

**AUDITORS AND THEIR SERVICE DELIVERY;
A CASE STUDY OF KASESE DISTRICT
LOCAL GOVERNMENT**

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**A RESEARCH DISSERTATION SUBMITTED TO THE COLLEGE OF
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DECLARATION

, BALUKU SILIVE, to the best of my knowledge, declare, that the work presented in this research is my original piece of work. This work has never been submitted to any institution for the award of any Diploma or Degree. All work contained here is original unless otherwise stated.

Signed 

BALUKU SILIVE

Date.....14/06/2012

APPROVAL

This is to certify that Baluku Silive has carried out this research under my supervision and is ready for submission to the college of economics and management sciences for examination for the award of Bachelors Degree in Business Administration with my approval

Signed... 

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(University supervisor)

Date... 14/06/2012

DEDICATION

I dedicate the research report to my dear parents Mr. and Mrs. Paddy Kamara, my brothers, Mercy, Gilbert, Asinjya. Sisters, Eresi, Rose, Kevin, friends and relatives whose financial, moral and physical support rendered me moral to accomplish this work.

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TABLE OF CONTENTS

Declaration.....	i
Approval	ii
Dedication.....	iv
Acknowledgements	vi
Table of contents	vii
Abstract.....	x
CHAPTER ONE	1
1.1Background of the study	1
1.2 Problem statement	1
1.3 Main objective.....	1
1.4 Specific Objectives	2
1.5 Research Questions.....	2
1.6 Significance of the study.....	2
1.7 Scope of the study	2
1.8Conceptual frame work.....	8
CHAPTER TWO	5
LITERATURE REVIEW	5
2.0 Introduction	5
2.1 Definition	5
2.2 Features of an Audit	6
2.2.1 Meaning of true and fair view	6
2.3 Objectives of an Audit.....	6
2.4 Purpose of Audit	7
2.5 Types of Audit.....	7
2.5.1 Scope of Internal Audit	8
2.6 Duties / Responsibilities of Auditors	8
2.7 Role of Auditors	9
2.8 Problems encountered by Auditors.....	12

CHAPTER THREE.....	13
RESEARCH METHODOLOGY	14
3.0 Introduction	14
3.1 Research Design	14
3.2 Study population.....	14
3.3 Sampling design	14
3.4 Sample size.....	15
3.5.1questionnaire.....	15
3.5.2 Structured interviews	15
3.6 Data processing and analysis	15
3.7 Limitations of the study.....	15
CHAPTER FOUR.....	26
PRESENTATION, INTERPRETATION NAND ANALYSIS OF DATA	26
4.1 introduction.....	26
4.2 Roles and responsibilities of auditors.....	27
4.3 Problems faced by auditors in the local governmnet.....	28
CHAPTER FIVE.....	29
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS	29
5.1.introduction.....	29
Summary of findings.....	29
5.1 Conclusions.....	29
5.2 Recommendations.....	29
REFERENCES;	31
Appendix I: Research instruments	32
Appendix II: Time Frame of the Study	36
Appendix III: Study Budget	37

LIST OF ACRONYMS

GAAPS.....	Generally Accepted Accounting Standards
IAS.....	International Accounting Standards
IFRS.....	International Financial Reporting Standards.
ISA.....	International Standards of Auditing
EDP.....	Electronic Data PROCESSING
ERM.....	Enterprise Risk Management
LGIAM.....	Local Government Internal Audit Manual

LIST OF TABLES

Table 4.1.1 Age of Respondents.....	26
Table 4.1.2 Qualification of respondents.....	26
Table 4.1.3 Time period worked.....	26
Table 4.1.4 Roles and Responsibilities of auditors.....	27
Table 4.1.5 Problems faced by Auditors.....	27
Table 4.1.6 Solutions to the problems encountered by Auditors.....	28

ABSTRACT

Despite the government's effort of promoting efficient accountability of its resources especially financial channeled to different departments like schools, health centers and sub-counties among others, the local government internal Audit that is responsible to make a follow up of these resources are caught up in a situation where they didn't have enough to do a 100% audit of every transaction.

The study was carried out in Kasese district local government, internal audit department and the researcher considered data period 2008-2011 as the scope of the study.

The researcher used a survey research design in which both qualitative and quantitative research techniques of data collection were applied

The findings of the study revealed that auditors face a number of problems among which include: work overload and this contributed 57%, limited funding which contributed 33% and threats to auditors' independence by the staff of the local government (10%).

The study recommended the increasing of government funding at the local government, increasing on the level of staffing and giving respect to the auditors while doing their audit work.

In a nutshell, much as the auditors are with the above problems, they have helped to reduce on the problems of poor financial control inform of misappropriation of funds which is a common phenomenon in government offices.

CHAPTER ONE

1.1 Background of the study

Through out the 1980's, Government grappled with the problem of increasing the accountability of the state government. One factor contributing to the increased emphasis on accountability was the continuing need to deliver more services with proportionally fewer resources e.g. instances of waste and fraud in public programs through the Audit Department. However, the limited availability of resources produced a climate of inefficiency and ineffectiveness within the audit department. This ranges from human to financial resources.

External factors like the society itself have also constrained the efficiency and effectiveness of the audit departments at the local government. The intended study therefore is to find out the roles and responsibilities of the audit departments in the local government, find out the problems encountered by the audit department and come up with solutions that will enable both the government and society to promote the efficiency and effectiveness of auditors in the execution of their duties.

1.2 Problem statement

Despite the governments effort of promoting proper and efficient accountability of its resources especially financial channeled to different governmental departments like the districts, sub-counties, schools and health centers; the local government internal audit that is responsible to make a follow up of these resources are caught up in a situation where they do not have enough resources to do a 100% audit of every transaction.

(LGIAM 2007) Besides, external factors like the society itself have also constrained the efficiency and effectiveness of the auditors to carry their work smoothly.

1.3 Main objective.

The study aimed at finding out whether the auditors are playing their role and problems encountered in the execution of their duties in Kasese District Council.

1.4 Specific Objectives

The researcher aimed at the following specific objectives.

- To find out the role and responsibilities of the Auditors in the Local Government
- To find out the problems Auditors face in the execution of their duties,
- To establish solutions to-the problems encountered by Auditors.

1.5 Research Questions

- What roles and responsibilities do Auditors play in the Local Government?
- What problems are encountered by Auditors in the execution of their duties?
- What are the possible solutions to the problems faced by Auditors in the Local Government?

1.6 Significance of the study

- Other researchers on the same problem were able to use the data collected from the study as a source of secondary data and literature review.
 - The information collected was available for policy makers and planners for use in order to develop effective strategies and policies towards auditors’ activities through proper finding
- The study also helped to highlight solution to the problems encountered by the auditors

1.7 Scope of the study

1.7.1 Subject Scope

The study was examining the problems encountered by auditors in the execution of their duties and the researcher focused on data between the periods 2009-2011.

The information collected was available for policy makers and planners for use in order to develop effective strategies and policies towards auditor’s activities through proper funding.

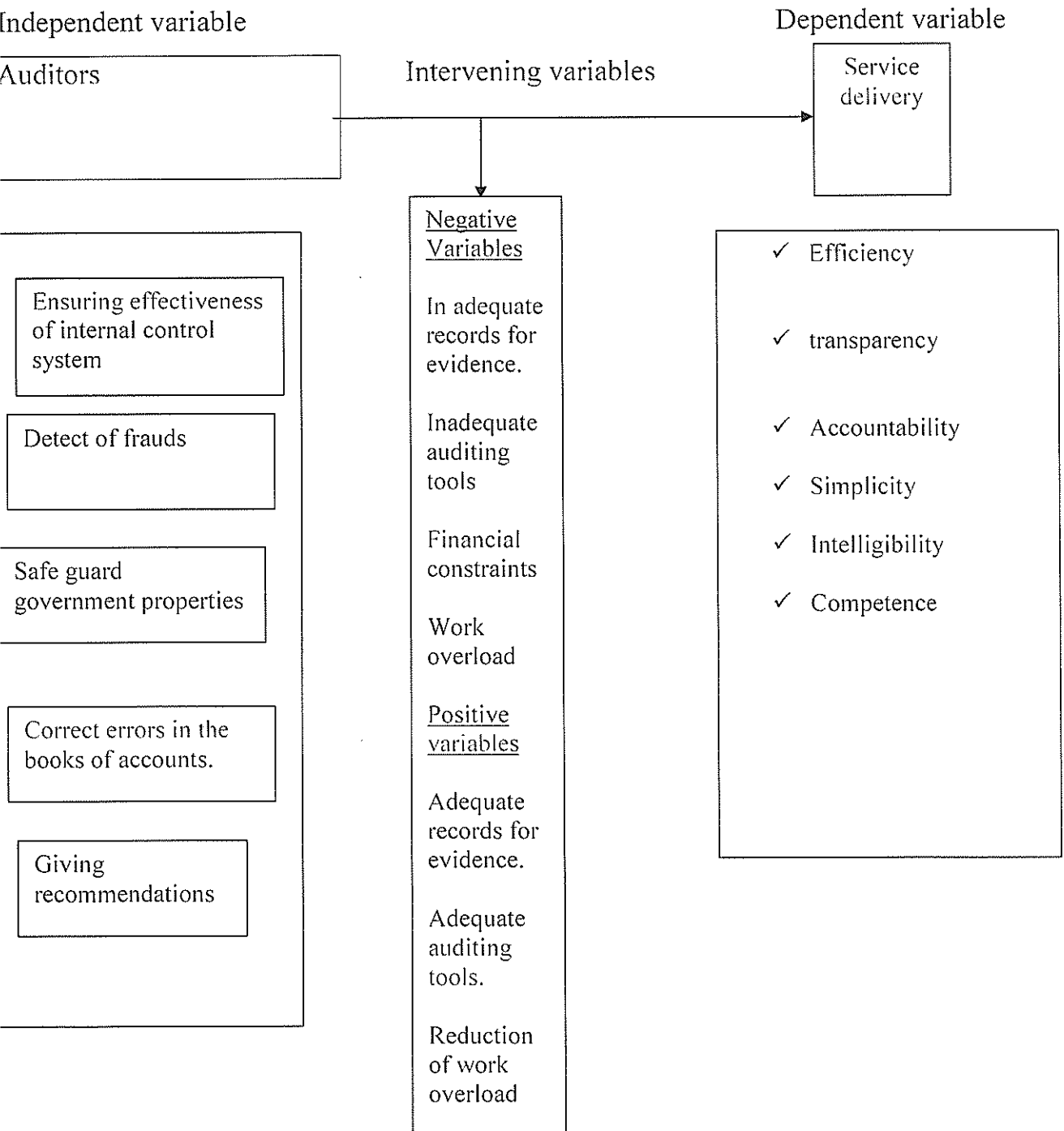
1.7.2 Geographical scope

The study was carried out in Kasese at the District Local Government Audit Department. Kasese district is located in western Uganda it boards democratic republic of Congo in the West.

1.7.3 Time scope

This study was conducted within the period of four months (June 2012 to September 2012)

1.8 CONCEPTUAL FRAME WORK



Auditors lead to effectiveness and improvement of the internal control system. This therefore increases efficiency of work of the organization. However this can be affected by inadequate auditing tools. For example lack of computerized internal control system.

Auditors help in detecting of errors this leads to transparency. More still it leads the crediting of the district performance among other districts in the country. However, this is hindered by inadequate finance which can support the perchance of new technology for example computerized internal control system.

Auditors help in safeguarding organizational properties. For example when errors are corrected, this also increases efficiency. However, this sometimes is hindered by inadequate records which are used for evidence by auditors.

Auditors help in correcting of errors. This also increases efficiency of work hence leading to transparency. However, this can diluted by work overload which due to limited number of staff.

Auditing helps in giving recommendation. This is a sign of good performance and this in turn leads in increased efficiency. However this can be affected by inadequate records or a poorly organized internal central system.

External auditors through training or educating of internal auditors on how to correct errors and detect frauds will lead to easy delivery of services by auditors that is keeping of confidential information only open to authorized workers for example recording of receipts only by the accountants.

Auditors will participate in keeping confidential information that is not allowing any unauthorized workers from accessing the outcomes from the audits.

Auditors will create reliable techniques of auditing local government books of accounts in order to avoid frauds.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In this chapter, the researcher looked at the works of other researchers based on the same problem.

2.1 Definition

The word "Audit" is derived from the Latin word "audire" which means to hear or "give credence to". In ancient times, it was the practice to check the amounts of an estate, domain or manner by having such accounts called out by those who compiled to those in authority. (Shekhar et'al 2000)

Spicer and Pegter define auditing as: the examination of the books, accounts and vouchers of a business, as will enable the auditor to report whether he is satisfied that the Balance sheet is properly drawn up, so as to give a true and fair view of the state of affairs of the business and that the profit and loss gives a true view of the profit or loss for the financial period, according to the best of the information and explanations given to him and as shown by the books and if not, in what respect he is not satisfied.

Montgomery, a prominent American accountant defines auditing as a systematic examination of the books and records of a business or other organization, in order to ascertain or verify; and to report upon the facts regarding its financial operations and the receipts thereof.

Ronald Irish states, Auditing in its modern concept is a scientific and systematic examination of books, vouchers and other financial condition disclosed by the Balance sheet and the net income revealed by the profit and loss account'

An introduction to Indian accounts and audit considers audit as an instrument of financial control. It continues to state that it (audit) acts as a safeguard on behalf of the proprietor (whether an individual or group of persons) against extravagance, carelessness or fraud on the part of the proprietors agents or Servants in the realization and utilization of his money or other assets, and it- ensures on the proprietor's behalf that the accounts maintained truly represents facts and that expenditure has been incurred with due regularity and propriety".

I.R Howard describe an audit as “an examination by an auditor of the evidence mm which the final revenue accounts and balance sheet of an organization hence been prepared in order to ascertain that they present a true and fair view of the summarized transactions for the period under review and of the-financial state of the organization at the end date; thus enabling the auditor to report thereon.

2.2 Features of an Audit

The institute of chartered Accountants in England and codes in its statement on auditing has stated that the essential features of an audit are;

- To make a critical review of the system s of book keeping, accounting and internal control.
- To make such tests and enquiries as the auditors consider necessary to form an Opinion us to the liability of the records as a basis for the preparation of accounts.
- To compare the profit and loss account and the balance sheet with the underlying records in order to see whether they are in accordance therewith.
- To make a critical review of the profit and loss account and the balance sheet in order that a report may he made to the members stating whether, in the opinion of auditors, the accounts are presented and the items are described in such a way that the` show not only a true but also a fair view and give in the prescribed information required by the Act.

2.2.1 Meaning of true and fair view

The word true implies that the information contained in the financial statement is factual and conforms to the reality and is not false. In addition, this information would he conforming to the required standard and law. [t also means that the accounts have been correctly extracted from accounting records.

The word fair implies that the information is free from discrimination and bias and in compliance with the expected standards and rules.

2.3 Objectives of an Audit

The primary objective of an audit is to enable the auditor to express an opinion on the financial statement which has been subjected to an audit. The opinion is then embodied in what is known as the ‘audit report’. In expressing the opinion, the auditor has to carry out such procedures and take such steps as designed to obtain reasonable assurance that the financial statements are properly

stated in a "material respects and that they give a true and fair view of the state of affairs of the business.

An audit is also performed to ensure that financial statements have been prepared in accordance with an applicable financial reporting framework.

Other subsidiary objectives include

- To detect errors and fraud
- To prevent errors and fraud by the deterrent and moral effect of the audit.

To provide spin-off effects, the auditor will be able to assist his clients with accounting, systems, taxation, financial, risk management and other problems.

In general, all published accounts have to conform to accounting standards. The financial reporting framework to be applied varies to country to country. However, as a rule of thumb, all financial statements should conform to GAAPs These are accounting guidelines that are generally applicable worldwide. Other criteria include IAS, IFRS, ISA and the code of ethics for professional accountants.

2.4 Purpose of Audit

To provide a needed level of assurance that conditions actual }v encountered in [he subject audit conform to some established concepts. standards or expectation. The need arises because of an interest in the subject by persons who are either not directly involved or are not in a position to obtain assurance direction

To provide a useful service, internal auditors require an agreed framework within which to measure and interpret deviations of actual conditions from expectations.

As in areas of scientific inquiry, auditing requires maintaining detained documentation of data collected and computation techniques employed and setting forth the basis upon which conclusions were drawn. One measure against which to measure the reliability of an audit is that reasonable person provided with the same data should agree with the conclusion drawn.

2.5 Types of Audit

Statutory audits, these are audits earned out because the law requires them. Statutes which require audits to be done include the Companies Act 1985. the Building Societies Act 1986, the Friendly societies Act 1974 and 1992.

- **private audit**, this is conducted into a company's affairs by independent auditors because the owners desire it. not because the law requires it, Examples of these are audits of the accounts of sole traders and partnerships.
- **Internal audit**, an audit is said to be internal when the auditor is appointed by persons who are responsible for the performance of the entity, i.e. appointment is usually by the management of the company and the scope of work to be done is controlled by them. -
- **External audits**, the auditor is said to be an external auditor if the appointment of the auditor is made by persons other than those whose performance is being evaluated by the audit i.e. stockholders or directors.

2.5.1 Scope of Internal Audit

Two primary types of audits provide different but equally important forms of feed back to management. These are financial compliance audits and performance (management audits)

- Financial audits, these focus on determining whether financial transactions have been properly reported and classified, whether internal controls are sufficient to justify confidence in the reported data and whether legal requirements have been complied with. These audits provide managers with useful insights into where procedures can be improved and control processes tightened.
- Performance audits, these focus on determining whether operations are economical and efficient, resources are used effectively, good management practices are followed and whether programmatic goals are achieved. Included in the scope of these audits is the manner in which work is organized and how this affects the efficiency and effectiveness of the organization.

2.6 Duties / Responsibilities of Auditors

[The LGIAM (2007) lays out the following responsibility of the head of internal audit

- To maintain an efficient and effective audit unit able to carry out the functions of the unit
- to implement all relevant aspects of the internal audit manual and ensure that the prescribed standards and work programs are adhered to where applicable.

- To prepare annual and quarterly work plans for the internal audit unit to ensure optimal deployment of resources to priority audit areas and to submit the plans to the chief executive for approval.
- To prepare internal audit quarterly reports for submission to the council within one month at the end of each quarter.
- To audit revenue collection to ensure that all monies due to the administration are collected and banked or otherwise accounted for in terms of these regulations and the internal audit manual.
- To reduce the financial and accounting systems of operation in each department and establishment of the administration to ensure that they are adequately effective and conform to the provisions of these regulations and the internal audit manual.
- To audit procurement procedures and payment to ensure that all goods, services and works are properly ordered, received, examined and paid for in terms of these regulations and the internal audit manual and that value for money as an objective procurement has been achieved.
- To conduct manpower audits embracing all employees of the administration including staff records, remuneration levels, allowances and payments to ensure conformity with the budget and approved establishment.
- To audit all stores, cash, assets and other property owned or in the care of the administration to ensure their safe custody, efficient and economic usage and disposal
- To supervise the conduct of audits and view the draft audit reports and the working papers of the unit staff to ensure that all audits have been carried out to mutually acceptable standards following prescribed programs. All matters arising have been properly dealt with and reported in the correct manner.

2.7 Role of Auditors

Given the increasing need for more checks on corporate processes, internal auditors ought to play a more prominent role in ensuring that the corporate reports external auditors examine are put together in a straight-ahead fashion. The Institute of Internal Auditors, a trade group, recently underscored the need for amping up the internal auditors' role, in a publication, the group said: internal audit is a fashion that can provide assurance to an organization that controls are adequate to mitigate risks, that policies and procedures are being followed throughout the organization, that processes are efficient, effective and economical and that management and the board are meeting organizational goals.

Internal Auditing is a good investment for operational improvement and fraud deterrence. The presence of internal auditors can deter employees from committing fraud because of the perceived danger of getting caught. When you combine cost savings from fraud and error detection by auditors with the deterrent effect, the value of auditing activities is even more evident.

In all customer service relationships, there has to be some way in which the customer can assure themselves that they are getting value for money. In other words, our tax payers and electorate must be assured that the regulations are also being regulated. This is the primary role of government internal auditors they are at the heart of good public sector governance, internal auditors promote confidence in government by assuring the public that its resources are being managed in an unbiased, objective and results oriented manner. Their role is particularly important where the perception of corruption threat as to erode stakeholders' confidence in governments.

The functions performed by internal auditors are necessary at all levels of governments, not only for monitoring central government operations (Don Wehby 2007).

According to Standing and Vuuren (2003), auditors help in law enforcement with investigations into the financial activities of notorious criminals. This reflects the general trend to "go after the money" of organized crime. Clearly, law enforcement agencies recognize that employees in auditing firms have expertise that is lacking in specialist unit in the criminal justice system for example the investigating in the financial loss caused to the company or organization.

They further argue that the important role that some auditing companies are exploiting involves ensuring that clients are aware of the phenomenon of money laundering and have taken the necessary precautions to limit their chances of receiving the proceeds of crime. In other words, auditing firms have the potential to educate their clients' exposure to inadvertently laundering that money-a crime that could have disastrous consequences for the business involved.

According to Mike and Keller (1996), for organizations to survive, they must establish a method for systematically monitoring and evaluating the validity of their theory of business. Auditors are trained to question accepted policies and routines and to test assumptions. They are able to look at the whole organization unconstrained by the blinders of departmentalization. By virtue of their constant immersion in all aspects of the company's operation, auditors have always been an organization-

vide. Cross-functional team. This follows that auditing can provide top management with a broad overview of operations necessary to make informed decisions about the future.

Consultant, the role of the auditor as a consultant is one that is evolving. Standards are changing to recognize this role. The international standards for the professional practice of professional practice of internal audit (the Red book), which is promulgated by the institute of internal auditor specify which standards are intended as general standards, assurance standards and consulting standards. The institute recognizes the difference in the work performed related to the assurance that the traditional auditor will provide compared to the consultant services that may also be provided by an auditor (<http://www.governmentauditors.org/content/view/321/123>).

The auditor advocates to elected officials, citizens or other external stakeholders for the government to adopt or improve performance management systems. Such advocacy may include for example making presentations, providing briefing, providing reports appropriate to a particular audience or drafting laws, resolutions or guidelines that would require or encourage adoption or improvement of such system.

Auditors also assess citizen participation related to developing public goals, objectives or performance measures or in reporting and using performance information.

Auditors may also advise or assist in improving such processes. Such assessment may include for example, the representativeness or inclusiveness of participation process, the autonomy of such processes from control by the government or the effectiveness of such processes in influencing the government in determining goals, objectives, performance measures, and targets in making decisions or improving services.

Auditors also advocate internally (to management) to adopt performance management system. The auditors may encourage management to develop and implement on performance measures. <http://www.auditorroles.org>.

2.8 Problems encountered by Auditors

According to Lamka (1994) a significant sector of the internal auditing community is consistently overlooked especially the internal auditors in state and local government. Unfortunately, many executives in state and local government do not understand internal auditors provide. Some see it as an unnecessary overhead expense, while others view it as a luxury they can afford only when funding is plentiful.

Shekhar et'al (2000), bases their argument about the problem auditors encounter in the electronic data processing environment according to them, the usual controls based on proper segregation of compatible functions may be absent or less effective in the EDP. This is because, the number of persons involved in the process of financial information in an EDP environment is comparatively small, more over the need for a centralized data processing function means that certain data processing personnel may be the only ones with the detailed knowledge of the source of the data, how it is used and the distribution and the use of output. This may also mean that they are familiar with internal controls operating hence may be in position to alter the programs or data during processing or while stored. These factors increase the possibility of manipulation.

According to Vanessa (2004), one of the issues encountered by the auditors is insufficient staffing. She explained this in the perspective of auditing non profits. She states that financial information reported by a non profit can be unreliable when the accounting department is insufficiently staffed. That to keep operations low, some organizations requires one individual to perform many roles which increase the potential for error. Personnel may not have the time to carefully perform their duties and errors may be overlooked or need time consuming corrections.

In a study carried out by National State Auditors Association (2002), the auditors identified a number of reasons for underreporting, for example in Pennsylvania and Tennessee, the auditors found out that underreporting is more likely when service providers are paid on capitation-basis rather than on a fee-for service basis. This therefore affects their reports and thus leading to underreporting.



According to the internal auditor software survey (2003), one of the problems most audit companies face is pressure put to them by the cooperate governance and regulatory systems. These regulatory concerns are putting pressure on organizations to establish stronger internal controls over financial records and systems. Consequently, internal audit departments are turning to audit software tools to help them meet the tighter deadlines and stricter requirements imposed on their companies by laws. An example is U.S Sarbanes-Oxley Act of 2002, ERM.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter narrates the methods the researcher used to collect data . it focuses on the research design, organization of the study, data collection, and data collection procedures and analysis.

3.1 Research Design

The researcher used a descriptive research design, where both quantitative and qualitative techniques of data collection were employed. Questionnaires and interviews were used to collect data from across section of respondent.

3.2 Study population

The population under study of 90 employees. The sample was selected from different departments of Kasese district local government. That is to say finance, education, and health departments. Under these we had auditors and other staff members employed within the audit department.

3.3 Sampling design

The researcher used simple random sampling method, where by all the elements of the population had an equal chance of being included in the sample. The respondents were identified depending on the willingness and their availability to take part in the exercise or study

3.4 Sample Size

In view of the nature of the target population which comprises of 30 respondents . a sample was taken from all employees of different departments that is to say 30 employees from finance, 30 employees from education, and 30 employees from health department . However using the simple random method which was used to determine the number of employees that was sampled to get the sample size, 30 employees managed to respond where 10 employees were selected randomly from each department hence leading to the sample size of 30 all together as shown below.

DEPARTMENTS	Number of employees	Sample size
Finance	30	10
Health	30	10

Education	30	10
total	90	30

3.5 Research Instruments

3.5.1 Questionnaires

Structured questionnaires were used and distributed to some of the auditors, in the following heads of departments, IT officials, accountants and workers.

The questionnaire is more convenient since it can be freely due to its anonymous nature.

Questionnaires are also efficient and convenience in collection of quantitative data that makes it feasible (Sekaran.2003; Amin 2005). It's also less expensive than interviews and many people can be reached in a short space of time.

3.5.2 Structured interviews

Interviews were conducted with the target population of the auditors on how they carry out their work and the difficulties they face in the delivery of their services.

3.5.3 Observation

It's possible to gather information with out asking question but observing people in their work environment and recording their successes. The researcher collected data in the role of a pure researcher without trying to become an integral part of the organization.

3.6 Data processing and analysis

The researcher organized and summarize the collected data into masses of tables, frequency and percentages for easy interpretation of raw information collected from the field.

3.7 Limitations of the study.

- Some auditors were not willing to give information due to lack of trust on which the research really is.
- Arrogance on the side of the researcher since the research is not beneficial to them in any way.
- There is a problem of sensitivity of information since the audit department is an office of confidentiality concerning government financial reports.

CHAPTER FOUR
PRESENTATION, INTERPRETATION AND ANALYSIS OF DATA.

4.1 Introduction

The purpose of the study was to find out the problems encountered by the auditors in the Execution of their duties

Out of the 35 questionnaires distributed, researcher was able to get back only 30 questionnaires and the five were not returned by the respondents.

Table 4.1.1 Age of respondents

Age of respondents(Years)	Frequency	Percentage
20-29	03	10
30-39	23	77
Over 40	04	13
Total	30	100

Source: Primary Data

The profile of the respondents above indicates that the majority of the respondents were in age bracket (30-39) with the score percentage of 77% followed by those over 40 years with a score percentage of 13% and those in the age bracket of 20-29 had the least score of 10%

This implies that most of the respondents were in their youthful age.

Table 4.1.2 Qualification of Respondents

Qualification	Frequency	Percentage
Diploma	2	7
Degree	27	90
MBA	1	3
TOTAL	30	100

Source: Primary Data

The above data shows that 27 respondents have acquired degree with a score percentage of 90% followed by diploma holders with a score percentage of 7% and only 3% of the respondents acquired MBA.

Table 4.1.3 Time period worked with the Local Government

Period (Years)	Frequency	Percentage
1-3	02	07
4-6	08	27
7-9	15	50
Over 10	05	16
Total	30	100

Source: Primary Data

Most of the respondents have worked for 7—9 years with the local government. This had a score of 50%, followed by those of 4-6years with a score percentage of 27%. And those who had worked for ten and above years had a percentage of [16% while 7% had worked for -3 years.

The above findings therefore, imply that most of the respondents have worked with a local government for a long time and they have good knowledge about the local government.

Table 4.1.4; Roles and Responsibilities

This section addresses the roles and responsibilities of Auditors

Roles	Frequency	Percentage
Reporting on effectiveness of internal controls	07	23
Determining compliance with legal requirements	02	07
Carrying out a value for money audit	15	50
Safeguard organizational properties	06	20
Total	30	100

Source; primary Data

According to the data in the table above, the Major role of auditors in the local Government was found to be, carrying out a value for money audit .This is because registered the greatest score percentage of 50% from the respondents followed by reporting an effectiveness of internal controls with a score percentage of 23%.

Safeguarding organizational properties had a score of 20% and compliance with legal requirement got a score of 7%. This there implies that the primary role of auditors is to carry out an audit value for money in organizations since it registered the greatest score of 50%.

Table 4.1.5 Problems faced by Auditors

This section addresses the problems faced by auditors in the Local government

Problems	Frequency	Percentages
A lot of workload	17	57
Limited resources (finance)	10	33
Threats to auditor's independence	03	10
Total	30	100

Source: primary Data

From the table above, 57% of the respondents said the major problem they face is work overload, 33% of the respondents attributed the problem faced by auditors to limited resources mostly financial, While 10% Faced a problem of threats towards their independence inform of bribes.

The above data therefore implies that the biggest problem faced by auditors is work overload. This is due to limited staffing. This finding is in line with Burnette Vanessa (2004) who said that one of the problems encountered by auditors is insufficient staffing thus leading o work overload.

One of the other problems given was the limited finance, with a score percentage of 33%. This explains why auditors can-not perform perfectly and effectively, due to inadequate finding by the government. This is in line with the Local Government manual (2007), sec 13:2(3) where it is stated that, auditors are unable to do their work 100% perfect because of the limited funding.

Threats to auditors' independence were another problem found by the researcher, most auditors are given bribes by the society where they carry out their audits from. This is in line the comment the Director of the institute of Certified Public Accountants made on the 14 may 2008 on K-fm radio, that the problems affecting the auditors' performance is the society itself He pointed out bribes to be one of them which affect the quality of the reports produced.

Table 4.1.6 Solutions

This section addresses the solutions to the problems faced by auditors in the execution of their duties.

Solutions	Frequency	Percentage
Increased funding	19	63
Give auditors their right (independence)	05	17
Increased staffing	06	20
Total	30	100

Source: Primary Data

From the above data, 63% of the respondents said that the government should increase on funding given to the local governments so that the auditor department may also get enough funds to enable them carry out their audits more efficiently and effectively. 17% of the respondents based their solutions to the society. According to them, their independence should not be compromised because this normally affects the quality of the audit report. While the 20% suggested more recruitment of auditors to minimize the work overload in the audit department.

The above findings implies that the audit department has got a limited budget in the local government and this has hampered their effective and efficient performance

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.0 Introduction

In this chapter, the conclusion from the study and the recommendations made are presented. The study used both qualitative and quantitative methods of analysis.

5.1 Summary of findings

The major objective of the study was to find out whether the auditors are playing their role and problems encountered in the execution of their duties in Kasese District Local Government. A total of 30 respondents who included auditors from different departments that is to say finance, education, and health departments who were selected to participate in the study.

The study findings were investigated in line with the research question of the study.

Conclusion and recommendation were then made after presenting and interpreting the data.

5.2 Conclusion

This chapter presents a summary of the findings of the research conclusion based on the Topic; Problems encountered by Auditors in the execution of their duties.

The researcher set out the objectives to enhance the research and collection of data. These includes,

- To find out the roles and responsibilities of Auditors.
- To identify the problems encountered by auditors in the Execution of their duties.
- To establish solutions and recommendation to improve the problems faced by auditors.

The researcher designed both closed and open ended questionnaires based on the topic of the study. This was done so to enable the respondent give his or her own view regarding their feelings on the research topic

The researcher used a sample of 30 respondents who were able to respond back out the total of 35 questionnaires distributed.

From the objectives that were set out, the findings were obtained and are briefly summarized below. Basing on the roles and responsibilities of auditors, 23% of the respondents indicated that the role of auditors is to report on the effectiveness of internal controls; 7% considered determining compliance with legal requirements. 50% indicated carrying out value for money audits which contributed the majority and safeguarding government or organizational property contributed 20%. From the research carried out, majority of the respondents indicated that one of the problems they faced was too much work over load; with a score of 57%, limited resource in form of finance followed with a score of 33% and threats to auditors' independence contributed 0%.

The respondents gave out their minds on the solutions to improving the audit department at the local government. These include:

Increased funding, 63% which contributed the majority, increased staffing (20%) and giving auditors their rights and independence to enable them carry out proper audits and this contributed 17%.

While there has been a steady increase on making accountability on government funds in different government departments, there has not been a steady increase in the number of auditors, financial resources and compromising the auditor's independence. Having the knowledge and the skill to do the job generates confidence people need to feel capable of doing something. Confirmation of people's competences is a strong motivator to be embraced by the government.

5.2 Recommendations to improving Auditing

Recommendations were made in relation to the findings, conclusion and the following are the various views the researcher found out from the respondents on the recommendations to improving auditing at the local government.

In regards to work overload, there is need for government to increase on the level of staffing. More auditors need to be recruited to help reduce on the work load problem. This will help auditors to produce good and it report on time.

In regards to work overload, there is need for government to increase on the level of staffing. More auditors need to be recruited to help reduce on the work load problem. This will help auditors to produce good and it report on time.

Having a clear direction reduces uncertainty and gives meaning to people's work. Therefore, as far as the auditor's independence is concerned, they have to be given due respect to enable them carry

out their audit work diligently. This will help to minimize certain risks like bribes, failing to identify misstatements among others. Besides once the auditors' independence is not threatened. It will give them the confidence to do their jobs according to the standards required of them.

There fore in line to the above findings, the following are my recommendations;

(1) I, recommend that there is need for the government to increase on its funding especially in sensitive departments like the audit department. This will help to reduce on delays when carrying on audits and will help to facilitate auditors' work.

(2) I, recommend that as far as the auditor's independence is concerned, they have to be given due respect to enable them carry out their audit work diligently. This will help to minimize certain risks like bribes, failing to identify misstatements among others. Besides once the auditors' independence is not threatened. It will give them the confidence to do their jobs according to the standards required of them.

(3) I, recommend that in regards to work overload, there is need for government to increase on the level of stalling. More auditors need to be recruited to help reduce on the work load problem. This will help auditors to produce good and it report on time.

(4) I, recommend that in regards to work overload, there is need for government to increase on the level of stalling. More auditors need to be recruited to help reduce on the work load problem. This will help auditors to produce good and it report on time.

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APPENDICES

Appendix I

Research instruments

(a) Questionnaire

Dear Sir/Madam

I am a student of Kampala International University undertaking Bachelor's of Degree in Business Administration

I am conducting a research on Auditors and service delivery, a case study –of Kasese district local government. The purpose is to fulfill May academic requirement. This is to kindly request your cooperation in answering this questionnaire. Your response will be treated with the highest degree of confidentiality.

Back Ground Information

PLEASE TICK/ WRITE WHERE APPLICABLE

1. Name: (Optional)

2. Age bracket

(20-29)

(30-39)

(Over 40)

3. What is your marital status

Single

Married

4. What is your qualification?

Diploma

Degree

Masters

Others (please specify)

.....
.....

5. What position do you hold?.....
.....

6. For how long have you worked with the local government?

1-3 years

4-6 years

7-9 years

10+ years

7. How many personnel are employed in the department?

.....

8. Are they able to carry out all the activities assigned to them on time?

Yes

No

9. If No, give reasons.

.....
.....

10. Does this affect the general performance of the audit department?

Yes

No

11. If Yes, in what way? Be specific

.....
.....

12. As an auditor, what are your roles and responsibilities?

.....
.....

13. Do you face any problem in carrying out your duties as an auditor?

Yes

No

14. If yes, what problems do you face? Please be specific

.....
.....
.....

15. in your opinion, what do you think should be done to solve the above problems?

.....
.....
.....

Thanks you for your participation.

(b) Interview guide

1. what do you understand by the term auditing?
2. what are the rules governing auditors in local government?
3. what areas would you like to improve as far as auditing is concerned?
4. What roles and responsibilities do Auditors play in the Local Government?
5. What problems are encountered by Auditors in the execution of their duties?
6. What are the possible solutions to the problems faced by Auditors in the Local Government?

**Appendix II
STUDY PLAN**

TIME FRAME AND DURATION

ACTIVITIES	PERIOD TAKEN
Topic Identification	May 2012
Proposal Writing	June 2012
Data Collection	June-September 2012
Data Processing	July 2012
Data Analysis And Report Writing	August 2012
Final Copy Submission	September 2012

Appendix III
STUDY BUDGET

Particular	Quality	Amount (SP)
Stationary	2 reams of papers, binding materials 6	50,000/=
		15,000/=
Research assistants	2	100,000/=
Data analysis		150,000/=
Up keep		200000/=
transport		100,000/=
Total		480,000/=