

**FACTORS INFLUENCING THE INTERNAL AUDIT FUNCTION IN PUBLIC
SECTOR: A CASE OF MINISTRY OF FINANCE AND ECONOMIC PLANNING OF
SOUTH SUDAN**

By

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DECLARATION

This research project is my original work and has not been submitted for an award of a degree in any other University.



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This research project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

I dedicate this research project to my family for its significant contribution in my academic life.

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ABBREVIATIONS AND ACRONYMS

CAE	Chief Audit Executive
GSS	Government of South Sudan
IA	Internal Audit
ICS	Internal Control System
IFAC	International Federation of Accountants
IIA	Institute of Internal Auditors
ISPPIA	International Standards for the Professional Practice of Internal Auditing
OECD	Organisation for Economic Co-operation and Development
RSS	Republic of South Sudan
SPSS	Statistical Package for Social Science
UN	United Nations

DEFINITION OF TERMS

Audit: This is an objective examination and evaluation of the financial statements of an entity by a qualified auditor with a view of expressing an opinion as to whether or not the financial statements are a fair and accurate representation of the transactions of the entity for a given financial period (Mihret & Yismaw, 2014).

Internal auditing: This is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations (IIA, 2017).

Internal auditor: This is a qualified accountant employed by an organization to provides independent and objective evaluations of a company's operations (Huang & Han, 2016).

Internal audit function: This is the activity of an entity that helps it accomplish its objectives by bringing a systematic, disciplined approach to the entity's evaluation and improvement of the effectiveness of its risk management, control and governance processes (Soh & Martinov-Bennie, 2011).

Auditor's competence: This refers to the auditor's possession of requisite knowledge, skills and experience required to perform audit and related tasks (Asaolu *et al.*, 2016).

Top management support: This refers to the degree to which the senior management understands the importance of each function in an organization and the extent to which it is involved in the various organizational activities (Yalew, 2015).

Auditor's independence: The freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner (IIA, 2012).

ABSTRACT

Internal auditing is primarily directed at improving internal controls designed to provide reasonable assurance regarding achievement of organizational objectives, effectiveness and efficiency of operations, reliability of financial reporting and compliance with existing laws and regulations. By serving as an objective source of assurance and advice, the internal audit function can provide the senior management with insight on an entity's governance, operations and risk management thereby adding significant value to its performance. However, the effective operation of the internal audit function is contingent on a number of factors. This study sought to determine the factors influencing the internal audit function in public sector using a case of Ministry of Finance and Economic Planning of South Sudan. Specifically, the study sought to establish the influence of competency of internal audit staff, top management support for internal audit and independence of internal audit staff on the internal audit function in the Ministry of Finance and Economic Planning of South Sudan. The study adopted a descriptive research design. The target population of the study was 86 internal auditors working in Departments under the Ministry of Finance and Economic Planning of South Sudan. The study was a census survey. The study used primary data which was collected using a self-administered questionnaire. In data analysis, the study data was analyzed through descriptive statistics using the Statistical Package for Social Science (SPSS version 23.0) and presented through percentages, frequencies, mean and standard deviation. Further, linear regression analysis was used to analyze the relationship between the study variables. The study established that the internal auditors of Departments under the Ministry of Finance and Economic Planning of South Sudan did agree that the internal auditor reports informs management's decision making; independence of the IA function could only be achieved by allowing the internal audit department to perform its responsibilities free from any interference; for the internal audit department to be able to meet its responsibilities, the department must have or be able to attract persons with the required knowledge, skills and experience; the internal audit function helps expedite external audits and that for the internal auditors to be deemed competent, they must have a good understanding of the entity's system of internal controls. Further, the study results revealed a significant positive relationship between competency of internal audit staff, top management support for internal audit as well as independence of internal audit staff and the internal audit function in the Ministry of Finance and Economic Planning of South Sudan. The study concluded that competency of internal audit staff, top management support for internal audit and independence of internal audit staff played a significant role in enhancing the effectiveness of internal audit function in the Ministry of Finance and Economic Planning of South Sudan. The study recommended that the heads of departments in the Ministry of Finance and Economic Planning of South Sudan should recognize the internal audit function as a value-adding service to their organizations. Further, the study recommends that the heads of departments in the Ministry of Finance and Economic Planning of South Sudan should ensure that the internal audit function operates free from any interference.

Key words: Internal audit function, auditor's competence, auditor's independence, top management support for internal audit.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Across the globe, in the past few decades, there has been an increase in general concern over the effective and transparent use of public resources (Shokiyah & Serjana, 2014). Annually, governments are involved in collecting and spending huge sums of public money in various programs and activities aimed at improving the livelihoods of the citizenry. This government revenue and expenditure is critical as it constitutes one of the main factors for economic growth stimulation in a country. Due to the huge sums of public funds involved, governments require an efficient and effective financial management mechanism that would ensure accountability and due diligence in public financial management (Unegbu & Kida, 2011). This is where the internal audit function comes in with the view of ensuring that all public funds are expended for legitimate purposes in appropriate and accountable ways (Alzeban, 2013).

According to the Institute of Internal Auditors (IIA, 2006: 14), internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations (IIA, 2017). Internal auditing helps an organization accomplish its objectives by bringing a systematic, disciplined approach for evaluating and improving the effectiveness of its risk management, control, and governance processes (Goodson, Mory, Lapointe, 2012). Cohen and Sayag (2010) defined internal audit as part of the Internal Control System (ICS) put in place by the management of an organization to ensure adherence to stipulated work procedure and aid in management. Asaolu, Adedokun and Monday (2016)

emphasized that internal audit measures, analyses and evaluates the efficiency and effectiveness of other controls established by the management with a view to ensure cost minimization, benefit maximization, capacity utilization, and smooth administration.

The relevance of Internal Audit (IA) function in public organizations is anchored by three pillars. The first is *governance* which relates to how an organization is managed - its corporate and other structures, its culture, its policies and strategies and the way it deals with its various stakeholders (Dittenhofer, 2011). This also includes activities that ensure credibility, establish equitable provision of services, and assure appropriate behaviour of government officials whilst reducing the risk of public corruption (IIA, 2015). Internal auditing helps to improve governance processes by focusing on how values are established to ensure effective and efficient control and management of public sector organisations (Badara, & Saidin, 2014).

The second is *control* which relates to all the policies and procedures put in place by management for promoting accountability of resources. Controls are mainly in-built in the financial management system whose objectives include fiscal discipline, allocation of resources to priority needs, and efficient and effective allocation of services (Asaolu *et al.*, 2016). Internal audit has the key function of reporting to the organization's top management on the functioning of the management control systems, and recommending improvement where applicable (Lenz & Hahn, 2015). The third pillar is *risk management*. Risk management constitutes an essential part of the strategic management process of any organization. Risk management comprises the activities and actions taken to ensure that an organization is conscious of the risks it faces, makes informed decisions in managing these

risks, and identifies and harnesses potential opportunities (George *et al.*, 2015). Internal audit's role in risk management involves assessing and monitoring the risks that the organization faces, recommending the controls required to mitigate those risks, and evaluating the trade-offs necessary for the organization to accomplish its strategic and operational objectives (George, Theofanis & Konstantinos, 2015).

The establishment of the IA function is important as an essential internal assurance mechanism in public financial controls and as a tool for monitoring and evaluating financial management activities in government agencies (Alzeban & Gwilliam, 2014). In addition, it may assist public agencies to achieve accountability and integrity in their spending, improve the implementation of government programs and develop confidence among citizens and stakeholders as well as to reducing any risk of mismanagement of public fund (Shokiyah & Serjana, 2014). Thus the role of IA unit in public organizations is to ensure existence and effective operation of adequate internal controls in order to avoid loss of financial resources, non-compliance and to provide reasonable assurance that public money has been spent in an efficient and effective manner (Rudhani, Vokshi & Hashani, 2017).

Over the years, the IA function has grown from checking accuracy of transactions and reporting on past financial events to the management to playing a key role of examining and evaluating the adequacy and effectiveness of internal controls; risk management control and enhancing governance processes (Ahmad *et al.*, 2012). However, as internal audit grows in significance within the wider environment of governance and control, issues as to how effectively it performs this role have emerged with greater prominence than before (Dejnaronk, Little, Mujtaba & McClelland, 2016). Whilst there have been high profile cases

where the IA function has been perceived to have been at least partially successful - for example WorldCom - the recent global financial crisis has led to questioning of how successful internal audit is, both in its more conventional role of monitoring compliance with internal controls and financial probity and its more recent proclaimed role as an integral part of the risk management culture within large economic entities, whether in the private or public sector (Enofe, Mgbame & Ehiorobo, 2013). In this context, the primary motivation of this study was to investigate factors which influence the internal audit function within public sector entities in South Sudan.

1.1.1 Internal Audit Function

In the recent years, the IA function has undergone dramatic changes that have extended its area of involvement in a way that allows it to add more value to the organization. Traditionally, the role of IA has focused on compliance assurance, financial control and assets safeguarding. However, after the corporate financial scandals of the 2000's, many reforms (Sarbanes-Oxley Act 2002; Combined Code 2003; OECD 2004; IFAC 2006) have reinforced the responsibilities of IA in enhancing corporate governance mechanisms. Therefore, IA has become a value creator improving the effectiveness of risk management, control and governance systems in organizations (Cohen & Sayag, 2010).

According to existing literature, the internal audit function contributes to organization's compliance with applicable laws and regulations, facilitates the work of external auditors (Kirima, 2016), detects the weaknesses in business procedures and provides independent assessment to business operations and procedures (Bunango, 2015). Along with the above, internal audit also enhances corporate governance structure (Rudhani *et al.*, 2017), helps in

strategic management planning, assesses business risks (Alzeban, 2013) and adds value to the organization (Dejnaronk et al., 2016). Thus, the IA function can perform a wide variety of activities in the form of assurance or consulting services which include providing assurance that the organization's systems of control are designed properly and operate effectively, acting as a management consultant tool to improve risk management, assisting the audit committee and external auditors in monitoring the performance of the internal control system and helping in reduction of fraud, misappropriation of assets and misreporting of financial information (Mihret & Yismaw, 2014).

In the light of the evolution of the IA function, a new concept emerged in the audit literature - the effectiveness of AI. According to Sakour and Laila (2015), effectiveness of IA is the achievement of objectives and goals of the IA function. Based on the official definition of IA by the Institute of Internal Auditors, the ultimate objective of the IA function is the creation of value added to the organization. Therefore, the IA function is effective when it actually contributes to create added value to the organization (Mihret & Yismaw, 2014; Salehi, 2016). Previous studies claim that an effective IA function aims to add value to the organization by helping its management evaluate and improve the effectiveness of risk management, internal control, and governance processes (Ahmad *et al.*, 2012; Alzeban & Gwilliam, 2014; Bunango, 2015; Udeh & Nwadiolor, 2016). Unegbu and Kida (2011) argued that the IA function is able to improve the competitive advantage of a company by ensuring high-quality financial reporting and improving the governance process. Mohamed (2016) suggested that the effectiveness of IA helps senior management in fulfilling its governance responsibilities and that good governance in turn allows harmonizing interests of stakeholders and increasing

the company performance while Cohen and Sayag (2010) and Alzeban (2013) opined that that IA brings added value to the organization by improving its organizational performance.

1.1.2 Public Sector in South Sudan

An efficient and effective civil service is a major indicator of a government that is capable of meeting the needs of its people. A legitimate government must be able to provide basic services. An efficient and effective public sector depends significantly on availability of qualified civil servants working at all levels to bring services to the people in an environment of security and respect for the rule of law (Goodson *et al.*, 2012). In this respect, the South Sudan public sector has serious constraints in availability of personnel in virtually all sectors. This is mainly because a significant number of civil servants are former soldiers who lack the education, skills and competencies necessary for an efficient public service. In addition, it is difficult to get reasonable levels of productivity from the existing structures (Mabior, 2015).

The public sector in South Sudan is further compromised by poor organizational design; ineffective bureaucratic processes; inadequate policy frameworks; lack of equipment; and lack of information systems. The situation at state level is particularly serious due to the limited expertise available in the State Ministries of Finance, Local Government, Legal Affairs, Police and Prisons, Health, Education and Agriculture, amongst others. All these challenges compromise the ability of the Government to keep pace with the new nation's demands for basic service delivery, community security, and poverty reduction (UN, 2016).

The influx of returnees from north Sudan following the successful outcome of the referendum further serves to aggravate the situation. This necessitates starting from a rudimentary level, most often in an environment where many parts of the country are totally cut off for large

parts of the year due to a lack of roads and other communication infrastructure. Capacity building at human resource, organizational and institutional levels therefore remains an urgent priority to enable South Sudan to establish its institutions and physical infrastructure and provide basic services to its citizens (Majong, 2016).

This study was based on the Ministry of Finance and Economic Planning of South Sudan. The Ministry of Finance and Economic Planning of South Sudan performs various functions and duties including: implementing legislation on public financial management, tax and revenue collection, procurement and other related legislations; developing and executing sound economic, fiscal and investment policies for South Sudan; developing and implementing a sound public financial management system for South Sudan and managing the Republic of South Sudan (RSS) Consolidated Fund; developing and executing revenue policy for taxes and other sources of revenue within the purview of RSS; macroeconomic forecasting and identification of resource availability to finance the national annual budget and medium term expenditure framework; coordinating the short, medium and long-term national financial planning process and to provide technical assistance and training to State governments and other local governments to build their capacity to assume their responsibilities for financial management, accounting and audit and planning functions and other such matters as defined in the country's Constitution and RSS policy (GSS, 2017).

1.2 Statement of the Problem

There is general awareness all over the world for the need to pay greater attention to the improvement of public sector management. The reason is obvious, government constitutes the largest single business entity and her pattern of expenditure through its various

parastatals, agencies and commissions stimulate lot of economic activities (Lenz & Hahn, 2015). As a result of these huge Government involvements in various socio-economic activities, initiatives are being taken all over the world towards improvement of the standards of accounting and auditing departments in government agencies (Mohammed, 2016). Public sector managers operate in a complex and challenging environment, in part, due to the evolving demands and expectations of the community, government, the Parliament and foreign players. Internal audit is an important element of the range of resources and mechanisms available to public sector managers to assist them to meet their responsibilities within this environment (Hailemariam, 2014). This is by providing an independent and objective review, assurance and advisory service to the management and/or Board that the entity's financial and operational controls designed to manage the organization's risks and achieve the entity's objectives are operating in an efficient, effective, economical and ethical manner (Salehi, 2016).

Public sector organisations in South Sudan are shouldered with the responsibility of ensuring good governance in order to provide quality services to the public. The authority of such organisations is entrusted with public resources and charged with the task of ensuring their proper management (Aluk, 2014). In order to handle the management of resources entrusted to the officials, laws and regulations are enacted to control expenditures and sources of financing these expenditures. To ensure adherence to financial regulations, laid down procedures, policies and plans, internal audit units are established. Thus, internal audit function plays a significant role in promoting good governance in public sector administration in South Sudan (Majong, 2016). However, the internal audit function in public agencies in South Sudan is ineffective as evidenced by the huge sums of public funds that are

reported as unaccounted for and/or misappropriated by the Office of the country's Chief Government Auditor in its annual audit reports.

Several studies have been conducted on internal audit function and firm performance in South Sudan. For instance, Nuer (2015) evaluated the effect of internal audit as a corporate governance tool on firm performance using a case of construction firms in South Sudan and found that internal audits had a significant effect on the performance of construction firms in the country. Similar findings were found in a study on the effect of internal audits on performance of commercial banks in South Sudan by Malak (2016) and a study on internal controls and performance in non-governmental organizations in South Sudan using a case of Management Sciences for Health by Ayom (2013). These studies were conducted in the country's private sector, and hence there was paucity of empirical information in regard to the role of internal audit function in promoting good governance in the public sector in South Sudan. To address this research gap, the current study aimed to provide empirical evidence on the factors influencing the internal audit function in the public sector in South Sudan.

1.3 Research Objectives

This study sought to determine the factors influencing the internal audit function in public sector using a case of Ministry of Finance and Economic Planning of South Sudan. The following were the specific objectives;

- i. To establish the influence of competency of internal audit staff on the internal audit function in Ministry of Finance and Economic Planning in South Sudan.

- ii. To determine the influence of top management support for internal audit on the internal audit function in Ministry of Finance and Economic Planning in South Sudan.
- iii. To examine the influence of independence of internal audit staff on the internal audit function in Ministry of Finance and Economic Planning in South Sudan.

1.4 Research Questions

The study was guided by the following research questions:

- i. What is the influence of competency of internal audit staff on the internal audit function in Ministry of Finance and Economic Planning in South Sudan?
- ii. What is the influence of top management support for internal audit on the internal audit function in Ministry of Finance and Economic Planning in South Sudan?
- iii. What is the influence of independence of internal audit staff on the internal audit function in Ministry of Finance and Economic Planning in South Sudan?

1.5 Justification of the Study

This study provides a framework for identifying crucial factors that influence the internal audit function in public sector of South Sudan. This was guide government decisions and interventions that are aimed at enhancing the role of internal audit function in South Sudan's public sector. Given the importance of internal audit function in promoting transparency and accountability in government spending, this study provides a call for action for promoting the role of internal audit function in public governance in South Sudan which is an area currently neglected in the public sector of South Sudan. By enhancing the effectiveness of internal

audit function in government agencies, there would be prudence and efficiency in public finance management in South Sudan which would in turn translate into better public resource allocation and utilization.

1.6 Significance of the Study

1.6.1 Management of Departments in the Ministry of Finance and Economic Planning in South Sudan

The study is of benefit to the management of the various Departments in the Ministry of Finance and Economic Planning in South Sudan as they may be able to appreciate the various factors that influence the internal audit function in the Ministry. This may in turn inform the kind of strategic decisions the management may need to make to enhance the effectiveness of the IA function in the Ministry.

1.6.2 Policy Makers

The findings of this study may also benefit the policy makers (that is, the government) by providing insights as to the various factors influencing the internal audit function within the South Sudan's Public Sector. This may in turn inform policy formulation on application of internal audits in Government Ministries and Departments in the country.

1.6.3 Public and Private Sectors in Sudan

The internal audit function is not unique to the Public Sector in South Sudan and therefore other corporate organizations in South Sudan's Private Sector may benefit from this study as

it highlights the significance of internal audit function on their performance while also educating them on the various factors that influence the internal audit function.

1.6.4 Scholars

This study adds to the existing field of knowledge about the factors influencing the internal audit function and therefore provides other scholars and academicians with a basis for further research on the study subject.

1.7 Scope of the Study

This study was limited to Departments under the Ministry of Finance and Economic Planning in South Sudan as the study unit with the organizations' internal auditors as the study respondents. The internal audit function was the study's dependent variable while competency of internal audit staff, top management support for internal audit and independence of internal audit staff were the study's independent variables.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the theoretical framework of the study, empirical review based on the study objectives, conceptual framework of the study and operationalization of study variables.

2.2 Theoretical Review

This section includes a review of theories that guided the study. The study was guided by three theories namely; Resource Based View Theory, Contingency Theory and Agency Theory. The theories are as described in the subsequent subsections.

2.2.1 Resource Based View Theory

The Resource Based View (RBV) theory can be traced back to the work of Birger Wernerfelt who developed an article titled “A Resource-Based View of the Firm” in 1984. However, elements of the RBV theory can be found in earlier research work by authors such as Coase in 1937, Selznick in 1957, Penrose in 1959, Stigler in 1961, Chandler in 1962 and Williamson in 1975 where emphasis was put on the importance of firm resources and its implications for firm performance (Armstrong & Taylor, 2014). The RBV theory argues that organizations should not try to achieve strategic fit with the external environment but aim to maximize their internal resources to create and dominate future opportunities (Saqib & Rashid, 2013). The theory’s central proposition is that if a firm is to achieve a state of

sustained competitive advantage, it must acquire and control valuable, rare, inimitable and non-substitutable resources and capabilities (Peteraf & Barney, 2012). Within this theory people are viewed as an investment and not a cost and learning, knowledge sharing, innovation and experimentation are encouraged with employees being involved in decision making (Wright, Dunford & Snell, 2011).

This theory assumes that an organization's workforce is a unique and inimitable resource that can generate a competitive advantage for the organization if effectively harnessed (Saqib & Rashid, 2013). Huang and Han (2016) argued that a resource based view approach to strategic human management focuses on satisfying the human capital requirements of the organization. Wright *et al.* (2011) suggests that human resource policies and values of an organization constitute an important non-imitable resource and this is achieved by ensuring that; - the firm has higher quality people than its competitors, organization learning is encouraged, organization-specific values and a culture exist which bind the organization together (and) gives it focus, and the unique intellectual capital possessed by the business is developed and nurtured.

Critiques of this theory argue that the effectiveness of the resource based approach is inextricably linked to the external context of the firm and that the resource based approach provides more value when the external environment is less predictable. Other critiques have argued that the theory's valuable, rare, inimitable, and non-substitutable proposition is neither necessary nor sufficient for a firm's sustained competitive advantage (Armstrong & Taylor, 2014). In light of internal audit function, this theory was relevant to the current study given that a competent internal audit workforce can be a valuable resource to an organization's

performance particularly in areas of business risk management, regulatory compliance and general governance.

2.2.2 Contingency Theory

The contingency theory is a behavioral theory developed by Woodward in 1958. The contingency theory is premised on the idea that there is no one or single best way or approach to manage organizations. Instead, the optimal course of action is contingent (dependent) upon the internal and external situation. Organizations should then develop managerial strategy based on the situation and condition they are experiencing (Armstrong & Taylor, 2014). Thompson in his classic organization in action model in 1967 portrayed the basic problem of an organization as achieving originality in an uncertain world. He argued that organizations are created to pursue some desired outcomes, yet they are faced with technologies and environment of varying levels of uncertainty which limits their ability to plan and execute actions to achieve the desired ends. Thompson thus viewed organizations as open systems operating in an environment over which they had only limited control (Cole & Kelly, 2011).

According to the contingency theory, an organization must identify specific sets of decisions and actions which are associated with certain defined circumstances and demonstrate an appropriate matching (Islam & Hu, 2012). This theory lends credence to the argument that the corporate responsibilities and duties of an entity are not only restricted to shareholders but also extend to other stakeholders such as employees, creditors, prospective investors, governmental and professional bodies, customers and suppliers and whose interests also influence its performance (Badara & Saidin, 2014). Proponents of this theory point to its major premise that organizational strategies have to take account of the particular needs of

the organization in any given situation and as situations change so must the strategies (Cameron, 2010). However, critiques of this theory point that the theory fails to adequately explain what should be done about a leader/situation mismatch in the workplace and that the theory also falls short in trying to explain why leaders with certain leadership styles are effective in some situations but not others (Howell, Windahl & Seidel, 2010).

When applied to internal audit function, the contingency theory holds the view that the design and use of internal control system is contingent upon the context of the organizational setting in which the controls operate (Jokipii, 2010). This theory thus advances the notion that the internal audit function can vary considerably, depending on the area of the organization under audit, the identified scope of the audit and the organization's business/operation model. Thus, auditors must carefully manage their inspections and take various variables into account to get the job done (Asaolu et al., 2016). This theory was therefore relevant to the current study given that it recognizes that the effective operation of the internal audit function is dependent on contingent factors including the competence and independence of the internal audit team as well as the level of support accorded to the internal audit function by the top management.

2.2.3 Agency Theory

The agency theory with its roots in economic theory was expounded by Alchian and Demsetz in 1972 and further developed by Jensen and Meckling in 1976. The theory defines the relationship between the principals who are mainly the shareholders and agents who are mainly the company executives and managers. In this theory, the principals delegate the running of business to the directors or managers, who are the shareholder's agents (Soh & Martinov-Bennie, 2011). According to Alzeban and Gwilliam, (2014) the theory reduces the

corporation to two participants - managers and shareholders. Agency theory states that shareholders expect the agents to act and make decisions in the principal's interest. However, this is not always the case as the managers of organizations can be self-interested (Yalew, 2015). Lenz and Hahn (2015) opined that this theory focuses on managerial decision making and the interests of all stakeholders have intrinsic value, and no sets of interests are assumed to dominate the others.

In the context of internal audit, internal auditors are considered as agents and monitors for a variety of the internal audit users that include the board and audit committee. Agency problems could occur when the board or its audit committee is inefficient, and hence, the senior management is likely to be a powerful influence over the internal audit (Mihret & Yismaw, 2014). Internal auditors are often employed by senior management but are required to act as agents of the board and audit committee in evaluating the senior management's works (Alzeban, 2013). However, internal auditors may have varying motives to act against the board of directors' interests and its audit committee and these motives include financial rewards from managers, personal relationships with them, and the power of senior management in shaping the future position of internal auditors and their salaries. In such a work environment, internal auditors as agents may have an incentive to be bias with their reporting, and which leads to new concerns of the board and audit committee about their trust on the internal auditors' objectivity (Mohamed, 2016).

This theory was relevant to the current study given that agency related problems may arise between internal auditors, as agents for the board and the audit committee and the senior management as the principal and particularly in instances where the management has a

powerful influence over the internal audit function such as through having the final say on the remuneration of the internal auditors. To address the potential agency problems, internal auditors as agents must possess professional qualifications, experience, and other competencies needed to perform their responsibilities well and must execute their duties diligently. Having internal auditors with such requirements would increase the confidence level of the board and audit committee in the internal auditors' work. The problem related to the ability of senior management having significant influence over the future employment and salaries of internal auditors can be resolved by having an audit committee as the absolute authority for appointment and removal of the chief audit executive.

2.3 Empirical Review

This section includes a review of past studies in relation to factors influencing the internal audit function. The section was structured based on the study objectives and therefore includes sections on competency of internal audit staff, top management support for internal audit and independence of internal audit staff and their influence on IA function effectiveness.

2.3.1 Competency of Internal Audit Staff and Internal Audit Function

Shokiyah and Serjana (2014) did a study on factors that contributed to the effectiveness of internal audit in the Malaysian public sector. The study employed a cross sectional survey design and applied descriptive and inferential statistics to analyze the data from the survey. The results of the study showed that there was a significant positive relationship between the internal auditors' competency and effectiveness of internal audit in the Malaysian public sector. Similarly, in a study to investigate factors affecting the effectiveness of internal

auditors in Iranian companies, Salehi (2016) observed that the IA department can effectively carry out its duties if there are enough IA personnel with required competencies. The study results showed that internal audit effectiveness had a strong positive relationship with experienced educated internal audit staff.

In an investigation of determinants of the effectiveness of internal auditing in Israeli organisations, Cohen and Sayag (2010) expressed the view that competency determines the efficiency of the auditor in setting a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's IA activities. On their part, Unegbu and Kida (2011) argued that for the internal audit department to be able to meet its responsibilities, the department must have or be able to attract persons with the required knowledge, skills and other capabilities and competencies. In the Saudi environment, Al-Twajry (2014) noted that the adequate level of competencies of internal audit staff in terms of training, experience, knowledge, and professional qualifications had a positive influence on the effectiveness of IA function in the country while in Taiwan, Huang & Han (2016) found that the training and professional abilities of internal auditors positively and significantly affected the functioning of the internal audit units in Taiwan.

In an empirical study to evaluate the antecedents of internal audit effectiveness in Nigeria, Badara and Saidin (2014) opined that internal audit quality is very much identified as reliant upon competence, as demonstrated by qualifications, skills and experience of the auditors involved. Dittenhofer (2011) suggested two types of skills as being relevant to the internal auditors these being cognitive skills and behavioral skills. In the case of the former, the auditor is required to demonstrate technical, analytic and appreciative skills, whereas in

behavioral terms, it is essential that s/he has good interpersonal and organizational skills. Yalew (2015) argued that the internal audit function cannot be successful unless the internal auditors are sufficiently qualified and possess all the requisite knowledge and skills required to discharge the responsibilities associated with audit duties. Similar sentiments were expressed by Udeh and Nwadiolor (2016) who in a study of the effectiveness of internal audit in the Nigerian Public Sector identified internal auditors' competence as one of the key determinants of the effectiveness of the IA function in the country.

In a study to evaluate the factors contributing to the effectiveness of internal audit in the Public Sector in Kosovo, Rudhani et al. (2017) noted that competency was considered as a key measure for depending on the work of internal auditors by the external auditors. Along with this, Mihret and Yismaw (2014) indicated that both the technical competence and continuous training of internal audit team were essential requirements for internal audit effectiveness. Moreover, Lenz and Hahn (2015) argued that professional proficiency of internal auditors is of major importance for effective internal auditing. Similar view was expressed by Alzeban and Gwilliam (2014) as well as Ahmed et al. (2012) who pointed that higher internal audit effectiveness is associated with greater competence of the internal audit staff.

2.3.2 Top Management Support for Internal Audit and Internal Audit Function

In a review of the internal audit function with focus on perceptions of internal audit roles, effectiveness and evaluation, Soh and Martinov-Bennie (2011) expressed the view that the success of the IA function strongly depends on the level of senior management's support for the internal auditing process especially in recognition of the function as being a critical and

important activity as other major functions within the organization. In an investigation of factors influencing the effectiveness of internal audit in Kenya's public sector, Karanja (2011) asserted that without top management approval, support and encouragement, the IA function was likely to face failure and more so due to lack of adequate facilitation from the management to effectively execute its responsibilities. Mihret and Yismaw (2014) in their study of internal audit effectiveness in the Ethiopian public sector also found that having management's support implied that the internal audit function could have access to more resources for undertaking their tasks and meeting their responsibilities including hiring of competent internal audit staff and their continued training to improve their capabilities and efficiency.

Alzeban and Gwilliam (2014) noted that the ISPPA has emphasized the importance of management's support in removing any limitations relating to access to adequate resources which impede the internal audit department's performance by asserting that the management has a responsibility of ensuring that the IA function is adequately facilitated for it to effectively meet its responsibilities. According to Bunango (2015), the senior administration's backing of the IA function gives an essential sign about the role and value of the internal audit to the organization. This backing helps to empower the internal audit office to effectively perform its undertakings and obligations. In a study to investigate the factors affecting the internal audit effectiveness in Tunisian organizations, Mohamed (2016) identified full implementation of the IA recommendations and adequate financing of the IA function as some of the indicators of positive management support for the IA function.

In a review of the effectiveness of internal audit in the Malaysian public sector, Ahmed et al. (2012) found that, after the competency of internal audit staff, senior administration's backing of the IA function was the second most critical determinant of the effectiveness of the internal audit departments in Malaysia's public sector. The study results further showed that with management's support, the internal audit recommendations were likely to be implemented and the internal audit departments were likely to be well supported in terms of the number of staff and needed financial resources (Ahmed et al., 2012). Ariga and Gathogo (2016) in a study to examine the effectiveness of internal audit in the County Government of Nakuru found that lack of support by the management accompanied by a poor attitude towards the internal audit function had a negative effect on the performance of the internal audit department in the county. Similar sentiments were shared by Alshbiel and Al-Zeaud (2012) who stated that internal audit effectiveness can be improved through provision of both material and immaterial incentives and full implementation of its recommendations.

In an investigation to review factors associated with internal audit effectiveness in Greece, George et al. (2015) identified management support as one of the factors that positively influenced the effectiveness of IA function in the country. According to Cohen and Sayag (2010) management support for internal auditing is important in ensuring that the internal audit functions have the necessary resources to do their jobs and in giving legitimacy to the function's activities. In an empirical investigation of antecedents of internal audit effectiveness in Nigeria, Badara and Saidin (2014) argued that the ineffectiveness of internal controls was caused by the lack of management commitment to follow-up the findings from the internal control department. They further pointed out that management's implementation of internal audit recommendations was considered as a strong measure for the effectiveness

of internal auditors. Similar findings were reported by Shokiyah and Serjana (2014) who in a study of factors that contributed to the effectiveness of internal audit in the Malaysian public sector found that senior management's support for the internal audit function positively related with the effectiveness of internal audit in the Malaysian public sector. Results from a study by Shamsuddin (2014) showed that to be effective, the internal audit department needs management's approval and appreciation of the value that the internal audit can add to the organization.

2.3.3 Independence of Internal Audit Staff and Internal Audit Function

In a study to investigate the factors affecting internal audit effectiveness in the Saudi public sector, Alzeban and Gwilliam (2014) identified internal audit's independence as one of the key factors that influenced internal audit effectiveness. The authors noted that independence exists when internal auditors are able to act with objectivity, impartiality and free from any conflict of interest. Similarly, in a study of factors that contributed to the effectiveness of internal audit in the Malaysian public sector, Shokiyah and Serjana (2014) established that there was a significant positive relationship between the internal auditors' independence and effectiveness of internal audits in the country's public sector. According to Asaolu et al. (2016), independence of the IA function is fundamental to the reliability of its reports given that the assurance services provided by auditors derive their value and credibility from the fundamental assumptions of independence of mind and independence in appearance.

According to Dejnaronk et al. (2016), internal audit independence can be challenged by actions such as when the function is used as a stepping stone to other positions, when the Chief Executive Officer or Chief Finance Officer is empowered to approve the IA function's

budget and/or interfere with the internal audit plan. To safeguard the independence of the IA function, the audit committee must be invested with the authority to appoint, dismiss and assess the performance of the internal audit executive. The IA function should thus be treated and seen as credible (Goodson et al., 2012). According to the findings of a study by Rudhani et al. (2017), independence is absent when the IA function operates mainly to support the management, and when it has a weak relationship with the audit committee. Similarly, Sakour and Laila (2015) suggested three factors as impacting upon internal auditors' ability to be independent from the management, these being: their professional status, presence of a formal and informal communication network and the internal auditors' reporting position.

Cohen and Sayag (2010) when focusing on the effectiveness of internal auditing in Israeli organisations opined that where internal auditors are in receipt of incentives-based compensation, which includes reported earnings as one measure of performance, their objectivity and independence is likely to be hampered. Alzeban (2013) shared similar sentiments that IA function's independence is threatened as when reporting to senior management rather than the audit committee, internal auditors are usually unable to protect the organization against fraudulent activities of the management. Alshbiel and Al-Zeaud (2012) suggested that the independence of internal auditors is impaired when the management seeks to influence the internal audit planning process and when the management has the final say as to which internal controls are to be instituted and the selection and scope of the area of the entity that will be subject to audit.

In a study to examine the factors influencing internal audit effectiveness in the Tunisian context, Mohamed (2016) found that the effectiveness of internal auditing was influenced by

the independence of the internal audit. On their part, Badara and Saidin (2014) identified the level of authority to which the internal audit staff report and clear definition of the responsibilities of the IA function as important criteria for evaluating the objectivity of the internal audit's work. Kirima (2016) added that organizational independence is more crucial to the effectiveness of the internal auditors, as it protects the auditors from undue pressure or intimidation hence increasing the objectivity of their auditing work. The authors confirmed that there exists a significant positive correlation between the effectiveness of internal audit and independence of the unit. According to the professional standards and guidance issued by the ISPPPIA and the IIA Practice Advisory, independence of the IA function can only be achieved by allowing the internal audit department to perform its responsibilities free from interference; avoiding conflict of interests; having direct contact with the board; having unrestricted access to records, employees and departments and the appointment and removal of the head(s) of internal audit not being under the direct control of the executive management (Salehi, 2016).

2.4 Summary of Literature Review

From the afore-discussed empirical studies, it is clear that the internal audit function can have a positive impact on the control environment of an organization and the effective design and operation of its internal controls (Cohen & Sayag, 2010; Ahmad et al., 2012). Organizations that effectively use internal auditing are better able to identify business risks and process and system inefficiencies, take appropriate corrective action, and ultimately support continuous improvement (Unegbu & Kida, 2011). Internal auditing is a catalyst for improving an organization's governance, risk management and management controls by providing

recommendations based on independent assessment of business operations and procedures (Shamsuddin, 2014). To maintain and enhance the credibility of the internal audit function, its operation must be monitored and hence the need for this study which sought to establish the factors that influence the IA function in the context of the South Sudan public sector.

2.5 Knowledge Gap

While the above studies provided, an important insight regarding the factors influencing the internal audit function, it was evident that majority of the studies were done in Asian countries (Ahmad et al., 2012; Salehi, 2016; Dejnaronk et al., 2016; Rudhani et al., 2017) and in the Middle East (Cohen & Sayag, 2010; Alshbiel & Al-Zeaud, 2012; Alzeban & Gwilliam, 2014) and none had addressed the issue of the factors influencing the internal audit function in South Sudan's Public Sector. As such, there was dearth of empirical literature as to the factors influencing the internal audit function in the Public Sector in South Sudan. The current research study sought to fill this existing research gap by investigating the factors influencing the internal audit function in the Public Sector in South Sudan.

2.6 Conceptual Framework

The conceptual framework provides a diagrammatic representation of the relationship between the study variables. The conceptual framework presents a visual overview of the study's independent variable(s) and the dependent variable and thus helps to provide a quick glimpse of the study's key variables (Mugenda & Mugenda, 2009). For the purpose of this study, the dependent variable was the internal audit function which was evaluated through considering the nature of the internal control system while the independent variables of the study included; competency of internal audit staff, top management support for internal audit

and independence of internal audit staff. The study variables were evaluated using Likert-scale based questions using a ratio measurement scale. This was as illustrated in Figure 2.1.

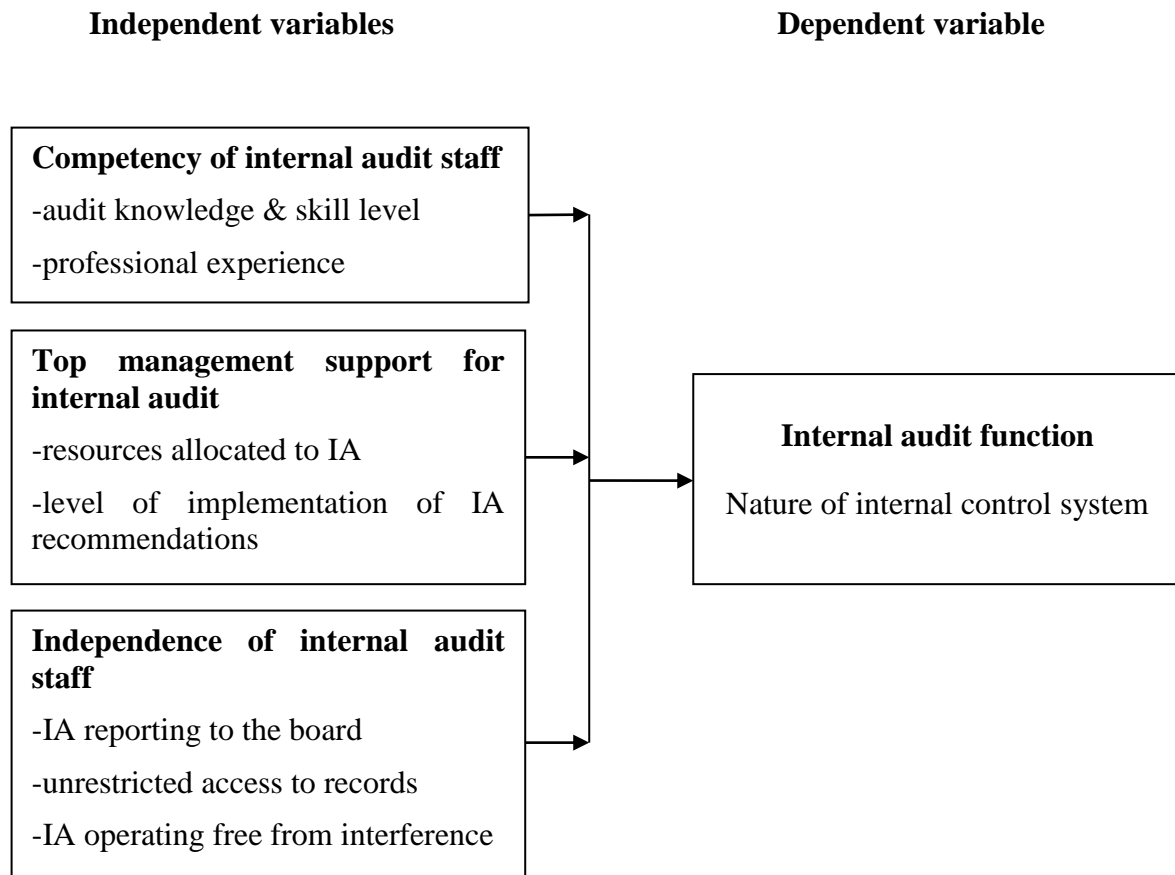


Figure 2.1 Conceptual framework

2.7 Operationalization of Variables

The operationalization of variables is a description of how the study variables were measured. The dependent variable in this study was internal audit function while competency of internal audit staff, top management support for internal audit and independence of internal audit staff constituted the study's independent variables. Both the study's independent and dependent variables were measured using a Likert-scale based structure rated 1-5 and which contained various statements on the indicators of the variables to which the respondents were required

to indicate their level of agreement with the statements where 1= strongly disagree, 2- disagree, 3-neutral, 4-agree and 5= strongly agree. The operationalization of the study variables was as summarized in Table 3.1.

Table 3.1 Operationalization of Variables

Study variable type	Variable	Operationalization	Measurement scale
Dependent variable	Internal audit function	<ul style="list-style-type: none"> - timely detection of errors and frauds - nature of internal control system - level of audit staff productivity - level of collaboration with external auditors 	Likert scale
Independent variables	Competency of IA staff	<ul style="list-style-type: none"> - audit knowledge & skill level - professional experience - continued training 	Likert scale
	Top management support for IA	<ul style="list-style-type: none"> - level of resources allocated to IA - level of implementation of IA recommendations 	Likert scale
	Independence of IA staff	<ul style="list-style-type: none"> - IA reporting to the board - unrestricted access to records - IA operating free from interference 	Likert scale

Source: Researcher, 2018

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology that the researcher used to conduct the study. The research methodology is presented in the following order: research design, target population, research instrument and data collection and data analysis and presentation.

3.2 Research Design

This study adopted a descriptive research design. Descriptive research design is a scientific method which involves observing and describing the behavior of a subject in an accurate way (Mugenda & Mugenda, 2003). This is because descriptive research design is appropriate where the study seeks to describe the characteristics of certain groups, estimate the proportion of people who have certain characteristics and make predictions (Cooper & Schindler, 2011). The design was suitable for the current study as it helped the researcher to describe the state of affairs with respect to the factors influencing the internal audit function in South Sudan's public sector as it existed without manipulation of variables.

3.3 Target Population

Target population in statistics is the specific population about which information is desired. According to Kothari (2004), a population is a well-defined set of people, services, elements, and events, group of things or households that are being investigated. The target population of this study was the internal auditors of Departments under the Ministry of Finance and

Economic Planning of South Sudan. Based on Human Resource records at the Labour, Public Service and Human Resource Development Office in South Sudan, there were 86 internal auditors assigned to work in the various Departments under the Ministry (GSS, Human Resource, 2017). This formed the study's target population. The choice of the internal audit staff as the study respondents was based on the appreciation that they were the ones who executed the functions and responsibilities of the IA function within the Departments under Government Ministries in South Sudan and as such were in a good position to provide information as to the factors influencing the IA function. This study was a census survey. Kothari (2004) postulated that a census survey is used when the target population is small.

3.4 Research Instrument and Data Collection

The study used primary data which was collected using a self administered questionnaire (Appendix I). The questionnaire contained close ended questions based on the study objectives. The reason for choosing the questionnaire as the data collection instrument for this study was primarily due to its practicability, applicability to the research problem and the size of the population. It was also cost effective (Denscombe, 2014). To help refine the research instrument, the researcher conducted a pilot test on 9 internal audit staff (representing 10% of the sample size) of the Ministry of Water Resources and Irrigation in South Sudan. A pilot test is conducted to detect weaknesses in the design and content of the research instrument and to provide proxy data for selection of a probability sample (Cooper & Schindler, 2011). Mugenda and Mugenda (2003) asserted that 10% of the sample size is adequate for the purposes of pilot testing of the research tool.

Validity of the research instrument indicates the degree to which an instrument measures what it is supposed to measure; the accuracy, soundness and effectiveness with which an instrument measures what it is intended to measure (Kothari, 2004). The research instrument was availed to the supervising lecturer in KCA and peers who helped establish its content and construct validity to ensure that the items were adequately representative of the subject under study. Reliability of the research instrument is a measure of the degree to which a research instrument yields consistent results after repeated trials (Nsubuga, 2006). Using data from the pilot test, the reliability of the research instrument was estimated using Cronbach's Alpha Coefficient which is a measure of internal coefficient. A reliability of at least 0.70 at $\alpha=0.05$ significance level of confidence was accepted. Adjustments were made accordingly where a low co-efficient was obtained in order to improve on the research tool.

For the purposes of data collection, the researcher obtained approval from KCA and the administrators of the Ministry of Finance and Economic Planning of South Sudan to conduct the study. The study also sought informed consent from the respondents as was necessary after explaining the purpose of the study to the respondents. Participation in the study was purely on voluntary terms and there were no penalties for withdrawal of consent at any stage of the data collection. In addition, the study participants were assured that all information provided would be handled and processed confidentially, it would be used for the purposes of the study only and that any emerging issues would only be cited anonymously. The questionnaires were administered using the drop and pick later method with a lapse period of 2 weeks to allow the respondents ample time to respond to the questionnaires in order to enhance the response rate.

3.5 Data Analysis and Presentation

Data collected was coded and classified into different components to facilitate a better and efficient analysis. The quantitative data gathered through close ended questions was analyzed through descriptive statistics using the Statistical Package for Social Science (SPSS version 23.0) and presented through percentages, frequencies, mean and standard deviation. The study findings were presented in tables and figures, as appropriate.

For the purpose of analyzing the relationship between the study variables, the study used linear regression analysis. Linear regression analysis was useful to the study as it helped the researcher to analyze the existing relationships between the study's independent variables and the dependent variable. The key benefit of using regression analysis lies in its ability to indicate the extent to which changes in the independent variables affect the dependent variable.

The regression model specification was as follows;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$$

Where;

Y = Internal audit function (the dependent variable)

X_1 = Competency of IA staff

X_2 = Top management support for IA

X_3 = Independence of IA staff

$\beta_0 = \text{Constant}$

$\beta_1 - \beta_3 = \text{Coefficients of independent variables}$

$\varepsilon = \text{Error term}$

Further, the t-test with a critical value of 1.96 and a p value of 0.05 was used to test the significance of competency of IA staff, top management support for IA and independence of IA staff on the IA function in the Ministry of Finance and Economic Planning in South Sudan. According to Kothari (2004) an independent variable has a significant effect if the t statistics is greater than + or – 1.96 or if the p value is less than 0.05.

3.5.1 Diagnostic Tests

As part of data analysis and presentation, the researcher conducted various diagnostic tests with a view of ascertaining the appropriateness of the study data for regression analysis. These tests were critical in ensuring that the study data met the specific assumptions underlying regression analysis. The researcher performed normality, homoscedasticity, multicollinearity and ANOVA tests. These were as described below:

3.5.1.1 Normality

As part of exploratory data analysis, tests for normality of distribution of the study variables were conducted. Normality of the data was tested using the Shapiro – Wilk test. The significance level for this study was $\alpha = 5\%$. For $P \geq 0.05$ normality was assumed while for $P < 0.05$ deviation from normality was assumed. In case the data was found not to be normal,

the study would have performed a non-parametric version of the test, which does not assume normality (Ghasemi & Zahediasl, 2012).

3.5.1.2 Homoscedasticity

Homoscedasticity is a situation where the variability of a variable is equal across the range of values of a second variable that predicts it (Bera & Jarque, 2012). In this study homoscedasticity was tested using the Breuch-pagan / cook-weisberg test. For the Breusch-Pagan / Cook-Weisberg test, the null hypothesis was that the error variances were all equal while the alternative hypothesis was that the error variances were a multiplicative function of one or more variables. Homoscedasticity was evident when the value of “Prob > Chi-squared” was greater than 0.05 (Bera & Jarque, 2012). To deal with the heteroskedasticity problem if detected, the researcher would try to respecify the model or transform the variables given that sometimes heteroskedasticity results from improper model specification evidenced by choice of wrong variables or using variables whose effects may not be linear (Garson, 2012).

3.5.1.3 Multicollinearity

Multicollinearity is a test that evaluates whether the independent variables are highly correlated. The primary concern being that as the degree of multicollinearity increases, the regression model estimates of the coefficients become unstable and the standard errors for the coefficients can get wildly inflated. Multicollinearity in this study was tested using Variance Inflation Factor (VIF) and Tolerance. For the purpose of this study, a VIF for the independent and dependent variables of less than 3 ($VIF < 3$) and Tolerance Statistics values > 0.1 indicated no multicollinearity while a VIF of ≥ 3 and Tolerance Statistics values < 0.1

indicated multicollinearity (Maddala & Lahiri, 1992). To deal with the problem of multicollinearity if detected, the researcher would obtain more data on the variables concerned if possible or ultimately remove the highly correlated predictors from the model (Garson, 2012).

3.5.1.4 Analysis of Variance

Analysis of Variance (ANOVA) consists of calculations that provide information about levels of variability within a regression model and forms a basis for tests of significance of the regression model. The "F" column of ANOVA provides a statistic for testing the hypothesis that all $\beta \neq 0$ against the null hypothesis that $\beta = 0$ (Weisberg, 2005). If the F calculated value was > the F critical value, the regression model was said to be statistically significant in predicting how the independent variables influenced the dependent variable while if the F calculated value was < the F critical value then overall regression model was said to be insignificant.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the analysis and findings of the study as set out in the research methodology. The results were presented on the factors influencing the internal audit function in public sector in South Sudan.

4.1.1 Response Rate

The study targeted 86 internal auditors of Departments under the Ministry of Finance and Economic Planning of South Sudan as the study respondents. Out of the 86 questionnaires administered, 64 were adequately filled and returned contributing to a response rate of 74.4% as illustrated in Table 4.2. This response rate was sufficient and representative and conforms to Mugenda and Mugenda (2003) stipulation that a response rate of 50% is adequate for analysis and reporting, a rate of 60% is good while a response rate of 70% and over is excellent.

Table 4.2 Response rate

	Frequency	Percent
Responses received	64	74.4
No response	22	25.6
Total	86	100.0

4.2 Reliability of the Research Instrument

The study conducted a pilot test on 9 internal audit staff (representing 10% of the sample size) of the Ministry of Water Resources and Irrigation in South Sudan, with a view of determining the suitability and ease of use of the research instrument. The reliability of the research instrument was estimated using Cronbach's Alpha Coefficient which is a measure of internal coefficient. In this study, the acceptable Cronbach alpha threshold was at least 0.70 or above, as is the rule of thumb. The results are as shown in Table 4.3.

Table 4.3 Reliability Test Results

Variable		Reliability Statistics	
Type	Variable Name	Cronbach's Alpha	N
Independent variables	Competency of IA staff	0.715	5
	Top management support for IA	0.827	5
Dependent variable	Independence of IA staff	0.762	5
	Internal audit function	0.749	5

All the variables of the study yielded Cronbach's Alpha Coefficient values > 0.7 at $\alpha=0.05$ significance level, as illustrated in Table 4.3 above, indicating that the research tool had a high level of internal consistency.

4.3 Validity of the Research Instrument

In this study, both construct and content validity of the research instrument were established through expert judgment. The questionnaire used in this study was constructed in close

consultation with the University supervisors and other experts and who helped ensure that it accurately captured the variables under study.

4.4 Demographic Information

The study sought to establish the demographic profile of the respondents. The results are as described in the subsequent subsections.

4.4.1 Gender Distribution of the Respondents

The results on the gender of the respondents are as shown in Figure 4.2.

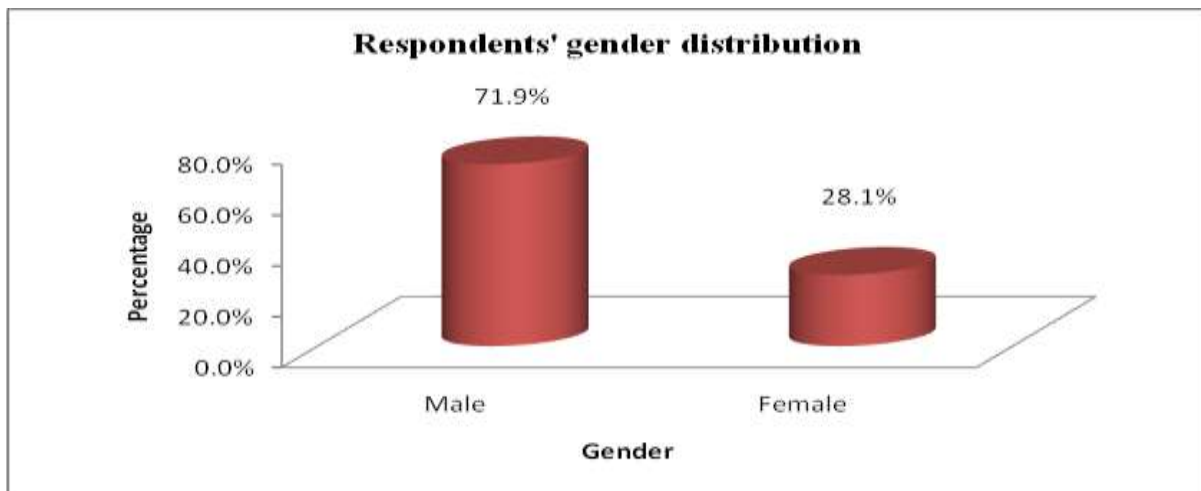


Figure 4.2 Respondents' gender distribution

Based on Figure 4.2 above, majority (71.9%) of the respondents were male while 28.1% were female. This showed that the study did not suffer from gender biasness as it involved both male and female respondents though the majority of the study respondents were male.

4.4.2 Age Distribution of the Respondents

The results on the age of the respondents are as depicted in Figure 4.3.

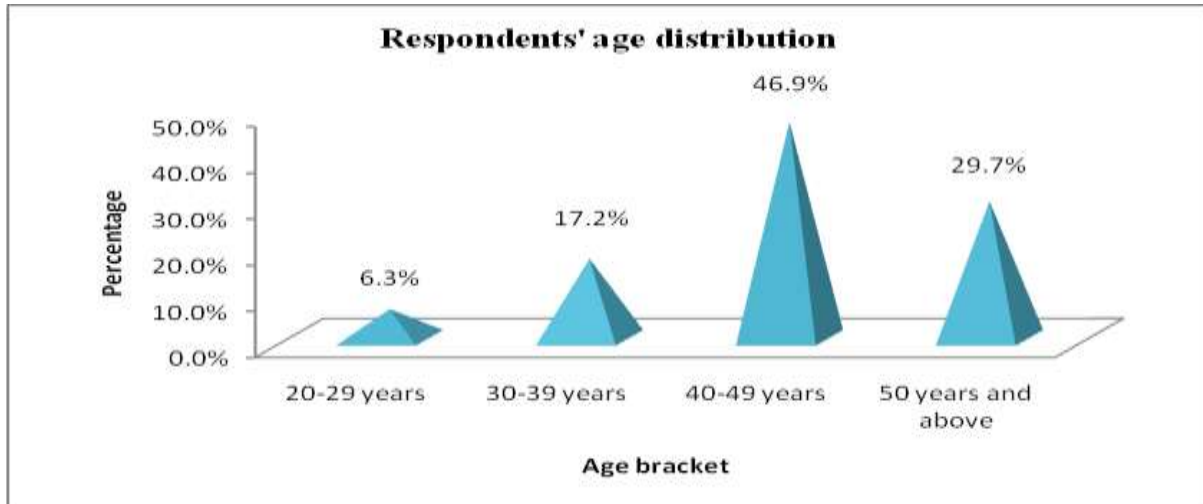


Figure 4.3 Respondents' age distribution

According to Figure 4.3 above, 46.9% of the respondents were aged between 40-49 years, 29.7% were aged 50 years and above, 17.2% were aged between 30-39 years while 6.3% of the respondents were aged between 20-29 years. This showed that the study respondents cut across different age brackets.

4.4.3 Education Level of the Respondents

The findings on the respondents' education level are as shown in Figure 4.4.

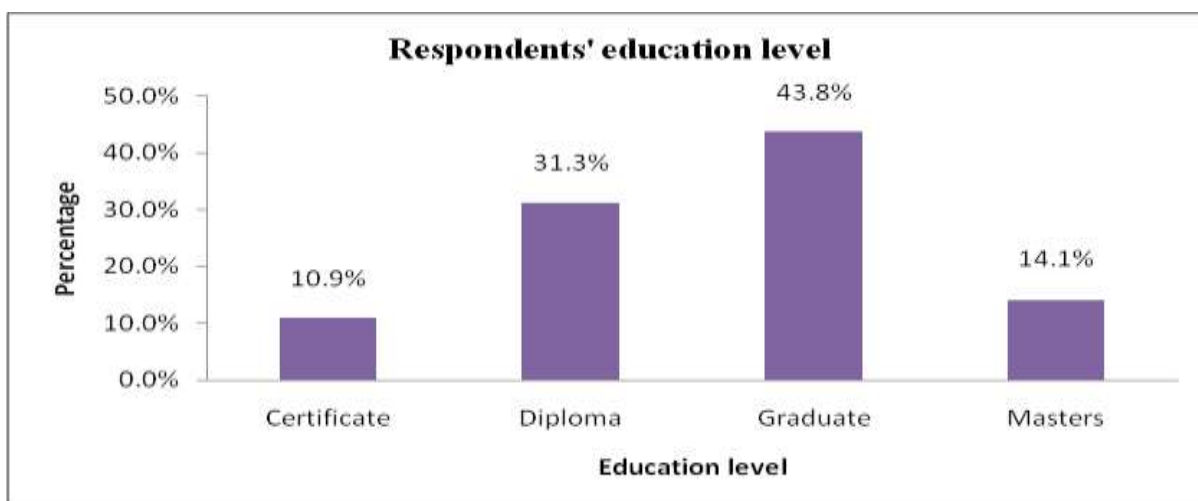


Figure 4.4 Education level of the respondents

According to Figure 4.4 above, 43.8% of the respondents were Graduates, 31.3% were Diploma holders, 14.1% had Masters while 10.9% were Certificate holders. This inferred that majority of the respondents had a sound academic background and as such had a good understanding of the factors influencing the internal audit function in public sector in South Sudan.

4.4.4 Duration Worked in Government Departments

The findings on duration worked in Government Departments are as presented in Table 4.4.

Table 4.4 Duration worked in government departments

	Frequency	Percent
Less than 1 year	6	9.4
1-4 years	14	21.9
5-8 years	44	68.8
Total	64	100.0

Table 4.4 above indicates that majority (68.8%) of the respondents had worked in Government Departments in South Sudan for 5-8 years, 21.9% had worked for 1-4 years, while 9.4% of the respondents had worked in Government Departments in South Sudan for less than 1 year. This implied that majority of the respondents had worked in the public sector in South Sudan for long enough to be able to provide crucial information relating to the factors influencing the internal audit function in public sector in South Sudan.

4.3 Competency of Internal Audit Staff and Internal Audit Function

The first objective of the study sought to establish the influence of competency of internal audit staff on the internal audit function in Ministry of Finance and Economic Planning in South Sudan. The study evaluated the respondents' level of agreement with various statements on competency of the internal audit staff as a determinant of effectiveness of the IA function using a scale of 1-5 where 5-strongly agree, 4-agree, 3-neutral, 2-disagree and 1-strongly disagree. The findings are as illustrated in Table 4.5.

Table 4.5 Respondents' level of agreement with statements on competency of the internal audit staff

Statements	Mean	Std. Dev
The training and professional abilities of internal auditors significantly affects the performance of the internal audit function	4.047	0.6530
For the internal audit department to be able to meet its responsibilities, the department must have or be able to attract persons with the required knowledge, skills and experience	4.266	0.6724
For the internal auditors to be deemed competent, they need to have knowledge on financial analysis and reporting	4.375	0.5195
For the internal auditors to be deemed competent, they must have a good understanding of the entity's system of internal controls	3.906	0.8859
For the internal auditors to be deemed competent, they must have adequate awareness of risk assessment and management	4.219	0.7231

The study findings shown in Table 4.5 above indicate that the internal auditors of Departments under the Ministry of Finance and Economic Planning in South Sudan agreed that for the internal auditors to be deemed competent, they need to have knowledge on financial analysis and reporting (mean = 4.375); for the internal audit department to be able to meet its responsibilities, the department must have or be able to attract persons with the required knowledge, skills and experience (mean = 4.266); for the internal auditors to be deemed competent, they must have adequate awareness of risk assessment and management (mean = 4.219); the training and professional abilities of internal auditors significantly affects the performance of the internal audit function (mean = 4.047) and that for the internal auditors to be deemed competent, they must have a good understanding of the entity's system of internal controls (mean = 3.906). This implied that competency of internal audit staff

played a significant role in enhancing the effectiveness of internal audit function in the Ministry of Finance and Economic Planning of South Sudan.

This agreed with Salehi (2016) who in a study to investigate factors affecting the effectiveness of internal auditors in Iranian companies observed that the IA department can effectively carry out its duties if there are enough internal audit personnel with required competencies. Similarly, in an investigation of determinants of the effectiveness of internal auditing in Israeli organisations, Cohen and Sayag (2010) expressed the view that competency determines the efficacy of internal auditors in setting a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's internal audit activities. On their part, Unegbu and Kida (2011) argued that for the internal audit department to be able to meet its responsibilities, the department must have or be able to attract persons with the required knowledge, skills and other capabilities and competencies. Studies by Huang & Han (2016) in Taiwan and Al-Twaijry (2014) in Saudi Arabia found that the training and professional abilities of internal auditors positively and significantly affected the functioning of the internal audit units.

4.4 Top Management Support for Internal Audit and Internal Audit Function

The second objective of the study sought to determine the influence of top management support for internal audit on the internal audit function in Ministry of Finance and Economic Planning in South Sudan. The study evaluated the respondents' level of agreement with various statements on top management support for the internal audit as a determinant of effectiveness of the IA function using a scale of 1-5 where 5-strongly agree, 4-agree, 3-neutral, 2-disagree and 1-strongly disagree. The findings are as illustrated in Table 4.6.

Table 4.6 Respondents' level of agreement with statements on top management support for internal audit

Statements	Mean	Std. Dev
The internal auditor reports informs management's decision making	4.172	0.7250
The management in my department provides adequate financial and non-financial resources necessary for the effective operation of the internal audit function	2.109	0.8379
The management in my department regards the internal audit as a value-adding service to the organization	2.328	0.8739
In my department, internal auditor's recommendations are recognized and acted on	1.984	0.8066
The management in my department provides continuous training opportunities for the internal auditors to enhance their productivity	2.016	0.7662

The study findings shown in Table 4.6 above indicate that the internal auditors of Departments under the Ministry of Finance and Economic Planning in South Sudan did agree that the internal auditor reports informs management's decision making (mean = 4.172). However, the internal auditors of Departments under the Ministry of Finance and Economic Planning in South Sudan disagreed with the view that the management in their departments regarded the internal audit as a value-adding service to the organization (mean = 2.328); the management in their department provided adequate financial and non-financial resources necessary for the effective operation of the internal audit function (mean = 2.109); the management in their department provided continuous training opportunities for the internal auditors to enhance their productivity (mean = 2.016) and that in their department, internal auditor's recommendations were recognized and acted on (mean = 1.984). This implied that

the effectiveness of internal audit function in the Ministry of Finance and Economic Planning of South Sudan was being impeded by a lack of top management support.

The findings concurred with Soh and Martinov-Bennie (2011) who expressed the view that the success of the internal audit function strongly depends on the level of senior management's support for the internal auditing process especially in recognition of the function as being a critical and important activity as other major functions within the organization. The findings also agreed with Karanja (2011) who asserted that without top management approval, support and encouragement, the internal audit function was likely to face failure and more so due to lack of adequate facilitation from the management to effectively execute its responsibilities. Similarly, in an Ethiopian study Mihret and Yismaw (2014) observed that having top management's support implied that the internal audit function could have access to more resources for undertaking their tasks and meeting their responsibilities. This sentiment was also shared by Alzeban and Gwilliam (2014) and Bunango (2015) who asserted that the senior management has a responsibility of ensuring that the IA function is adequately facilitated for it to effectively meet its responsibilities. They further noted that the senior administration's backing of the IA function gives an essential sign about the role and value of the internal audit to the organization. This backing helps to empower the internal audit office to effectively perform its undertakings and obligations.

4.5 Independence of Internal Audit Staff and Internal Audit Function

The last objective of the study sought to examine the influence of independence of internal audit staff on the internal audit function in Ministry of Finance and Economic Planning in

South Sudan. The study evaluated the respondents' level of agreement with various statements on independence of the internal audit staff as a determinant of effectiveness of the IA function using a scale of 1-5 where 5-strongly agree, 4-agree, 3-neutral, 2-disagree and 1-strongly disagree. The findings are as shown in Table 4.7.

Table 4.7 Respondents' level of agreement with statements on independence of the internal audit staff

Statements	Mean	Std. Dev
Independence of the IA function can only be achieved by allowing the internal audit department to perform its responsibilities free from any interference	4.297	0.6345
Independence of the IA function can only be achieved by ensuring that the appointment and removal of the head(s) of internal audit is not under the direct control of the executive management	4.109	0.5941
The IA function's independence is enhanced where the internal auditors have unlimited access to desired records, information, staffs and departments	4.203	0.6468
The IA function's independence is threatened if internal auditors report to senior management rather than the audit committee/board	3.922	0.7829
The IA function's independence is impaired when management controls the internal audit planning process and decides on the internal controls to be instituted	4.141	0.6870

From Table 4.7 above, the study results revealed that the internal auditors of Departments under the Ministry of Finance and Economic Planning in South Sudan were in agreement that independence of the IA function could only be achieved by allowing the internal audit department to perform its responsibilities free from any interference (mean = 4.297); the IA function's independence is enhanced where the internal auditors have unlimited access to desired records, information, staffs and departments (mean = 4.203); the IA function's

independence is impaired when management controls the internal audit planning process and decides on the internal controls to be instituted (mean = 4.141); independence of the IA function could only be achieved by ensuring that the appointment and removal of the head(s) of internal audit was not under the direct control of the executive management (mean = 4.109) and that the IA function's independence is threatened if internal auditors report to senior management rather than the audit committee/board (mean = 3.922). This implied that independence of internal audit staff was a critical factor that had an influence on the effectiveness of internal audit function in the Ministry of Finance and Economic Planning of South Sudan.

The findings agreed with Alzeban and Gwilliam (2014) who identified internal audit's independence as one of the key factors that influenced internal audit effectiveness; and further noted that independence exists when internal auditors are able to act with objectivity, impartiality and free from any conflict of interest. The findings also concurred with Alshbiel and Al-Zeaud (2012) who opined that the independence of internal auditors is impaired when the management seeks to influence the internal audit planning process and when the management has the final say as to which internal controls are to be instituted and the selection and scope of the area of the entity that will be subject to audit. On their part, Badara and Saidin (2014) identified the level of authority to which the internal audit staff report and clear definition of the responsibilities of the IA function as important criteria for evaluating the objectivity of the internal audit's work. To safeguard the independence of the IA function, Goodson et al. (2012) were of the view that the audit committee must be invested with the authority to appoint, dismiss and assess the performance of the internal audit executive.

4.6 Internal Audit Function

The study evaluated the respondents' opinion on various statements relating to the internal audit function in the Ministry using a scale of 1-5 where 5-strongly agree, 4-agree, 3-neutral, 2-disagree and 1-strongly disagree. The findings are as illustrated in Table 4.8.

Table 4.8 Respondents' level of agreement with statements on the internal audit function

Statements	Mean	Std. Dev
The IA function ensures the economical and efficient utilization of organizational resources	4.063	0.7741
The IA function ensures the reliability and integrity of financial information	4.125	0.6299
The IA function is able to identify breaches in the organization's internal controls	4.156	0.7605
The IA function helps expedite external audits	4.000	0.7346
The recommendations of internal audit department provide practical and cost effective solutions for correcting identified problems	4.234	0.6841
Internal audit is performed in accordance with the IIA standards	3.875	0.8997

Based on Table 4.8 above, the study findings indicated that the internal auditors of Departments under the Ministry of Finance and Economic Planning in South Sudan were in agreement that the recommendations of internal audit department provide practical and cost effective solutions for correcting identified problems (mean = 4.234); the IA function is able to identify breaches in the organization's internal controls (mean = 4.156); the IA function ensures the reliability and integrity of financial information (mean = 4.125); the IA function

ensures the economical and efficient utilization of organizational resources (mean = 4.063); the IA function helps expedite external audits (mean = 4.000) and that internal audit is performed in accordance with the IIA standards (mean = 3.875). This implied that internal audit was an important function in the Ministry of Finance and Economic Planning of South Sudan.

4.7 Inferential Statistics

4.7.1 Tests of the Model and Data

Prior to performing the regression analysis, the study performed various diagnostic tests which included normality, homoscedasticity, multicollinearity and ANOVA tests. These tests were critical in ensuring that the study data met the specific assumptions underlying regression analysis. The results of the tests are as described below:

4.7.1.1 Tests of Normality

In this study, normality of the data was tested using the Shapiro – Wilk test. The significance level for this study was $p = 5\%$. For $p \geq 0.05$ normality was assumed while for $p < 0.05$ deviation from normality was assumed. The normality tests results were as shown in Table 4.9.

Table 4.9 Tests of Normality

Variables	Shapiro-Wilk		
	Statistic	df	Sig.
Competency of IA staff [X ₁]	.631	63	.464
Top management support for IA [X ₂]	.452	63	.339
Independence of IA staff [X ₃]	.676	63	.528
Internal audit function [Y]	.714	63	.587

Table 4.9 above indicates that the significance values for the Shapiro-Wilk tests were 0.464 for competency of IA staff, 0.339 for top management support for IA, 0.528 for independence of IA staff and 0.587 for IA function. Given that the p-values of Shapiro-Wilk tests for the study variables were greater than the chosen alpha level of 0.05 then the study accepted the hypothesis that the data came from a normally distributed population. The results of the tests are therefore of a normally distributed population.

4.7.1.2 Homoscedasticity Tests

Homoscedasticity is a situation where the variability of a variable is equal across the range of values of a second variable that predicts it (Bera & Jarque, 2012). In this study homoscedasticity was tested using the Breuch-pagan / cook-weisberg test. For the Breusch-Pagan / Cook-Weisberg test, the null hypothesis is that the error variances are all equal while the alternative hypothesis is that the error variances are a multiplicative function of one or more variables. Homoscedasticity is evident when the value of “Prob > Chi-squared” is greater than 0.05 (Bera & Jarque, 2012). The results for the homoscedasticity tests were as shown in Table 4.10.

HO Constant variance

Study variables Competency of IA staff, top management support for IA and independence of IA staff

Table 4.10 Test for Homoscedasticity

HO	Variables	Chi ²	Prob. > Chi ²
Constant Variance	X ₁ X ₂ X ₃	63.82	.241

Table 4.10 indicates that the constant variance ($\text{Chi}^2 = 63.82$) is insignificant ($P = 0.241$). Thus the study failed to reject the null hypothesis and concluded that the error variance is equal thus heteroscedasticity was not a problem in the study data. Hence, the study accepted the null hypothesis that there was no difference in residual variance of independent to dependent variables tested.

4.7.1.3 Multicollinearity Tests

Multicollinearity is a test that evaluates whether the independent variables are highly correlated. The primary concern is that as the degree of multicollinearity increases, the regression model estimates of the coefficients become unstable and the standard errors for the coefficients can get wildly inflated. Multicollinearity in the study was tested using Variance Inflation Factor (VIF) and Tolerance. For the purpose of this study, a VIF for all the independent and dependent variables of less than 3 ($\text{VIF} < 3$) indicated no multicollinearity while a VIF of ≥ 3 indicated multicollinearity. Further, Tolerance Statistics values below 0.1 indicated a multicollinearity problem (Maddala & Lahiri, 1992). The multicollinearity tests results are as shown in Table 4.11.

Table 4.11 Multicollinearity Tests Results

Coefficients ^a			
Model	Collinearity Statistics		
	Tolerance	VIF	
Multicollinearity between competency of IA staff and top management support for IA and independence of IA staff			
1	Top management support for IA	.863	1.651
	Independence of IA staff	.794	1.379
Multicollinearity between top management support for IA and competency of IA staff and independence of IA staff			
1	Competency of IA staff	.952	1.306
	Independence of IA staff	1.316	1.448
Multicollinearity between independence of IA staff and competency of IA staff and top management support for IA			
1	Competency of IA staff	.623	1.284
	Top management support for IA	.714	1.420

From the results of the multicollinearity tests shown in Tables 4.11 above, there was no multicollinearity among the independent variables since their VIF values were all less than 3 while their Tolerance Statistics values were all > 0.1 .

4.7.2 Regression Analysis

A regression analysis was performed in order to analyze the relationship between the study variables. The study was done by regressing the independent variables (competency of IA staff, top management support for IA and independence of IA staff) against the dependent variable (internal audit function). The results are as summarized below;

Table 4.12 Model Summary

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.8658 ^a	0.7496	0.7371	.7149

Predictors: (Constant), competency of IA staff, top management support for IA and independence of IA staff

According to Table 4.12 above, R square is the coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variables. Based on Table 4.12 above, the value of R square was 0.7496 which means that 74.96% variation in the effectiveness of IA function in the Ministry of Finance and Economic Planning of South Sudan was due to variations in competency of IA staff, top management support for IA and independence of IA staff. Hence, 25.04% of variations in the effectiveness of IA function in the Ministry of Finance and Economic Planning of South Sudan was explained by other factors not in the model or not focused on in the current study.

Table 4.13 ANOVA (Analysis of Variance)

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	94.88	3	31.6267	59.880	.0000 ^a
1	Residual	31.69	60	0.5282		
	Total	126.57	63			

a. Predictors: (Constant), competency of IA staff, top management support for IA and independence of IA staff

b. Dependent Variable: Internal audit function

Analysis of Variance (ANOVA) consists of calculations that provide information about levels of variability within a regression model and forms a basis for tests of significance. The "F"

column provides a statistic for testing the hypothesis that all $\beta \neq 0$ against the null hypothesis that $\beta = 0$ (Weisberg, 2005). For this study, the predictor variables were competency of IA staff, top management support for IA and independence of IA staff while the response variable was IA function. From the findings in Table 4.13 above, the significance value is .0000 which is less than 0.05 implying that the study's regression model was statistically significant in predicting how the predictor variables (competency of IA staff, top management support for IA and independence of IA staff) influenced the response variable (IA function) in the Ministry of Finance and Economic Planning of South Sudan. The F critical at 5% level of significance was 2.76. Since F calculated (value = 59.880) was greater than the F critical (2.76), this also showed that the overall model was fit.

Table 4.14 Regression analysis results

	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	6.431	.812		7.920	.0000
Competency of IA staff [X ₁]	0.761	.168	.624	4.530	.0000
Top management support for IA [X ₂]	0.668	.213	.512	3.136	.0027
Independence of IA staff [X ₃]	0.712	.192	.581	3.708	.0005

Based on the regression results shown in Table 4.14 above, the regression model becomes;

$$Y = 6.431 + 0.761 X_1 + 0.668 X_2 + 0.712 X_3$$

From the regression equation above, taking all factors (competency of IA staff, top management support for IA and independence of IA staff) constant at zero, IA function in the Ministry of Finance and Economic Planning of South Sudan would be at 6.431. The results further indicate that a unit increase in competency of IA staff would lead to a 0.761 increase in effectiveness of IA function; a unit increase in top management support for IA would lead to a 0.668 increase in effectiveness of IA function while a unit increase in independence of IA staff would lead to a 0.712 increase in effectiveness of IA function. These results implied that there existed a strong positive relationship between competency of IA staff, top management support for IA as well as independence of IA staff and the effectiveness of IA function in the Ministry of Finance and Economic Planning of South Sudan. At 5% significance level [or 95% level of confidence], competency of IA staff had a 0.0000 level of significance; top management support for IA had a 0.0027 level of significance while independence of IA staff had a 0.0005 level of significance. All the variables were significant ($p < 0.05$) with the most significant factor being competency of IA staff followed by independence of IA staff and top management support for IA, respectively. From these findings, it is implied that competency of IA staff, top management support for IA and independence of IA staff are critical elements and predictors of effectiveness of IA function in the Ministry of Finance and Economic Planning of South Sudan.

This agreed with Rudhani (2017) who observed that initiatives aimed at enhancing the competency and independence of the internal audit team have a positive impact on the effectiveness of IA function. Similar sentiments were shared by Shokiyah and Serjana (2014) who also found that internal audit's independence, competence of the internal audit team and level of top management's support for the internal audit are some of the key factors that

influence the internal audit function's effectiveness. Similarly, studies by George et al. (2015), Salehi (2016) and Ahmed et al. (2012) reported that that there was a significant positive relationship between competency of internal auditors, independence of the internal audit department as well as top management support for the internal audit and effectiveness of the internal audit function.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of findings, discussion, conclusions and recommendations of the study based on the study objectives. The chapter also highlights suggested areas for further research. The study sought to establish the factors influencing the internal audit function in public sector in South Sudan.

5.2 Summary

This section provides a summary of the key findings of the study and a discussion of the findings based on the study objectives.

5.2.1 Competency of Internal Audit Staff and Internal Audit Function

The study findings showed that the internal auditors of Departments under the Ministry of Finance and Economic Planning in South Sudan did agree that for the internal auditors to be deemed competent, they need to have knowledge on financial analysis and reporting; for the internal audit department to be able to meet its responsibilities, the department must have or be able to attract persons with the required knowledge, skills and experience; for the internal auditors to be deemed competent, they must have adequate awareness of risk assessment and management; the training and professional abilities of internal auditors significantly affects the performance of the internal audit function and that for the internal auditors to be deemed competent, they must have a good understanding of the entity's system of internal controls.

This implied that competency of internal audit staff played a significant role in enhancing the effectiveness of internal audit function in the Ministry of Finance and Economic Planning of South Sudan.

5.2.2 Top Management Support for Internal Audit and Internal Audit Function

The study findings showed that the internal auditors of Departments under the Ministry of Finance and Economic Planning in South Sudan did agree that the internal auditor reports informs management's decision making. However, the internal auditors of Departments under the Ministry of Finance and Economic Planning in South Sudan disagreed with the view that the management in their departments regarded the internal audit as a value-adding service to the organization; the management in their department provided adequate financial and non-financial resources necessary for the effective operation of the internal audit function; the management in their department provided continuous training opportunities for the internal auditors to enhance their productivity and that in their department, internal auditor's recommendations were recognized and acted on. This implied that the effectiveness of internal audit function in the Ministry of Finance and Economic Planning of South Sudan was being impeded by a lack of top management support.

5.2.3 Independence of Internal Audit Staff and Internal Audit Function

The study findings showed that the internal auditors of Departments under the Ministry of Finance and Economic Planning in South Sudan agreed that independence of the IA function could only be achieved by allowing the internal audit department to perform its responsibilities free from any interference; the IA function's independence is enhanced where the internal auditors have unlimited access to desired records, information, staffs and

departments; the IA function's independence is impaired when management controls the internal audit planning process and decides on the internal controls to be instituted; independence of the IA function could only be achieved by ensuring that the appointment and removal of the head(s) of internal audit was not under the direct control of the executive management and that the IA function's independence is threatened if internal auditors report to senior management rather than the audit committee/board. This implied that independence of internal audit staff was a critical factor that had an influence on the effectiveness of internal audit function in the Ministry of Finance and Economic Planning of South Sudan.

Further, the regression analysis results revealed a significant positive relationship between competency of IA staff, top management support for IA as well as independence of IA staff and effectiveness of IA function in the Ministry of Finance and Economic Planning of South Sudan as indicated by beta values of 0.761; 0.668 and 0.712 (with all having $p < 0.05$), respectively.

5.3 Conclusions

5.3.1 Competency of Internal Audit Staff and Internal Audit Function

The study concluded that competency of internal audit staff was one of the factors that played a significant role in enhancing the effectiveness of internal audit function in the Ministry of Finance and Economic Planning of South Sudan. Competency of internal audit staff implied that the internal audit staff had the required knowledge, skills and experience for executing the internal audit function responsibilities. The study also concluded that there existed a significant positive relationship between competency of internal audit staff and effectiveness of internal audit function in the Ministry of Finance and Economic Planning of South Sudan.

5.3.2 Top Management Support for Internal Audit and Internal Audit Function

The study concluded that lack of top management support for the internal audit function impeded the effectiveness of internal audit function in the Ministry of Finance and Economic Planning of South Sudan especially in light of its failure to recognize the internal audit as a value-adding service to the organization and its failure to provide adequate financial and non-financial resources necessary for the effective operation of the internal audit function. The study also concluded that there existed a significant positive relationship between top management support for IA and effectiveness of internal audit function in the Ministry of Finance and Economic Planning of South Sudan.

5.3.3 Independence of Internal Audit Staff and Internal Audit Function

The study also concluded that independence of internal audit staff was a critical factor that influenced the effectiveness of internal audit function in the Ministry of Finance and Economic Planning of South Sudan as it allowed the internal audit departments to perform their responsibilities free from any interference. The study also concluded that there existed a significant positive relationship between independence of internal audit staff and effectiveness of internal audit function in the Ministry of Finance and Economic Planning of South Sudan.

5.4 Limitations of the Study

The current study utilized primary data that was obtained from the internal auditors of Departments under the Ministry of Finance and Economic Planning in South Sudan using self-reporting questionnaires.

- Some of the questionnaires were incompletely filled and had missing data and therefore were not included in the final analysis.
- In addition, the effectiveness of questionnaires as a data collection instrument heavily relied on the honesty and willingness of the respondents to participate which the researcher had no control of.
- The study was limited to Departments under the Ministry of Finance and Economic Planning in South Sudan and therefore the findings of this study may not be generalized to other Departments under other Ministries of the Government of South Sudan not covered in the current study.
- Further, the research topic lacked literature from local sources making the researcher to mainly draw his literature review from other countries.
- Respondents fear to disclose viable information due to intimidation from the government because the research put effort to explain that the data is solely purpose for academic use but not trusted.

5.5 Recommendations

Given that competency of internal audit staff positively related to effectiveness of internal audit function in the Ministry of Finance and Economic Planning of South Sudan, the study recommends that the heads of departments in the Ministry should provide continuous training opportunities for the internal auditors to enhance their knowledge, skills and productivity.

Given that top management support for internal audit positively related to effectiveness of internal audit function in the Ministry of Finance and Economic Planning of South Sudan, the study recommends that the heads of departments in the Ministry of Finance and Economic Planning of South Sudan should recognize the internal audit function as a value-adding service to their organizations and hence avail adequate financial and non-financial resources necessary for the effective operation of the internal audit function. In addition, the heads of departments in the Ministry of Finance and Economic Planning of South Sudan should ensure that the recommendations provided by the internal auditors are acted on.

Given that independence of internal audit staff positively related to effectiveness of internal audit function in the Ministry of Finance and Economic Planning of South Sudan, the study recommends that the heads of departments in the Ministry of Finance and Economic Planning of South Sudan should ensure that the internal audit function operates free from any interference. For this to be achieved, the internal audit function should be allowed unlimited access to desired records and information and should be supervised by audit committees.

5.6 Suggested Areas for Further Research

Since this study explored the factors influencing the internal audit function in public sector in South Sudan using a case of Ministry of Finance and Economic Planning of South Sudan, the study recommends that similar studies should be done in other government agencies/ministries in the country for comparison purposes and to allow for generalization of findings on the factors influencing the internal audit function in public sector in South Sudan.

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APPENDICES

Appendix I: Questionnaire

Section A: Demographic information

1. What is your gender? Male [] Female []

2. What is your age?

20-29 years [] 30-39 years []

40-49 years [] 50 years and above []

3. What is your highest level of education?

Certificate [] Diploma [] Graduate [] Masters []

Others

4. For how long have you worked as an auditor in a Government Department?

Less than 1 year [] 1-4 years []

5-8 years []

Section B: Competency of IA staff

Kindly rate your opinion regarding the following statements on competency of the internal audit staff as a determinant of effectiveness of the IA function. Use a scale of 1-5 where 1= strongly disagree, 2=disagree, 3=neutral, 4=agree and 5= strongly agree.

	Statements	1	2	3	4	5
5.	The training and professional abilities of internal auditors significantly affects the performance of the internal audit function					
6.	For the internal audit department to be able to meet its responsibilities, the department must have or be able to attract persons with the required knowledge, skills and experience.					
7.	For the internal auditors to be deemed competent, they need to have knowledge on financial analysis and reporting					
8.	For the internal auditors to be deemed competent, they must have a good understanding of the entity's system of internal controls					
9.	For the internal auditors to be deemed competent, they must have adequate awareness of risk assessment and management					

Section C: Top management support for IA

Kindly rate your opinion regarding the following statements on top management support for the internal audit as a determinant of effectiveness of the IA function. Use a scale of 1-5 where 1= strongly disagree, 2=disagree, 3=neutral, 4=agree and 5= strongly agree.

	Statements	1	2	3	4	5
10.	The internal auditor reports informs management's decision making					
11.	The management in my department provides adequate financial and non-financial resources necessary for the effective operation of the internal audit function					
12.	The management in my department regards the internal audit as a value-adding service to the organization					
13.	In my department, internal auditor's recommendations are recognized and acted on					
14.	The management in my department provides continuous training opportunities for the internal auditors to enhance their productivity					

Section D: Independence of IA staff

Kindly rate your opinion regarding the following statements on independence of the internal audit staff as a determinant of effectiveness of the IA function. Use a scale of 1-5 where 1= strongly disagree, 2=disagree, 3=neutral, 4=agree and 5= strongly agree.

	Statements	1	2	3	4	5
15.	Independence of the IA function can only be achieved by allowing the internal audit department to perform its responsibilities free from any interference					
16.	Independence of the IA function can only be achieved by ensuring that the appointment and removal of the head(s) of internal audit is not under the direct control of the executive management					
17.	The IA function’s independence is enhanced where the internal auditors have unlimited access to desired records, information, staffs and departments					
18.	The IA function’s independence is threatened if internal auditors report to senior management rather than the audit committee/board					
19.	The IA function’s independence is impaired when management controls the internal audit planning process and decides on the internal controls to be instituted					

Section E: Effectiveness of IA function

Kindly rate your opinion regarding the following statements on effectiveness of the internal audit function in the Ministry. Use a scale of 1-5 where 1= strongly disagree, 2=disagree, 3=neutral, 4=agree and 5= strongly agree.

	Statements	1	2	3	4	5
25.	The IA function ensures the economical and efficient utilization of					

	organizational resources					
26.	The IA function ensures the reliability and integrity of financial information					
27.	The IA function is able to identify breaches in the organization's internal controls					
28.	The IA function helps expedite external audits					
29.	The recommendations of internal audit department provide practical and cost effective solutions for correcting identified problems					
30.	Internal audit is performed in accordance with the IIA Standards					

Thank you for your time