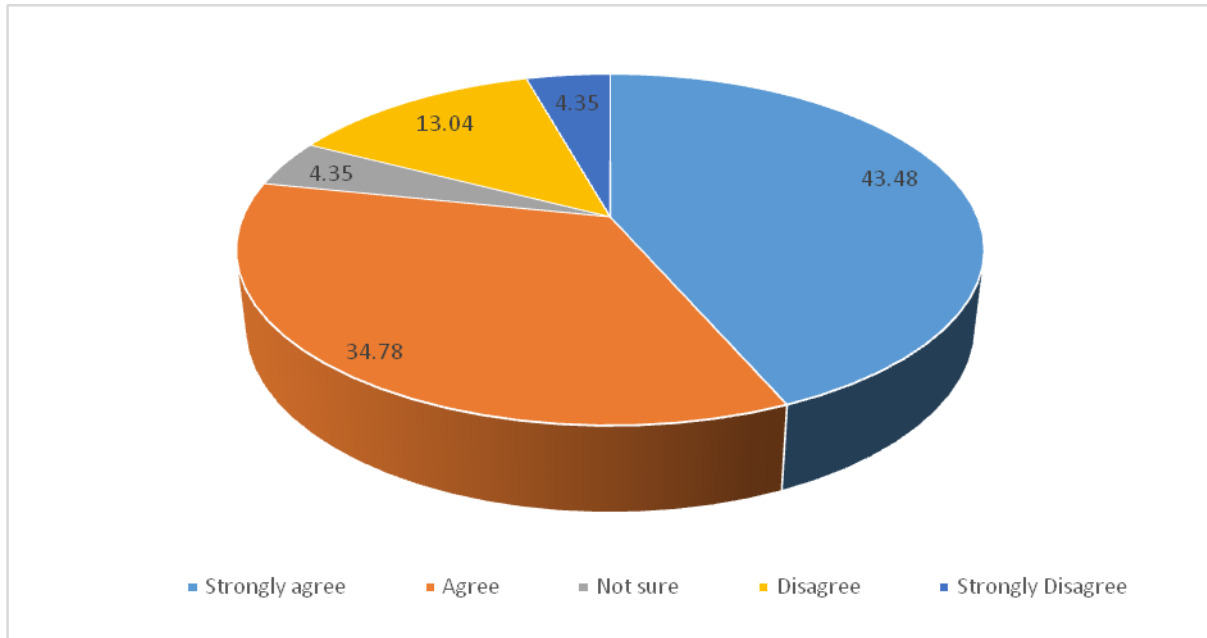


Figure 4.2 Ministry efficiency in responding to audits

The pie chart above showed that 44% representing ten out of twenty three respondents strongly agree, whilst eight representing 35% agree that the ministry is efficient in responding to audit queries. From the respondents 4% were not sure whilst 17 % disagreed. The data had a mean of 5 and a mode of 10 agreeing strongly and this implies that respondents do agree that the Ministry is efficient in responding to audit reports. Research findings showed that 79 % of the respondents agreed that the ministry is efficient in responding to audit reports.

Question 3

Have you ever come across a situation where similar observations were recurring after the conduct of routine audits?

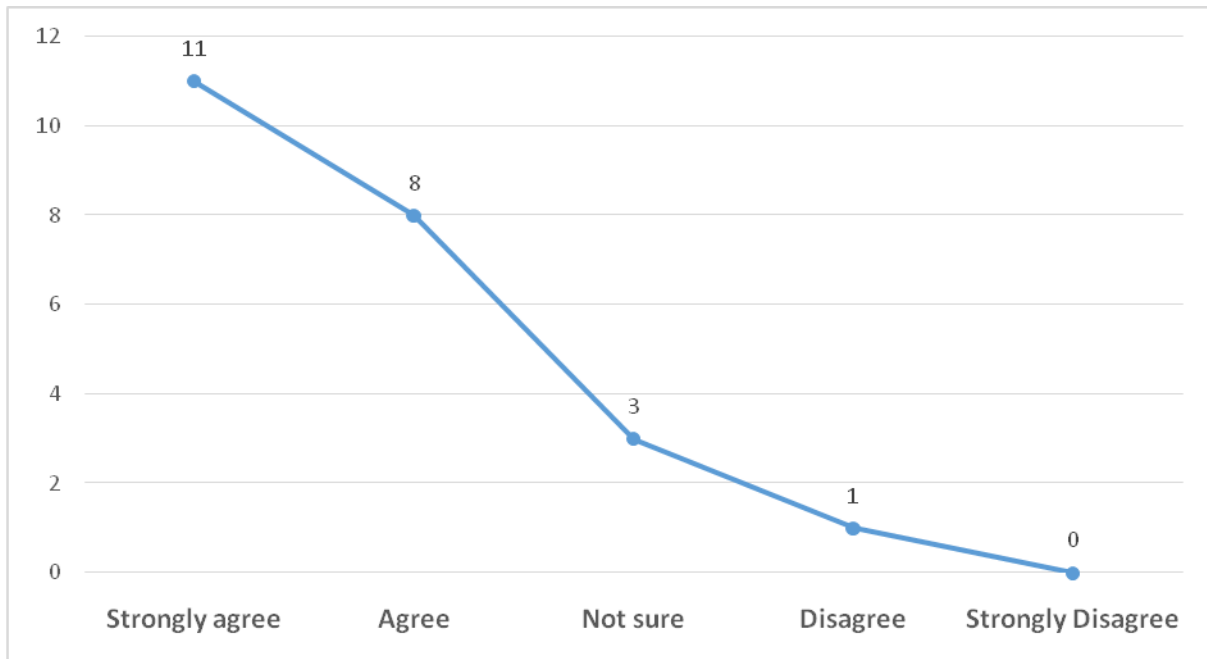


Figure 4.3 Occurrence of similar observations after routine audits

The figure above showed that eleven respondents representing 48% strongly agree that there were similar observations that were recurring after routine audits, whilst eight depicted by 35% agreed. From the respondents three representing 13% were not sure whether there were recurrences of similar audit observations after routine audits whilst one respondent representing 4% disagreed. The data had a mean of 5.75 and a mode of 11 agreeing strongly and this implies that respondents do agree that there is occurrence of similar audit observations after routine audits. Research findings showed that 83% of the respondents agreed that the ministry had instances of similar audit observations after routine audits.

Question 4

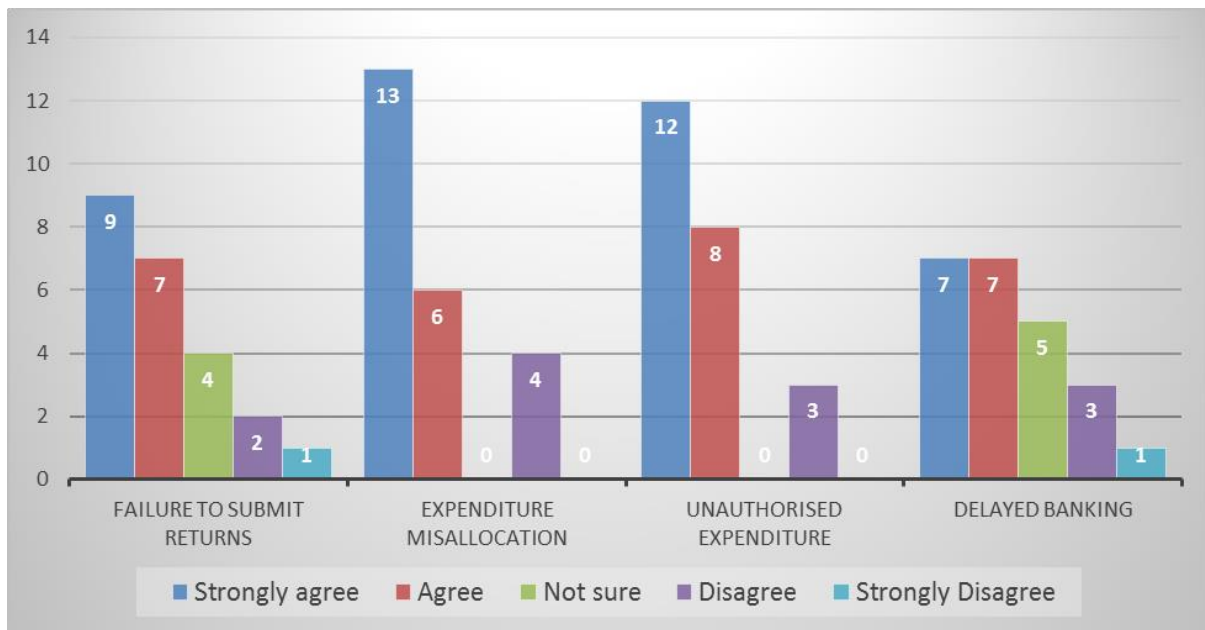


Figure 4.4 Weaknesses contributing to recurrences in audit observations

The four major weaknesses highlighted by the respondents as leading to the recurrence of audit observations were failure to submit returns, expenditure misallocation, unauthorised expenditure and delayed banking. Figure 4.4 above showed that nine respondents representing 39% strongly agree, seven respondents representing 31% agree, four respondents were not sure representing 17%, two respondents disagree representing 9% and one respondent representing 4% strongly disagree that failure to submit returns was a major weakness leading to the recurrence of audit observations. Research findings showed that 70% of the respondents agreed that failure to submit returns contributed to recurrences in audit observations.

4.4.1 The opinion of respondents as to whether expenditure misallocation was a weakness contributing to recurrence of audit observations

The response rate showed that 57% strongly agree, 26% agree and 17% disagreed. The data had a mean of 7.67 and a mode of 13 agreeing strongly and this implies that respondents do agree that expenditure misallocation contributed to recurrence of audit observation. Research findings showed that 83% of the respondents agreed that expenditure misallocation contributed to recurrences in audit observations.

4.4.2 The opinion of respondents with regards to unauthorised expenditure as a weakness contributing to the recurrence of audit observations

The responses showed that 52% strongly agree representing twelve out of twenty three respondents, 35% agree representing eight respondents and four respondents representing 13% disagreed. The data had a mean of 7.67 and a mode of 12 agreeing strongly and this implies that respondents do agree that unauthorised expenditure contributed to recurrence of audit observation. Research findings showed that 87% of the respondents agreed that unauthorised expenditure contributed to recurrences in audit observations. From the responses unauthorised expenditure fetched the highest number of votes from the respondents.

4.4.3 The opinion of respondents whether delayed banking was a weakness contributing to recurrence of audit observations

The response rate showed that 30% strongly agree, 31% agree, 22% were not sure, 13% disagreed and 4% strongly disagreed. The data had a mean of 4.6 and a mode of 7 agreeing strongly and this implies that respondents do agree that delayed banking contributed to

recurrence of audit observation. Research findings showed that 61% of the respondents' agreed that delayed banking contributed to recurrences in audit observations.

The researcher therefore concludes that of the four major weaknesses highlighted by the respondent's unauthorised expenditure is the highest contributor as shown by eighty three percent agreeing that it leads to recurrence of audit observations.

Question 5

The opinion of respondents on challenges faced in complying with audit returns.

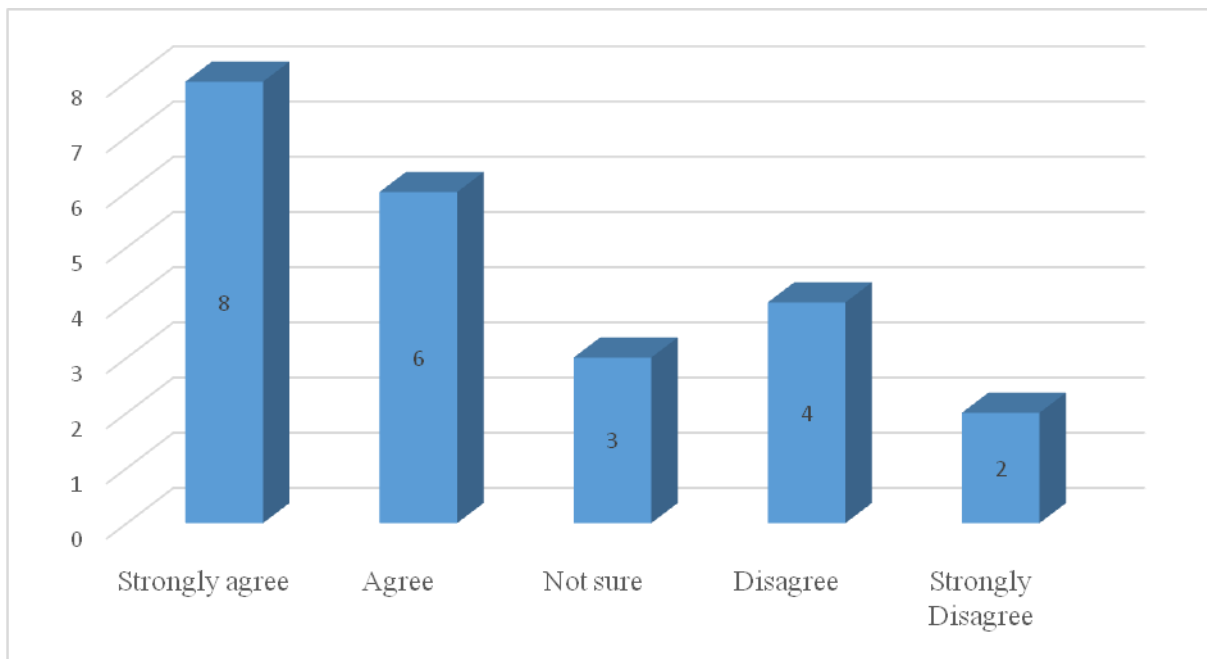


Figure 4.5 Challenges faced in complying with audit reports

Eight respondents showing that 35% strongly agree, Six respondents showing that 26% agree, three respondents depicting 13% not sure, four respondents representing 17% disagree whilst two respondents representing 9% strongly disagree. The data had a mean of 4.6 and a mode of 8 agreeing strongly and this implies that respondents do agree that there are challenges faced in complying with audit reports. Research findings showed that 61% of the respondents agreed that there are challenges faced in complying with audit report.

Question 6

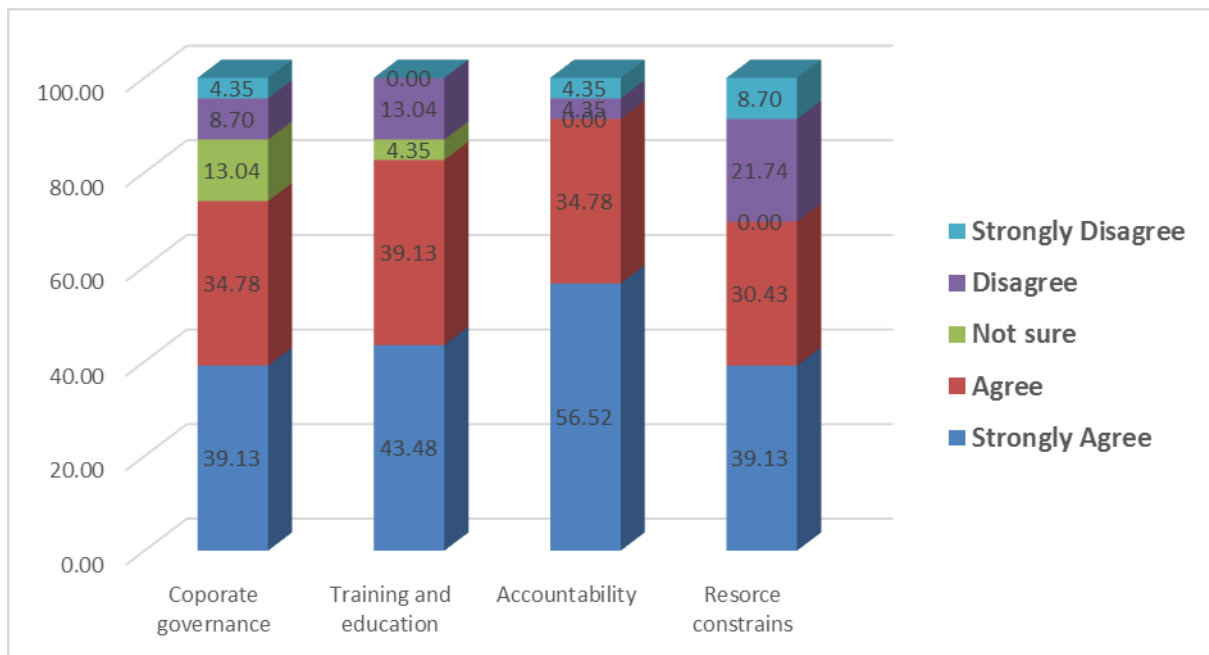


Figure 4.6 The challenges faced in complying with audit reports

6.1.1 Corporate governance as a challenge in complying with audit reports

The responses gathered showed that 39% strongly agree, 35% agree, 13% were not sure whilst 13% disagreed. The data had a mean of 4.6 and a mode of 9 agreeing strongly and this implies that respondents do agree that improper corporate governance is a challenge faced in complying with audit reports. Research findings showed that 74% of the respondents agreed that improper corporate governance was a challenge faced in complying with audit reports. Therefore the respondents concur with Muhammad (2010) who bemoaned the absence of corporate governance practices in organisations as a challenge in complying with audit reports.

6.1.2 Training and Education as a challenge faced in complying with audit reports

The response rate showed that 44% strongly agree, 39% agree, 4% not sure and 13% disagreed. The data had a mean of 5.75 and a mode of 10 agreeing strongly and this implies

that respondents do agree that training and education is a challenge faced in complying with audit reports. Research findings showed that 83% of the respondents agreed that training and education is a challenge faced in complying with audit reports. These respondents agreed to Tysiac (2013) who highlighted that training and education is a challenge as expenses involved are prohibitive resulting in challenges to comply with audit reports.

6.1.3 Accountability as a challenge faced in complying with audit reports

The response rate showed that 57% strongly agree, 35% agree, 8% disagree. The data had a mean of 5.75 and a mode of 13 agreeing strongly and this implies that respondents do agree that accountability is a challenge faced in complying with audit reports. 92% of the respondents agreed that accountability is a challenge faced in complying with audit reports. These respondents were in agreement with Khan (2009) who stated that accountability laws should be clear on organisational and personal accountabilities. Amongst all the challenges accountability received highest number of votes from respondents.

6.1.4 Resource constraints as a challenge faced in complying with audit reports

From the responses it shows that 39% strongly agree, 30% agree, 22% disagree and 9% strongly disagree. The data had a mean of 5.75 and a mode of 9 agreeing which shows that more agreeing that resource constraints are a challenge in complying with audit reports.

Of the respondents 69% were in agreement that resource constraints are a challenge faced in complying with audit reports. The respondents concur with Zinyama and Zhou (2012) that government activities are bailed from Treasury and further stated that resource allocations have been dwindling due to poor economic conditions as a result some activities were overlooked.

Question 7

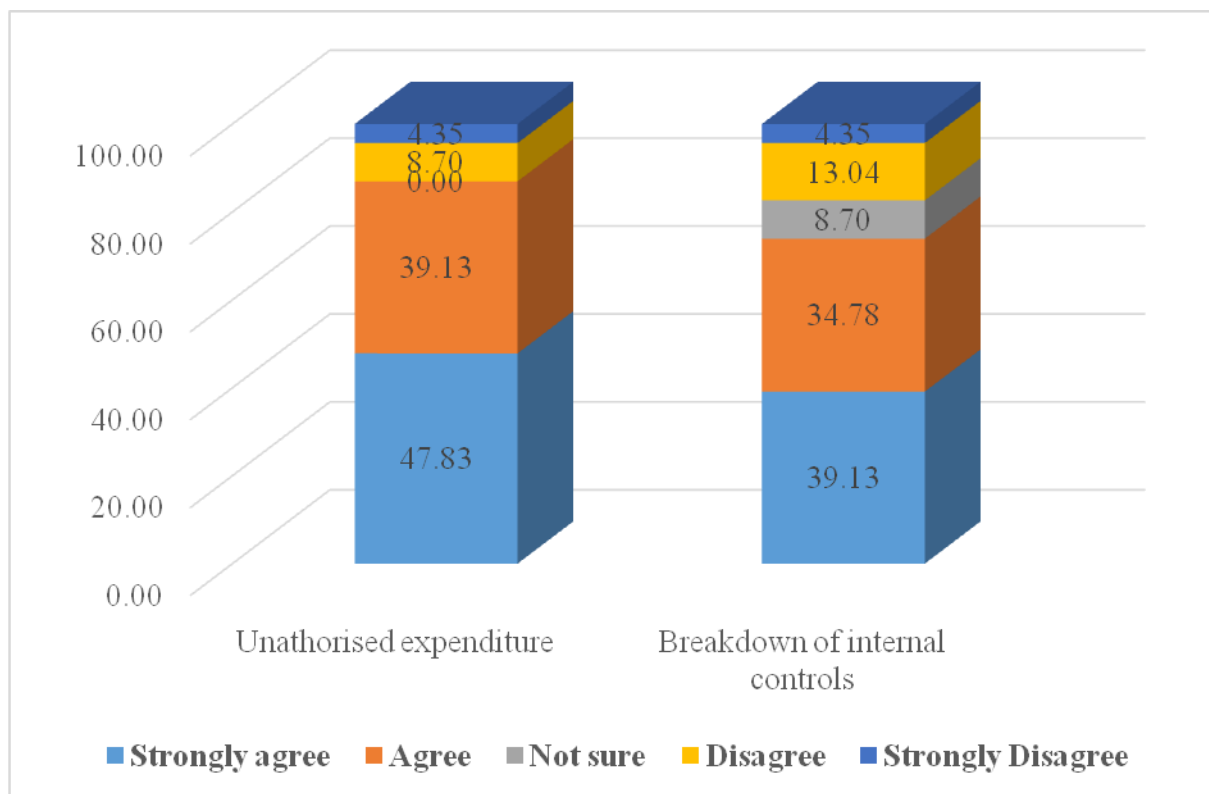


Figure 4.7 Causes of non-compliance with Public Finance Management Act and Treasury Instructions

7.1.1 Unauthorised, Irregular and wasteful expenditure as a cause of non-compliance with Public Finance Management Act and Treasury Instructions

From the respondents it shows that 48% strongly agree, 39% agree, 9% disagree whilst 4% strongly disagree. The data had a mean of 5.75 and a mode of 11 agreeing which shows that unauthorised, irregular and wasteful expenditure is a challenge in complying with audit reports.

A response rate of 87% in agreement that unauthorised, irregular and wasteful expenditure is a challenge faced in complying with audit reports. The respondents were agreeing to Wendy

Morton- Huddleston et al (2014) who stated that improper payments occurs when funds go into wrong accounts , incorrect amounts are paid to recipients through under or overpayment and non-existence of supporting documents. From the two causes of non-compliance, unauthorised irregular and wasteful expenditure attained more votes from respondents.

7.1.2 Breakdown of internal controls as a cause of non-compliance with Public Finance Management Act and Treasury Instructions

From the respondents it shows that 39% strongly agree, 35% agree, 9% not sure, 13% disagree, 4% strongly disagree. The data had a mean of 4.6 and a mode of 9 agreeing which shows that more agreeing that breakdown of internal controls is a challenge in complying with audit reports.

The respondents with rate of 74% were in agreement that breakdown of internal controls is a challenge faced in complying with audit reports. The respondents were concurring with Harcourt (2014) who highlighted that lack of internal controls exposes the organisation as it amounts to negligence on the part of the organisational responsibilities and non-compliance with set standards.

Question 8

Do other countries have experiences in solving recurring audit observations?

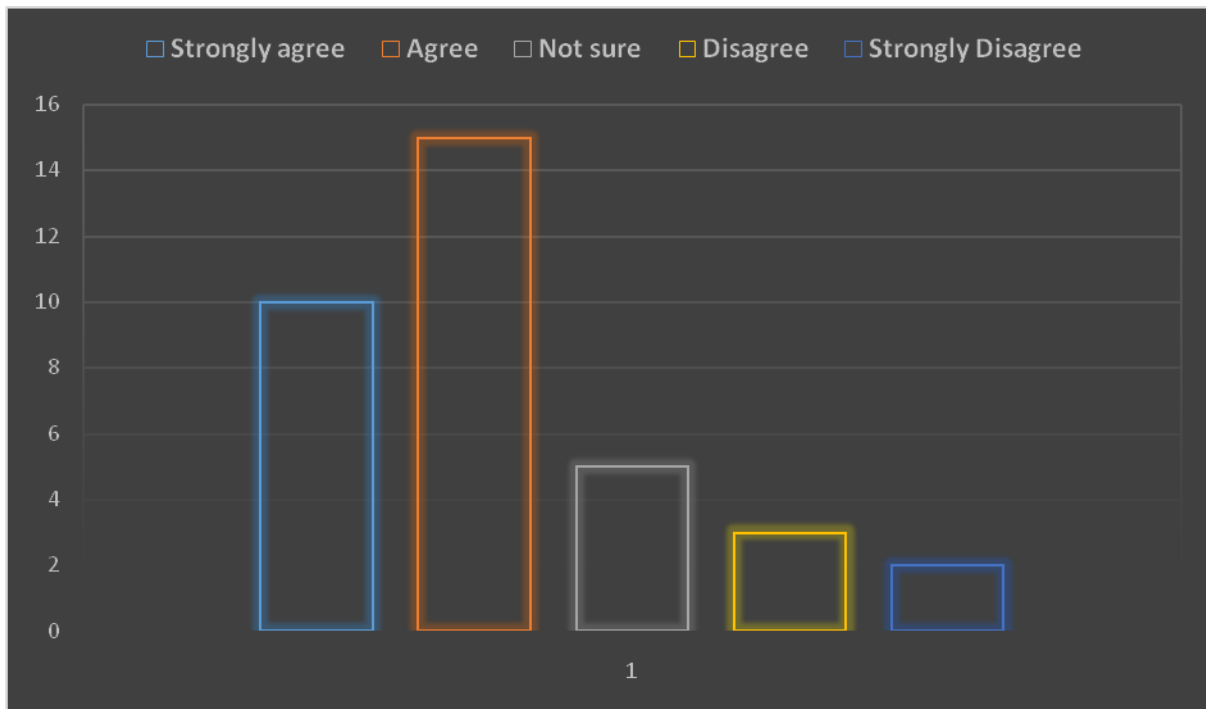


Figure 4.8 Experiences of other countries in solving audit observations recurrences

Eleven respondents strongly agreed that other countries have experiences in solving audit recurrences representing 48%, eight respondents 35% agree, one respondent representing 4% was not sure, three respondents representing 13% disagree and one depicting 4% strongly disagrees.

From the data above a mean of 4.6 as well as a mode of 11 and a total response rate of 83% agree of experiences of other countries in solving audit observations recurrences. These respondents were in agreement with Asenso – Boakye (2014) who mentioned the need to comply with stated rules and regulations to ensure transparency on the use of public funds.

Question 9

Are there resolutions for recurring audit irregularities?

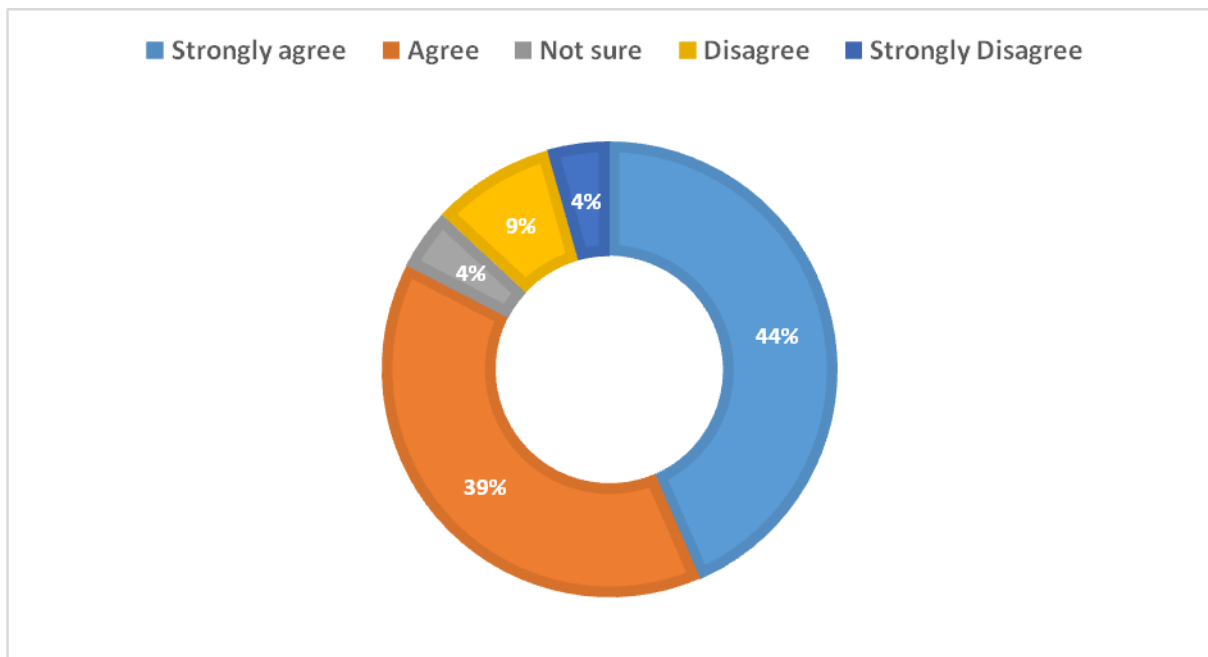


Figure 4.9 Resolutions for recurring audit irregularities

From the respondents 44% strongly agree, 39% agree, 4% not sure, 9% disagree and 4% strongly disagree on resolutions for recurring audit irregularities.

From the data above a mean of 4.6 mode of 10 and a response rate of 83% agreed that there are resolutions for recurring audit irregularities. The respondents were in agreement with Harcourt (2014) who stated that there is need to have a well-designed internal control system to ensure reliability of financial reporting and compliance with set rules and regulations.

Question 10

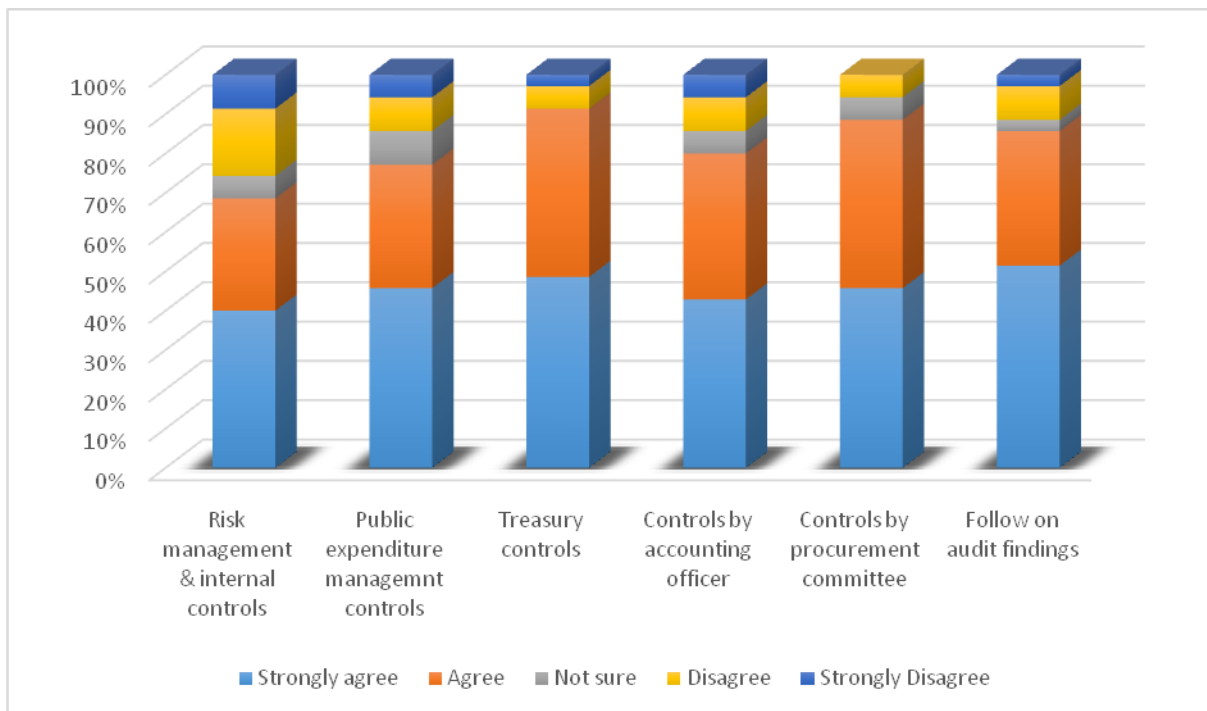


Figure 4.10 Resolutions for recurring audit irregularities

10.1.1 The opinion of respondents on risk management and internal controls as a resolutions for recurring audit irregularities

The findings from respondents showed that 35% strongly agree, 30% agree, 13% not sure, 13% disagree and 9% strongly disagree that risk management and internal controls are resolutions for recurring audit irregularities.

The mode of 8 and a mean of 4.6 and the response rate was 65% was observed from the above data which clearly shows that risk management and internal controls are resolutions in recurring audit observations. The respondents agreed to Zhou (2012) who stated that risk management gives management the power to manage risks and set up internal controls of materials management.

10.1.2 The opinion of respondents on public management expenditure controls as a resolutions for recurring audit irregularities

The findings from respondents showed that 48% strongly agree, 39% agree and 13% disagree that risk management and internal controls are resolutions for recurring audit irregularities.

The mode of 11 and a mean of 7.6 and the response rate was 87% was observed from the above data which clearly shows that public expenditure management controls is a resolution in recurring audit observations. The respondents agreed to Zhou and Zinyama (2012) who stated that effective public expenditure management should question expenditure at both macro and micro levels of government.

10.1.3 The opinion of respondents on treasury controls as a resolutions for recurring audit irregularities

The findings from respondents showed that 44% strongly agree, 35% agree, 9% not sure, 13% disagree and 0% strongly disagree that treasury controls are resolutions for recurring audit irregularities.

The mode of 10 and a mean of 5.75 and the response rate was 78.3% was observed from the above data which clearly shows that Treasury controls are a resolution in recurring audit observations. The respondents agreed to Bhili B (2013) who stated that, treasury instructions give directions to government officers on the collection, receipt, custody and control of public moneys.

10.1.3 The opinion of respondents on controls by Accounting officers as resolutions for recurring audit irregularities

From the respondents 52% strongly agree, 44% agree, 0% not sure, 4% disagree and 0% strongly disagree that Accounting officers controls are a resolution for recurring audit irregularities.

From the data above a mean of 7.6 mode of 12 and a response rate of 95.7% agree accounting officers controls are a resolution for recurring audit irregularities. The respondents were in agreement with Goel (2009) who stated that the Accounting officer is one of the three public institutions that assist the Parliament in its daily financial controls of public funds.

10.1.4 The opinion of respondents on controls by Procurement Committee as a resolutions for recurring audit irregularities

The data shows that 39% strongly agree, 31% agree, 17% not sure, 13% disagree, 0% strongly disagree. From the data a mean of 5.8 and a mode of 9 were observed which shows that the respondents were supporting that controls by the procurement committee are resolutions for recurring audit irregularities.

The respondents were agreeing with Etse (2014) who stated that procurement is critical as it ensures that government procures with set laws to attain value for money.

10.1.5 The opinion of respondents on follow up audit findings as a resolution for recurring audit irregularities

The data shows that 9% strongly agree, 9% agree, 35% not sure, 47% disagree, 0% strongly disagree. From the data a mean of 5.8 and a mode of 11 were observed which shows that the

respondents disagreed were on follow up audit findings as a resolution for recurring audit irregularities.

The respondents were agreeing Khembo (2009) who bemoaned failure to make follow up audit findings as a resolution to recurring irregularities.

From the mentioned resolutions controls from Accounting officers emerged to be the best resolution based on the respondents.

11.1.1 Interviews

Interviews were conducted by the researcher to obtain responses to the questions.

11.1.2 Interview Schedule

Interviews were conducted at the Ministry of Home Affairs at Mkwati Building as shown in the table below showing a 70% response rate.

Table 4.2

Respondents	Population	Sample	Percentage	Date and Time of Interview
Directors	2	1	50%	14/10/2014 – 11:30 am
Deputy Directors	1	1	100%	14/10/2014 - 12:05pm
Accountants	2	2	100%	14/10/2014 - 14:00pm
Assistant Accountants	1	1	100%	15/10/2014 - 10:15am
Auditors	2	1	50%	15/10/2014 - 11:00am
Administration Assistants	2	1	50%	15/10/2014 - 12:00pm
Total sample size	10	7	70%	

11.1.3 Interview Questions Responses

Question 1: How often did your Ministry get audited?

Only one respondent representing 14% stated that the Ministry is not audited regularly especially departments scattered around the country, 71 % representing five respondents agreed that the Ministry is being audited regularly. But 15% of the respondents could not remember whether the Ministry is audited regularly or not.

Question 2: Did your Ministry meet the desired response time frame to audit observations?

Respondents totalling 86% agreed that the Ministry always meet the audit response deadlines as enshrined in the Treasury Instruction. But 14% of the respondents were of the view that though deadlines are met, some of the responses are not up to standard. This was evident from a number of responses returned by audit to the ministry for further clarification or explanation.

Question 3: Is there a situation where the Ministry failed to address same audit recurrences in two or more different financial years?

From interviews done to top management, middle management and interviewed employees all representing 100% of the respondents are in agreement that audit recurrences happened in two or more different years with the period 2010 to 2013 mostly visible in their minds.

The recurrences included failure to submit returns, expenditure misallocation, and unauthorised expenditure and delayed banking. They were in agreement with Makamure (2012) who revealed the shambolic state of the public funds management system.

Question 4: Are there any challenges in complying with audit reports?

The respondents representing 100% were in agreement that there are challenges in complying with audit reports and felt they need to be addressed to avoid audit observations recurrences.

Question 5: Are the following challenges faced in faced in complying with audit reports?

The respondents which totalled 57% were not sure about corporate governance practice applicability in complying with audit reports and 43% respondents were in agreement with Muhammad (2010) who bemoaned the absence of corporate governance in a number of organisations and Khan (2009) who stated that organisational laws should be clear on personal and organisational accountabilities. 86% unanimously agreed that accountability, training and education and resource are challenges faced in complying with audit reports. These were all in agreement with Holland and Knight who stated that procedures and policies should be widely taught to enable compliance with ethics and Zinyama (2012) who observed resources allocated by treasury have been dwindling over years due to poor economic performance. Only 14% of respondents disagreed with the above.

Question 6: The following are causes of non-compliance with Public Finance Management Act and Treasury Instructions

The respondents 1, 2, 3 4 and 5 agreed that unauthorised, irregular and wasteful expenditure and breakdown of internal controls are the main causes of non-compliance with stated rules and regulations. The five were in agreement with Wendy Morton Huddleston et al (2014) who stated that unauthorised expenditure entails any expenditure made in violation of best practises and Harcourt (2014) who bemoaned the absence of internal controls as severe negligence by organisations. Respondent number 6, doubted if the unauthorised expenditure

and breakdown of internal controls were the causes of noncompliance with Public Finance Management Act and Treasury Instructions.

Question 7: Are there any resolutions for recurring audit irregularities?

Respondents representing 86% which is 1, 2, 3, 4 and 5 were in agreement that there are resolutions for recurring audit irregularities. Respondent 6 who represented 14% was not sure if there any resolutions to recurring audit irregularities.

Question 8: Do other countries have experiences in solving audit observation recurrences?

All respondents agreed that other countries have experiences in solving audit observations recurrences. The respondents were in agreement with Maira Martin (2013) of Uganda who mentioned the adoption of sound financial management system to improve levels of transparency and accountability.

Question 9: Are the following resolutions for recurring irregularities?

From the personnel interviewed, 43% were not sure of the following resolutions.(risk management and internal controls, controls by accounting officers and follow up audit findings) but endorsed other resolutions (public expenditure management controls, treasury controls and controls by procurement committee). Only 14% of the respondents argued with the resolutions that some of the resolutions are not applicable like controls by accounting officer and the procurement committee since not all payments pass through their offices. The remaining 33% agreed to all the resolutions. The respondents were in agreement with Zhou (2012) who mentioned the issue of risk management giving power to management to manage risks and set up controls. Goel (2009) who mentioned that the special role played by

accounting officers to Parliament on issue public funds under their care, Etse (2014) stated the issue of procurement to be always done above board as resolutions to recurring irregularities.

Question 10: Do other countries have experiences in solving audit observation recurrences?

All respondents agreed that other countries have experience in solving audit observations recurrences. The respondents were in agreement with Maira Martin (2013) of Uganda who mentioned the adoption of sound financial management system improving level of transparency and accountability.

4.4 Summary

This chapter focused on the presentation of research findings, which were presented in the form of tables, charts and graphs which were supported by some explanations to aid data presentation. The following chapter will focus on conclusions and recommendations for the research.

CHAPTER FIVE

SUMMARY CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The chapter is intended to bring about a summative conclusion and recommendations of the research carried on the investigation into the recurrence of audit observations in the Ministry of Home Affairs, 2010 to 2013 financial years. All aspects that have been dealt with in the previous chapters are going to be summed up in the final chapter.

5.1 Summary of Chapters

The first chapter covered the background of the study and was necessitated by the recurrence of audit observations in the Ministry of Home Affairs. The objective of the study was to find reasons for the recurrence of audit findings in the Ministry of Home Affairs and find out how the recurrences can be resolved. This chapter also provided research objectives and questions. Chapter two focused on literature review and gave a detailed analysis on the objective of the research. Under this chapter the researcher focused on areas identified by MOHA audit reports which needed improvements that included non-compliance and lack of accountability in government. The challenges faced in complying with audit reports were also highlighted in the chapter, with Muhammad (2010) bemoaning absence of corporate governance practises as a challenge faced in complying with audit reports. Khan (2009) mentioned accountability as the other challenge and stated the need to have clear accountability laws at personal and organisational levels.

Chapter three focused on how the study was carried out, the targeted population, the sample size, research instruments used in data collection and research design. A sample size of thirty respondents was chosen from a population of forty and used non probabilistic sampling. Questionnaires and interview were the research instruments used to collect data for research. Closed – ended Likert scale questions were used for data collection and interviews to targeted group at the Ministry.

Data presentation and analysis was carried out in chapter four. It was analysed and presented in the form of graphs, pie charts and tables, making the information valid and reliable.

5.2 Summary of Major Findings

The research findings reveal that there is a greater percentage on the recurrence of audit observations caused mainly by failure to submit returns, misallocation and unauthorised expenditure and delayed banking. Resource constraints, lack of accountability, improper corporate governance practices and breakdown of internal controls were also found to have contributed immensely to recurrence of audit recurrences.

5.3 Research Conclusions

The research has managed to identify the above mentioned factors as the main causes of the recurrence of the audit observations. These however can be clustered into employee reluctance to follow instructions and organisational ignorance to enforce compliance on audits as prescribed by rules and regulations.

5.4 Recommendations

Basing on the findings that the recurrence is a result of employee related attitude and organisational reluctance, the research therefore recommends the following.

1. The Ministry must create an operational manual that spell out conditions and benchmarks for the audits.
2. There is also need to use the SMART objectives for the audit to put pressure on employees to comply with all audits requirements, especially basing on time based results. By doing recurrences can be minimised or eliminated at all.
3. From findings and conclusions drawn from this research, Ministry of Home Affairs is recommended to provide on the job training programmes to educate employees on the value of respecting audit findings.
4. There is need by the Ministry to set up an audit committee to evaluate the audit reports and make recommendations on what should be done on raised audit observations.
5. More resources should be channelled to needy areas to avoid misallocations and unauthorised expenditure.

5.5 Further Areas of Study

The researcher did not cover some areas about the research undertaken on why Ministry's fail to comply with audit reports and some with sections of the PFM Act like establishment of audit committee.

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APPENDIX A



Faculty of Commerce
P Bag 9055
Gweru
Zimbabwe

14 August 2014

Dear Sir/Madam

RE: REQUEST TO CONDUCT A RESEARCH

My name is Mabwe Evans, a final year student at Midlands State University studying Bachelor of Commerce Accounting Honours Degree. The final year involves undertaking and industry oriented research. My research topic is:

An investigation into the recurrence of audit observations in the Ministry of Home Affairs. A case study of 2010-2013 financial years.

To make the research a success, I kindly request you to assist me with data by responding to questions in this questionnaire. The data will solely be used for academic purposes and a high level of confidentiality shall be maintained over the data. For any queries contact me on 0772 397 308 or 0733 683 052, email: evans.mabwe@gmail.com or the Department of Accounting Chairperson.

Thank you for your support.

Mabwe Evans (R113161Q)

APPENDIX B

QUESTIONNAIRE

Please complete the following questionnaire by ticking in the appropriate box.

Respondent's details:

Department.....

1) Is your Ministry audited regularly?

Strongly agree	Agree	Not sure	Disagree	Strongly disagree

2) Is your Ministry efficient in responding to audit queries or observations?

Strongly agree	Agree	Not sure	Disagree	Strongly disagree

3) Have you ever come across a situation where similar observations were recurring after the conduction of routine audits?

Strongly agree	Agree	Not sure	Disagree	Strongly disagree

- 4) Below are the weaknesses within the ministry which contributed to recurrences in the audit observations.

	Strongly Agree	Agree	Not sure	Disagree	Strongly disagree
Failure to submit returns					
Expenditure misallocation					
Unauthorised expenditure					
Delayed banking					

- 5) There are challenges faced in complying with audit reports

Strongly agree	Agree	Not sure	Disagree	Strongly disagree

- 6) The following challenges are faced in complying with audit reports?

	Strongly Agree	Agree	Not sure	Disagree	Strongly disagree
Improper corporate governance practises					
Training and education					
Accountability					
Resource constraints					

7) The following are the causes of non-compliance with Public Finance Management

Act and regularities?

	Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
Unauthorised irregular and wasteful expenditure					
Breakdown of internal controls					

8) Do other countries have experiences in solving audit observation recurrences?

Strongly agree	Agree	Not sure	Disagree	Strongly disagree

9) There are resolutions for the recurring audit irregularities?

Strongly Agree	Agree	Not sure	Disagree	Strongly disagree

10) The following are the resolutions for recurring audit irregularities?

	Strongly Agree	Agree	Not sure	Disagree	Strongly disagree
Risk management and internal controls					
Public expenditure management controls					
Treasury controls					
Controls by Accounting officers					
Controls by procurement committee					
Follow up audit findings					

THANK YOU

APPENDIX C

Interview Schedule for Ministry of Home Affairs

1) How often did your ministry get audited

.....

2) Did your Ministry meet the desired response time frame to audit observations

.....

3) Is there a situation where the Ministry failed to address same audit recurrences in two or more different financial years?

.....

4) Are there challenges faced in complying with audit reports?

.....

5) Are the following challenges faced in complying with audit reports,

Improper corporate governance practises

.....

Accountability

.....

Training and education

.....

Resource constraints

.....

6) The following are the causes of non-compliance with Public Finance Management Act and Treasury instructions?

Unauthorised irregular and wasteful expenditure

.....

Breakdown of internal controls

.....

7) Are there any resolutions for recurring audit irregularities?

.....

.....

.....

.....

8) Do other countries have experiences in solving audit observation recurrences?

.....

.....

9) Are the following resolutions for recurring irregularities?

.....

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