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The Effect of Internal Controls and the Audit Committee on financial Accountability in local Authorities

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ABSTRACT

Background: Local Authorities just like other government spending agencies are highlighted in Auditor General's report for various financial and non-financial irregularities. Among the factors that prevent financial irregularities are effective internal controls and audit committees. In this study, we demonstrate how internal controls and audit committees influence financial accountability in the public sector of Zambia, with a particular interest in Local government

Methods: The study employed a case study design. Primary data was collected from two local authorities using questionnaires. Data was analysed using regression and correlations analysis.

Results: Results from data analysis showed that both Internal Controls and Audit Committees were effective in influencing financial accountability in local governments. The results indicate that there is a significant Strong Positive Correlation between Internal Controls and Financial Accountability ($r=0.78$, $P<0.01$) and a weak Positive Correlation between Audit Committee and Financial Accountability ($r=0.20$, $P<0.05$). The regression model revealed that both Internal Controls and Audit Committees jointly explain some variation in the Financial Accountability of local authorities in Zambia

Conclusion: For policymakers, this indicates that strengthening the internal controls will improve financial accountability in local authorities. Further, the weak influence of the audit committee on financial accountability may indicate the need to improve the audit committee's effectiveness in the local councils in Zambia.

Key words: Internal Controls, Audit committees, Financial Accountability

INTRODUCTION

Internal controls and audit committees are crucial in influencing financial accountability in the public sector and local governments (Samelson, Lowensohn, Johnson, (2006). Internal Monitoring activities are put in place by the entity's management and practiced by the institution's employees,including the Management itself. The Committee of Sponsoring Organizations of the Treadway Commission,(COSO)of 1992, states that internal control activities help to promote efficiency, enhance reliability, and sometimes minimize asset loss. Board composition, existence, and performance of audit committees, and functioning of internal audits can explain variances in accountability (Brennan and Solomon (2008)).The Internal control environment and the contontrol activities if well implemented can lead to improved financial performance as there is a significant relationship between the internal control environment and the financial performance of an organization(Kinyua,Gakure, Gekara and Orwa,2015). However Local authorities in Zambia like other government spending agencies are always highlighted in the Auditor General's report for various financial and non-financial irregularities. These reports are presented to Parliament through Public Accounts Committee (PAC), and stakeholders inclincluding payers have an interest in the performance of these institutions in terms of prudent utilization of public resources. Hence it is apparent that empirical research is done on how internal controls and Audit committees contribute to accountability in local government in Zambia.

Some research in internal controls has been done in Zambia, for example, M'soka (2008), who focused on financial and Compliance Audits in government Ministries, stated that there are problems faced by institutionalizing Internal Audits in the public sector in Zambia. In the same vein, Nchite and Nsana (2004) conducted a study on the management and utilisation of projects, their study reported on the need to consider civil society to monitor public finance management in Zambia. Mupeta, (2017) looked at the factors that determine Internal Audit Effectiveness in the Selected Public Sector and Parastatal Organizations in Zambia. One of the gaps identified in previous studies was that none of them had looked at internal controls and Audit committees in local authorities and their effect regards to financial accountability. Therefore, this study investigated the role that Internal Controls and the Audit Committees have on financial accountability in local governments. Based on this background, the current inquiry was envisaged to investigate the effects of internal supervision and a committee of auditors on financial accountability in Zambian Local Government institutions.The study has added to litreture by revealing the need to improve the audit committee's effectiveness in the local councils in Zambia.

LITERATURE REVIEW

Theoretical foundation

The many of the studies on internal controls and good corporate governance in most organizations have been grounded on a combination of different theories mostly the agency theory (Mitra and Hassain, 2011) and the Resource Dependency Theory (Hillman, Withers, & Collins, 2009). These theories are important in financial accountability and Corporate Governance and are most recognized by researchers to get further understanding and insights into Internal Controls and Audit Committees (Nicholson and Kiel, 2007).

The Agency theory explains the relationship that exists between the agent (managers) and the principal (owners) or the distinction between management and ownership (Jaya, 2016). This study employed the Agency theory to determine the effects of internal controls and the audit committees on financial accountability in local authorities in the Zambian context. The choice of employing the agency theory in this study is influenced by its ability to be conceptualised and it condenses the whole organisation into two participants namely the management and the owners (Nalukenge, Tauringana, & Ntayi, 2017;Nkundabanyanga, Tauringana, & Muhwezi, 2015). In the context of this study, local authority managers are accountable to the public (owner). Based on the agency theory, managers are regarded as individuals with self-interest can manipulate financial resources for organisations to enrich themselves.(Bananuka,Nkundabanyanga,Nalukenge, & Kaawaase 2018) Therefore,managers are Agents of Shareholders and owe them a duty of care. It demands them to act in a manner that will grow shareholders' capital rather than reduce it. The mismanagement of financial resources is minimised by appointing audit committees to monitor the operations of management and report subsequent operations to the board (Bananuka, Mukyala, & Nalukenge, 2017; Shapiro, 2005). Therefore, the board plays a significant role in ensuring that managers/management line with the articulated vision and see that the organisational objectives are met (Jaya, 2016). Independent organisation focuses on the Resource Dependence Theory. The Resources and their external environment control important resources. The Board members in this perspective provide resources, and the composition of the Board relates to the ability of the Board to bring resources to the firm (Demidenko& McNutt, 2010). In the resource dependency theory, the Audit Committee's resource role is that of a source of advice and counsel to the Board of Directors, advising the Board on how to bring resources to the firm.

Financial Accountability

Studies focusing on financial accountability have gained popularity among scholars and researchers due to the legitimacy of international institutions (Tumwebaze, 2018). The concept of financial accountability has been defined by different scholars from different perspectives and contexts. Mukyala, Bananuka, Basuuta, Tumwebaze and Bakalikwira (2017) defined financial accountability in the context of the public sector as the system of providing information by management to the relevant authority on how the public resources have been used. It's about ensuring that management complies with the minimum set standard of preparing and reporting financial records (Dunne, 2013; Minja, 2013). Therefore, accountability is present or enhanced when there is physical evidence of work done, services completed and good record-keeping (Banamuka, 2018). Managers have an obligation and responsibility to account for their activities in line with the expectations of all the stakeholders(Porter,2009;Kundabanyanga,2007). According to Van Horne (2002), financial accountability is linked to the measure of performance and helps to determine whether public resources have been applied or used according to the set guidelines. In this study,we adopt the defination by Dunne, 2013; and Minja, 2013 above. A recent study conducted in Nigeria using a sample of 355 head of government units employing regression analysis reported a positive relationship between internal controls and financial accountability (Adeyemi & Olarewaju, 2019)

Internal control and financial Accountability.

Kapic (2013) described internal controls as a risk management tool. They are tools put in place to ensure that nothing negative happens to the financial management of the entity (Ross, 2016). Internal controls provide an organisation with a mechanism for ensuring that the public expenditures are accurately reported according to the stipulated guideline (Adeyemi & Olarewaju, 2019). They can also be preventing or detecting depending on the circumstances prevailing (Lawrence, 2000). Effectiveness of controls according to Naidoo (2009), listed components are utilised: Control Environment – tone of the organization, Control Activities – policies and procedures, Information and Communication – relevance and timeliness, Monitoring – ongoing assessment of controls. An Oversight mechanism that is used to check on Management's excesses is the internal audit function. It is for this reason that internal auditors are widely exhorted in the literature on Corporate Governance because they are the people that embrace the chance to achieve corporate objectives through sound risk management systems in place (Sarens, & De Beelde, (2006). The hypothetical framework and pragmatic reviews have reviewed the misuse of public resources, and this has been of major concern in the Local Government. In Zambia for instance, it is envisioned that the enactment of the Public Procurement Act to provide Internal Controls and the support of the Audit Committees at every spending level as in the case of the Local Government Authorities or Councils in Zambia, can help reduce the occurrence of un-vouched expenditure in Government funded institutions.A study conducted by Ross (2017) on manciple the government in the USA highlighted the importance of internal controls in preventing fraud and embezzlement of government revenues.

According to Ashbaugh-Skaif, Collins, Kinney & LaFond (2007), where an organisation has weak internal controls, managers are likely to provide inaccurate earnings and other financial estimates. Prior studies have shown that there is a positive relationship between internal controls and financial accountability (Ibrahim, 2017; Jaya, 2016; Jeffrey, Rosenberg, & McCabe, 2018). The research found that internal controls have positive effects on the performance of local government. However, some previous studies reported negative effects of internal controls on the performance of an organisation due to its emphasis on protecting managers and the organisation at the expense of the general public (Lenz and Sarens 2012; Norman et al.2010; Neu et al. 2013; Roussy 2013, Sarens 2014; Jaya, 2016). Therefore, the hypothesis is stated as follows:

H_a: There is a positive relationship between organisational internal controls and financial accountability.

Audit committee and Financial Accountability

Audit committees are set up in organisations by the board of directors to ensure the monitoring of organisations' management activities (Nasution 2013). The contributions through their roles, characteristics, expectations, and evaluation of practices to the Local Authorities like Chingola and Kalulushi Municipal Councils. Managers in different organisations are analysed by the Agency Theory which provides a powerful theoretical framework. Shapiro (2005) suggested that Audit Committees are designed to mitigate problems and act as a monitoring mechanism for the preparers of financial statements and shareholders. The Public Sector and its stewards demonstrate a Principal-Agent relationship. Audit Committees play an essential part in transparency and accountability. On the other hand, Internal Controls play a crucial party to enhance accuracy in financial reporting.

CIPFA (2009), argued in appreciation of the organization's control environment and activities. Comprehension of an organisation's control environment will help the committee of auditors understand the sources of risks in the organisation. In the USA, it is a requirement for an enterprise to have a qualified Control board to be listed on Public Stock Exchange. The Zambian government has also adopted the same regulatory requirement for its listed companies on LUSE. It requires a team of qualified experts, including in finance to sit on the Committee. The financial statements are reviewed and monitored by Audit Committees on behalf of the Board. According to Rouse (1999), Audit Committee members take responsibility for any misreporting in the financial statements. Literature has reported a positive influence of audits committed on financial accountability (Alzeban, 2015, Alzeban, 2018). Additionally, audit committees are considered to have a significant influence on good cooperative governance in institutions (Jaya, 2016). However, a study conducted in Uganda on 52 statutory cooperation reported a non-significant relationship between audit committees' activities and financial accountability (Banamuka *et al,* 2017). Similarly, other studies have also shown a positive association between the audit committee and financial accountability (Haji & Anifowose, 2016; Neu, Everett & Rahaman 2008; Lin, Xiao, & Tang, 2008). Based on the above discussion, the hypothesis is formulated as follows:

H_b: There is a positive relationship between audit committee activities and financial accountability.

METHODOLOGY

Study Design

The study employed a survey were 2 Municipal Councils were used as a case study. The study was descriptive and cross-sectional.

Study population

The target population for this study included Non-Executive Directors (NEDs), from each Council that sits on each Audit Committee of the Council. It also included Executive Directors, Senior Managers, Middle Managers; and some employees in positions of influence; and key to this study. The targeted total population was two hundred and fifty (250) from the two Councils.

Sample size

The researchers used Krejcie and Morgan(1970) Table in selecting the sample size of one hundred and fifty (150) members from the targeted population of 250 which included the NEDs. The table provides an effective method of determining sample size and is widely used by many researchers.

Sampling Method

Due to the varied nature of the sample population, the purposeful sampling technique was used to select the sample from both the management and other staff at the Municipal Councils. This sampling procedure was ideal to focus only on those respondents with information relevant to the study. Members of staff for the two Councils were chosen from all the seven Departments of each Council, that is (i)Finance department, (ii) Administration department, which includes the Audit unit, Audit Committees, and Procurement unit, (iii)Engineering department, (iv) Planning department, (v) Housing department, which includes Library unit, (vi) Public Health, and (vii) Legal Services departments.

Data Collection Procedure

Questionnaire and measurement of variables

The study looked at the relationship between the three variables. The independent variables were Internal Controls and Audit Committees, while Financial Accountability was the dependent variable. Like Bananuka et al.

(2018) and Nalukenge et al. (2017) this study utilized perceptions in studying internal control, Audit committees and financial accountability in local authorities. The variables in this study were measured using respondents' mean rank of the items on a five-point Likert scale ranging from strongly agree, which was rated five to strongly disagree which was rated one. Appendix 1 shows the items that were included in the likert scale. Internal controls were conceptualized based on two of the five components of the COSO framework, which are control environment and control activities, (Amudo and Inanga, 2009; Onumah et al., 2012). An effective audit committee is a subcommittee of the board that performs the roles of reviewing corporate accounting information, supervising internal audit systems and liaison with external auditors (Lin et al., 2008; Brennan and Kirwan, 2015) hence the conceptualization of the Audit committees included a review of whole range activities including risk management and review of compliance with regulatory requirements. All these constitute Independent variables. The dependent variable was Financial Accountability which was represented by budgeting, utilization of funds and prevention of fraud. (Nyamori, 2009; Minja, 2013)

Reliability and Validity Test for the Questionnaire

Hungler and Pilot (2009) defined the authenticity of an instrument as the degree to which a particular instrument measures what it is intended to measure. Validity is the extent to which an instrument represents the different factors under study,(Gaberson,1997). To achieve content validity the questionnaire included an assortment of questions. The Kaiser-Meyer-Olkin (KMO) test was done to confirm the Validity. Table 1 below shows the Kaiser-Meyer-Olkin (KMO) value of .710 for the questions which are above 0.7 indicating the validity of the questions. Hungler and Pilot (2009) defined trustability as the degree of consistency with which an instrument measures the attribute it is intended to measure. To confirm the consistency and reliability of the data Cronbach's alpha values were calculated Table 1 below shows the Cronbach's alpha values of above 0.7 for all variables indicating that the data collected was highly consistent and reliable for further analysis.

Table 1: KMO and Cronbach's alpha values

Item	Description	Frequency	Percent
Age	Male	59	56.4
	Female	49	45.6
Education	PhD	7	6.5
	Master's and Bachelor's Degree	64	59.3
	Diploma	24	22.2
	Certificate	13	12
Work Experience	1-3 years	42	38.9
	4-10	49	45.4
	Above 10 years	17	15.7

	Number of Items	Cronbach's alpha value	Kaiser-Meyer-Olkin(KMO)
			0.71
Accountability	33	.949	
Internal Control	13	.713	
Audit Committee	5	.736	

The model

The study used ordinary least squares (OLS) regression in investigating the effect of Internal Controls and Audit committees on Financial accountabilities was preferred because of the nature of the outcome variable. The dependent variable is not a binary indicator that takes on values of 0 and 1 but is continuous as the 5 points Likert scale was used to measure the variables. Hence applying the OLS estimator would not produce biased estimates. (Bananuka et al. 2018). The following multiple regression model was specified

The regression equation

$Acc = \beta O + \beta 1 Int + \beta 2 Aud + \alpha.$

Where Acc= Financial Accountability

β=Beta Coefficient

Int= Internal Controls

Aud= Audit Committees

α=error Term

RESULTS

Response Rate and the Respondents' Profile

150 questionnaires were distributed to the respondents, but only 108 questionnaires

were received back giving a response rate of 72%.

Table 2: Demographic Profile of Respondents

The study showed that 56.4% of the respondents were males and only about 45.6% were female. Concerning their education, about 59.3% have master's and bachelor's degree levels, while 22.2% have reached Diploma level, 6.5% PhD level and about 12% have gone as far as Certificate level.

Descriptive statistics

Table 3. Shows descriptive statistics of how respondents answered the statements that were used to measure the variables of Internal Controls, Audit committees and Financial Accountability. The mean score above 2.5 for each of the three variables shows that most of the respondents agreed that Internal Controls, Audit committee effectiveness and Financial Accountability moderately exist in the two Municipalities.

Table 3: Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Accountability	108	1.21	4.62	2.6307	.85706
Internal Control	108	1.20	5.00	2.9944	.83092
Audit Committee	108	1.42	4.70	2.6547	.74500

Diagnostics

Before proceeding to estimate the parameters of the model the normality diagnostic tests for the dependent variable Financial Accountability were done using Kolmogorov-Smirnova (KS) and Shapiro-Wilk (SW). Initially, the two tests revealed that the variable was not normally distributed (KS=.111, P< 0.00; SW=0.966, P0.007). However, the normality test was satisfied after the variable was transformed into Logarithm (KS=.071, P< 0.2; SW=0.982, P0.0154). The test for Multicollinearity of the two independent variables was also done and the results revealed that there was no excessive Multicollinearity between Internal Control and Audit Committee (r=0.292)

Correlation analysis

Pearson's correlation coefficient analysis was used to establish the relationships between the study variables. Table 4 shows the Correlation between Financial Accountability, Internal Controls and Audit committees, the results indicate that there is a significant Strong Positive Correlation between Internal Controls and Financial Accountability (r=0.78, P<0.01). Therefore, hypothesis H_a which reads "there is a positive relationship between organization's internal controls and financial accountability" is accepted. Furthermore, the results of the analysis reported a significant weak Positive Correlation between Audit Committee and Financial Accountability (r=0.20, P<0.05). Thus, hypothesis H_b which reads " there is a positive relationship between audit committee activities and financial accountability" is accepted.

Table 4: Correlation between Financial Accountability, Internal Controls and Audit Committee

	Accountability	Internal Control	Audit Committee
Accountability	1	.780**	.202*
Internal Control	.791**	1	.292**
Audit Committee	.231*	.292**	1

*. Correlation is significant at the 0.05 level.
**. Correlation is significant at the 0.01 level.

Regression

After doing model data diagnostics linear regression was done. Financial Accountability is the dependent variable while Internal Controls and Audit Committees are the independent variables. Table 4 shows the summary of the regression output that was obtained. The Adjusted R indicated that Internal Controls and Audit committee's effectiveness explains 60 per cent of the variance in financial accountability. However, only internal controls are a significant predictor of Financial Accountability.

Table 5: Summary of the regression output

Variable	Coefficient	Prob
Constant	0.124	0.000
Internal Control	0.112	0.000
Audit Committee	0.004	0.650
R-squared	0.609	
Adjusted R	0.602	
F-statistic	81.940	0.000

Since more than 50% of the variable coefficients are significant and the F statistic of 81.940 has a significant P value of 0.000 it indicates that all the independent variables jointly explain some variation in the dependent variable, hence the model could be used for forecasting. The regression model is presented in the equation below.

Acc= Acc= 0.124 +0.112 Int + 0.004Aud +α.

Where Acc= Financial Accountability

Int= Internal Controls

Aud= Audit Committees

α=error Term

From the above regression equation, it was revealed that holding Internal Controls and Audit Committees to a constant zero financial accountability would be 0.124 units. Holding the Audit committee effectiveness to a constant zero, a unit increase in internal control effectiveness would lead to an increase in financial accountability by 0.112. Finally holding Internal Controls effectiveness to a constant zero, a unit increase in Audit committee effectiveness would lead to an increase in financial accountability by 0.004

DISCUSSION OF FINDINGS

The Correlation analysis, results indicate that there is a significant Strong Positive Correlation between Internal Controls and Financial Accountability (r=0.78, P<0.01). This indicates that strengthening the internal controls which include the attitudes, awareness, and actions of management and those charged with governance in local authorities (control environment) improves financial accountability in local authorities in Zambia. In addition, effective application, and implementation of control activities like segregation of duties between authorization, custody, and record keeping will improve financial accountability. The results are consistent with the findings from the previous studies (Ibrahim, 2017; Ross, 2017; Jaya, 2016; Jeffery et al., 2014) which reported a positive correction between internal controls and financial accountability. Further, the results showed a significant weak Positive Correlation between Audit Committee and Financial Accountability (r=0.20, P<0.05). These findings are consistent with Bananuka et al. (2018), who found that accountability was more associated with internal audit function than the audit committees.

The fact that the Audit Committee had a weak influence on financial accountability may mean that the audit committees in local authoring may not be exercising their oversight efforts fully, Bananuka et al. (2018) argued that if accountability is better observed through proper record-keeping, physical evidence physical output or visibility of activities it is difficult to see how the diligent oversight of the audit committee may not bring about accountability. This view is also supported by (Nyamori, 2009). Hence there is a need to look at the effectiveness of audit committees in local authorities in Zambia.

CONCLUSION

This study aimed to demonstrate how internal controls and audit committee influences financial accountability in the public sector of Zambia, with a particular interest in Local government. This study employed a case study design, primary data was collected from two local authorities using questionnaires. Data were analysed using regression and correlation analysis. Results showed that both Internal Controls and Audit Committees were effective in influencing financial accountability in Local governments in Zambia. There is a significant Strong Positive Correlation between Internal Controls and Financial Accountability (r=0.78, P<0.01) and a significant weak Positive Correlation between Audit committees and Financial Accountability (r=0.20, P<0.05). The regression model revealed that both Internal Controls and Audit Committees jointly explain some variation in the Financial Accountability of local authorities in Zambia.

The findings of this study have important implications for both academics and policymakers. For academics, the results suggest that internal controls (control environment and control activities) are more important for accountability than audit committees. For policymakers in the local government authority, the results indicate that strengthening the internal controls will improve financial accountability in local authorities in Zambia. Further, the weak influence of the audit committee on financial accountability may indicate the need to improve the audit committee's effectiveness in the local councils in Zambia.

Like any study, this study has imitations. Firstly, this study was limited to two local authorities in Zambia, hence the results may only apply to Zambia's local authorities. Further, the use of respondents' perceptions in measuring internal control, Audit committees and financial accountability in local authorities may have introduced some bias in the results. Nevertheless, the results of this study have provided empirical evidence of the role that internal controls and audit committees have on financial accountability in Zambia.

Further research could be done to include a mixed study where both secondary and primary data could be used with the inclusion of more Local Authorities. Additionally, further detailed research can be done to assess the audit committee's effectiveness in local authorities in Zambia

Availability of data and materials

Data can be gotten from the corresponding author on reasonable request.

Appendices

Appendix 1 Questionnaire likert scale items

. CONTROL ENVIRONMENT
our Municipal Council has a code of conduct and/or ethics policy that has been communicated to all staff and outsourced ervice providers
Audit or internal control systems exist to periodically test for compliance with the policies.
Policies regarding the importance of internal controls and appropriate conduct are communicated to all staff at your council.
anagement establishes structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.
Management decisions are made collectively and not controlled by one dominant individual at your council.
The contractual terms with outsourced service providers are clear and concise concerning the Council's objectives and xpectations of conduct and performance.
anagement periodically reviews policies and procedures and communicated to employees respectively at your council to nsure that proper controls are in place.
he organization continuously provides mentoring and training opportunities needed to attract, develop, and retain sufficient nd competent personnel at your council.
rganizational structure in the council especially at your Municipal Council is clearly defined.
he organization holds periodic training to ensure employees are aware of their duties regarding internal control (e.g., egregation of duties, safeguarding assets); and training needs are continuously reevaluated at your council.
Are control procedures strictly followed by management at your council.
. CONTROL ACTIVITY
Controls employed by the Council management include authorizations, approvals, comparisons, physical counts, reconciliations nd supervisory controls.
The organization at your council periodically (e.g., quarterly, Semi-annually) reviews system privileges and access controls to the ifferent applications and databases within the IT infrastructure to determine whether system privileges and access controls are ppropriate.
he organization has policies and procedures addressing proper segregation of duties between the authorization, custody, and ecordkeeping at your council.
anagement performs a periodic review of policies and procedures to determine their continued relevance and refreshes them hen necessary.
. AUDIT COMMITTEES
oluntary disclosure of audit committee activities is more common at your Municipal Council.
ouncils with audit committees that meet at least twice per year are less likely to be sanctioned by the Public Accounts ommittee (PAC) for fraudulent or misleading financial reporting.
ouncils with audit committees that met at least twice per year are more likely to use external auditors in this case the office of he Auditor-General.
Councils with reporting problems are less likely to have frequent audit committee meetings.
Audit committee meeting frequency is positively associated with the number of transactions done by the Council.
.FINANCIAL ACCOUNTABILITY
our Municipal Council arranges workshops/programs to train finance officials on Generally Accepted Accounting Practice GAAP) standards.
he Financial Reports on predetermined objectives comply with the GAAP accounting standards.
our Council officials are updated with the changes in International Accounting Standards (IAS). For instance, the changes in the udgeting system from Activity Based Budgeting (ABB) to Zero Based-Budgeting System (0BB) which is result based.
inancialStatementsofyour Municipal Council is timeously submitted to the Auditor General for audit purposes by the Principal fficer in this case, TownClerks.
our council has a well-developed Chart of Accounts for proper classification of your transactions.
revention of fraudsatYour Municipal Council.
dequate verification of vouchers and other financial documents are usually made before effecting payment at your council.
here is always approval and confirmation of the financial transaction by relevant authorities at your council.
taff are trained to implement the accounting and financial management system at the council.
here is always severe punishment for erring officers who temper with internal control systems at your council.
he internal audit and audit committee offices review the process to monitor whether appropriate and accurate financial nformation is implemented at your organisation.
here is adequate compliance with accounting policies and procedures at your Council.
he accounting practices at your organisation conform to Generally Accepted Accounting Standards (GAAP).
uidelines and policies of your council are working and being implemented as desired by management.
esponsible officials at your council submit all statutory and financial obligations to the relevant institutions such as NAPSA, RA, and LASIF; when they are required in time.
he Municipal Council Management reviews process to monitor whether appropriate and accurate financial information is eceived.
anagement at your municipal council has assigned responsibilities for the timely review of audit reports and resolution of any on-compliance items noted in audit reports to responsible officers.
here is adequate knowledge of expected roles at your Municipal Council.
here is a timely release of reliable information to the relevant decision-makers at your Municipal Council.
anagement provides feedback to the junior officers about the operations of the system at your Council.
our MunicipalCouncil has procedures in place to manage its financial responsibilities
anagement at your council acts with a great degree of integrity in the execution of their roles
thical values are upheld in all management decisions at your Council.
nternal reviews of the implementation of internal controls in units are conducted periodically at your council.
ur organization has an objective, independent and active audit committee
egregation of duties or mitigating controls exists within transaction processing, authorization, custody, and recording functions t the council.
eparation of duties exists between procurement, account payables and disbursements.
nternal audit is independent of management influence
tilization of funds at your Municipal Council
he Finance department at your council prepares financial statements on budget versus actual on a comparative basis to chieve a better understanding of financial resource utilization
Funds at your Council are always used for the intended purpose with no misapplication of funds.
our Council reconciles all cash accounts with receipts and banking on monthly basis.
epartments have budget reviews where actual expenditure is compared with budgeted expenditure and explanations for the ariances given at your Council's finance meetings.
uality assurance is adhered to for all Community projects at your Council.
here are proper, prudent and timely documentation and progress reports at your Council.

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Although this data included human beings, the authors got consent from the respondent's to participate in the study and that no identifying information was collected to ensure confidentiality.

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No images, individual details or videos for clients' data are part of this paper.

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