



**College of Business and Economics, Master of
Science (Msc) in Accounting and Auditing**

**Research Proposal on the Title “The Role of
Regularity Audit on Public sector universities’ Good
Governance”**

Research Project (ACFN 712)

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ABBREVIATIONS

CIPFA	Chartered Institute of Public Finance and Accountancy
GG	Good Governance
IIA	Institute of Internal Auditing
IFAC	International Federations of Accounts Committee
OECD	Organization for Economic Cooperation & Development
OFAG	Office of the Federal Auditor General
OPM	Office for Public Management

The role of regularity audit in public sector good governance in the public sector universities in Ethiopia.

Kadi Gali Jemal

ABSTRACT

This paper examined the role of regularity audit in public sector good governance in the public sector universities.

Semi structured questionnaire survey of audit directors ; middle level management of office of the federal Auditor general University board and management of public sector from six universities was selected in doing so universities was selected purposively due to remoteness of most universities from Addis Ababa and position specific sample of respondents was chosen to select sample of university management respondents. To analyze the data, Descriptive Statistics was employed. Using Descriptive research design this study identified that regularity audit has a limited role in promoting good governance principles, such as accountability ,transparency and Integrity and lack of independence & Stakeholder support has affected external public sector audit function, In the course of the study however the study faced lack of sufficient imperial study with regard to regularity audit and its role towards public sector good governance, the result of the study could contribute to Management of the universities; the Board and the auditors in strengthening the regularity audit activity to promote good governance in public sector

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

The concept and establishment of audit is inherent in public financial administration as the management of public funds represents a trust. Audit is not an end in itself but an indispensable part of a regulatory system whose aim is to reveal deviations from accepted standards and violations of the principles of legality, efficiency, effectiveness and economy of financial management early enough to make it possible to take corrective action in individual cases, to make those accountable accept responsibility, to obtain compensation, or to take steps to prevent or at least render more difficulty to deviations from accepted standards and violations of legality. This study examines the role of regularity audit in the Public Sector good Corporate governance of selected public sector universities in Ethiopia. Auditing assist government organizations to achieve accountability, transparency, integrity, improve the implementation of government programs and develop confidence among citizens and stakeholders as well as to provide information about any risk of mismanagement of public fund and there by improve public sector corporate governance (IFAC,2001).

The Report of the Committee on the Financial Aspects of Corporate Governance (the Cadbury report) defined corporate governance as the system by which organizations are directed and controlled.

The development of a common understanding of corporate governance is generally agreed to have started with the Cadbury report (1992) which identified the principles of good governance as integrity, openness and accountability. These principles are relevant to public sector entities as they are to private sector entities. They apply equally to all public sector entities, irrespective of whether governing bodies are elected or appointed, and whether or not they comprise a group of people or an individual (IFAC,2001).

The Cadbury report defined these three principles in the context of the private sector and, more specifically, of public companies. However, in the context of the public sector, the definitions of these principles need to be adapted to reflect the key characteristics of public sector entities,

which distinguish them from the private sector. In particular, public sector entities have to satisfy a more complex range of political, economic and social objectives, which subject them to a different set of external constraints and influences; and are subject to forms of accountability to their various stakeholders which are different to those that a company in the private sector owes to its shareholders (IFAC,2001).

Aspects of governance in the public sector have been addressed by the Committee on Standards in Public Life (the Nolan Committee (U.K.)), the first report of which was published in May 1995. The report (the Nolan report) identified and defined seven general principles of conduct that should underpin public life, and recommended these “principles of public life” are:

- Selflessness;
- Integrity;
- Objectivity;
- Accountability;
- Openness;
- Honesty; and
- Leadership.

To reflect the public sector context the three principles recommended by Cadbury report are mainly built up on in terms of the responsibilities of “holders of public office”. which is concerned with governance and, as such, with the collective as well as individual responsibilities of members of governing bodies of public sector entities, the three principles identified are— ***openness, integrity and accountability*** .

Similar to the private sector management philosophies, there has been increasing worldwide attention paid to corporate governance in the public sector for instance Organization for Economic Development and Cooperation(OECD) state that Good governance is essential to maintaining public confidence in governments, and to ensuring that public sector entities achieve their intended outcomes while acting in the public interest at all times (OECD, 2014).

Governance relates to the way power and authority is exercised and distributed within an organization, **‘Good’ governance** is about making sure this power and authority is not concentrated in the hands of a single individual or group. This requires checks and balances be put in place within an organization that separates and balances power between different bodies (such as *management* and *board*) and has clear lines of accountability between them. Effective governance structures play an important role in ensuring resources are managed effectively within an organization and ensuring activities are undertaken that are in the interests of the mission and not of a group of individuals. <http://www.childhelplineinternational.org/>

Further as defined by *International Federations of Accounts Committee (IFAC)* Governance is concerned with structures and processes for decision making, accountability, control and behavior at the top of organizations (IFAC,2002).On the other hand ‘Good’ governance implies managing public affairs in a transparent, accountable, manner. It entailsinstitutional checks and balances through horizontal and vertical separation of powers, and effective oversight agencies(Santiso, 2002:21).

The importance of the role of regularity audit in the public sector in supporting good governance through its role in supporting the accountability, transparency and Integrity in the use of public resources is undeniable. It can also be seen that through this role it also provides clear support for other principles in a framework of good governance, the rule of law and efficiency and effectiveness.(*IFAC, 2001*).

The Institute of Internal Auditing declare that regardless of Internal or External Auditing is a cornerstone of good public sector governance by providing unbiased, objective assessments of whether public resources are managed responsibly and effectively to achieve intended results, auditors help public sector organizations achieve accountability and integrity, improve operations, and instill confidence among citizens and stakeholders; supports the governance responsibilities of oversight, insight, and foresight. Oversight addresses whether public sector entities are doing what they are supposed to do and serves to detect and deter public corruption. Insight assists decision-makers by providing an independent assessment of public sector

programs, policies, operations, and results. Foresight identifies trends and emerging challenges (IIA, 2012).

As explained by (INTOSAI 100), Financial Audit Guideline Regularity audit embraces: Attestation of financial accountability of accountable entities, involving examination and evaluation of financial records and expression of opinions on financial statements; Attestation of financial accountability of the government administration as a whole; Audit of financial systems and transactions including an evaluation of compliance with applicable statutes and regulations; Audit of internal control and internal audit functions; Audit of the probity and propriety of administrative decisions taken within the audited entity; And Reporting of any other matters arising from or relating to the audit that the Supreme Audit Institutions considers should be disclosed (INTOSAI,2009).

The Ethiopian Auditor-General's mandate is entrenched in the Constitution 1/1995 Article 101 and Auditor-General Act.669/2002 According to article 101 sub article /2/ of the constitution , it was stated that the Auditor General Shall Audit and inspect the accounts of Ministers and other agencies of the Federal Government to ensure that expenditures are properly made for activities carried out during the fiscal year and in accordance with the approved allocations and submit his report to the house of people's representatives.

Based on its constitutional mandate and its establishment proclamation, OFAG is striving to meet its vision towards strengthening the performance, transparency, democratization process, accountability as well as good governance of the Federal Government for the benefit of the Ethiopian people (Strategic Plan, 2009-2013)

A question is left unanswered as to whether Regularity audit is among the ones to play the good governance role in the public sector, Researches conducted so far concentrated mainly related with internal audit in public sector good governance and internal auditing in private sector good corporate governance. Thus this study will try to assess role of regularity auditing function in the public sector good governance in public sector universities by selecting Six universities and office of the federal auditor General as a sample Institutions.

1.2. Statement of the Problem

Office Of the Federal Auditor General is Supreme Audit Institutions (SAI) in Ethiopia, Supreme Audit Institutions (SAI) are the national body responsible for Auditing public expenditure and providing an independent opinion on how the executives have used public resources. The SAIs plays an important role in strengthening accountability and good governance by helping various governments to improve performance, enhance transparency, ensure accountability, fight corruption, promote public trust and foster the efficient and effective receipt and use of public resources for their citizen (IIA, 2012).

Currently the government of Ethiopia implementing economic transformation agenda that is intended to shift the country from low income to Middle income country by setting different policies and strategies , among these policies and strategies, Expansion of higher Education to achieve this transformation goal is the foremost priority given by the country and huge amount of the country's budget goes to the Universities to help them meet the Vested target on them, however, at recent time many public institutions are facing challenges of good governance and increased noncompliance against public financial rules and regulations.

According to state governance survey conducted by the United Nations Economic Commission for Africa in the year 2004 for 28 African countries indicated that Ethiopia's performance in all indices of measuring good governance to be far below the sample average which was 36% while the average for the 28 countries was 53%. Particularly, the country's index of corruption control is only 37% while the average is 51% for the remaining surveyed countries; the same trend persists in the country governance profile by subsequent governance survey (ECA, 2005). Especially in transparency, accountability and corruption in public sector the country score below average, 2.5 points (Court, Fritz, and Boadi, 2007).

As indicated by Federal Ethics and Anti- Corruption Commission, Ethiopia shares the same challenges as other African countries in respect to *good governance* that might have led to

corruption. The commission stated that the causes of corruption in Ethiopia are... poor governance, lack of accountability and transparency, ...weak financial management, inadequate accounting and **auditing** are primary causes of corruption (FEACC,2012).

On the other hand it was stated by Shimelis (2005) that OFAG is constrained by limited human capacity from fully performing their oversight duties, moreover, recommendations do not always have the desired effect as public officials tend to resist implementation of the recommendations (Shimelis, 2005).

One can understand from FEEC and Shimelis conclusion that there is inadequate audit practice and problem of capacity to mitigate the challenges of good governance however the researchers considers that their conclusion lacks sufficient research in that even no indication of survey result to indicate the inadequacy of the audit particularly that of the regularity audit moreover no prior study found concerning the contribution of the regularity audit to good governance within the scope of auditing in the public sector environments

A question is left unanswered as to whether Regularity audit is among the ones to play the good governance role in the public sector, Researches conducted so far concentrated mainly related with internal audit in public sector good governance and internal auditing in private sector good corporate governance.

To the best of the researcher's knowledge, this indicates no study has looked on the role of regularity audit to promote good governance in the public sector in Ethiopia in general and public sector universities in particular.

Therefore this study will assess role of regularity auditing function in the public sector good governance in public sector universities to fill the knowledge gap of public sector regularity audit function in public sector universities' in enhancing good governance.

1.3. Research Question

- 1) What is the contribution of regularity audit to promote accountability?
- 2) What is the role of regularity audit to enhance Transparency?
- 3) What is the role of regularity audit in promoting Integrity and Ethical behavior among public servants?
- 4) What Factors Affect regularity auditing in promoting accountability, Transparency and Integrity in the public sector?

1.4. Objectives of the study

1.4.1. General Objective

The purpose of this study is to examine the role of regularity audit in the improvement of public sector Governance and factors that have an effect on this function in the case of public sector universities.

1.4.2. Specific objective

- 1) To determine accountability role of the regularity audit in Public sector universities.
- 2) To determine Transparency role of the regularity audit in Public sector universities.
- 3) To determine Integrity role of the regularity audit in Public sector universities.
- 4) Examine Factors that Affect regularity auditing in promoting accountability, Transparency and Integrity in the public sector.

1.5. Scope of the study

This paper study the role of regularity auditing on public sector universities that is performed by office of the federal auditor general (OFAG) by selecting middle and senior level managements from 6 universities purposively and the study also include the office of federal auditor general by selecting middle and senior level management personnel because the researcher perceive that this people can provide important information regarding the study subject matter and the study also investigate the core issues of good public sector corporate governance such as Accountability, Transparency and Integrity it will be more successful if it is conducted in all public sector universities.

1.6. Limitations of the study

Although great care will be taken in obtaining accurate and useful information, this research study has certain limitations. The research method used has certain shortcomings that will be noted, especially when the conclusions drawn from the analysis of the data are considered (Zimund, 2000). These shortcomings include, first, the study will be based on examining the role of the regularity audit in the Universities and the respondents will be required to express their opinions. These opinions may not represent the true situation and the study will be confined to 6 universities due to geographical remoteness of the resets universities from the researcher location and this will limit the generalization of the findings to other universities. the following can also be the limitations; Lack of past studies about the relation between public sector good governance and regularity auditing ; Low response rate from the questionnaire Also can be the limiting Factors.

1.7. Significance of the study

The researcher believe that the findings of this study would benefit management of the OFAG to strengthen the contribution of the audit in public sector good governance and It will also enable the management; the higher responsible body, in the public sector, to be aware of the importance of the use of regularity audits, and gives insights into how they use the recommendations of the audit office most efficiently.

It will also contribute to existing literature for those who will conduct future research in this field or other related areas.

CHAPTER TWO

LITERATURE REVIEW

2.1. Theoretical Literature

2.1.1. Private sector corporate governance

The development of a common understanding of corporate governance is generally agreed to have started with the Cadbury report (1992) which identified the principles of good governance as integrity, openness and accountability. The first and Famous definitions on corporate governance in the private sector was provided by Sir Adrian Cadbury in his report on financial aspect of corporate governance he stated that corporate governance is the system by which companies are directed and controlled (Cadbury, 1992). The principles on which the Code is based are those of openness, integrity and accountability.

2.1.2. Public sector corporate governance

Like many of the private sector management philosophies, there has been increasing worldwide attention paid to corporate governance in the public sector. In Britain, the Chartered Institute of Public Finance and Accountancy (CIPFA) issued a public sector corporate governance framework that is considered as one of the early works on corporate governance in the public sector. (CIFA & IFAC, 2014).

OECD countries have reformed their public services in line with ideas taken from private business and economic theories developed from modeling private business, as suggested by (OECD, 2014) Good governance is the optimization of the processes and institutional arrangements through which governments develop, implement and deliver policies, programs and services for the benefit of citizens and society. It is the assurance that the mechanisms driving the policy cycle in formulation, implementation, and monitoring and evaluation, are operating effectively, efficiently and economically, and are underpinned by broader governance principles such as rule of law, transparency, integrity and accountability.

There is no universally agreed-upon definition for the term “public sector governance what was understood by the term appears to vary considerably between jurisdictions however generally defined as Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved (CIFA & IFAC, 2014).

Consistent with Cadbury 1992 In the Private sector Corporate Governance, Institute of Internal Audit suggested crucial principles to public sector governance are accountability, Integrity and Equity and also described that whether through the use of internal or external audit services or a combination of the two Important elements to fulfill audit activities require: Organizational independence, A formal mandate, Unrestricted access, Sufficient funding, Competent leadership, Objective staff, Competent staff, Stakeholder support, Professional audit standards. (IIA, 2012) . The Unique governance principles arise from the unique nature of the public sector. For example, unique to the public sector is the importance of political forces, the not-for-profit nature, and the ultimate objective of public service for many public sector activities (IIA, 2012).

Simultaneously, public sector entities hold coercive powers over citizens and economic enterprises, and thus they must enact protections to ensure fairness and accountability in the use of those powers and in the delivery of the expected services. These protections are fundamental in political systems in which citizens endow the public sector entities with their powers. In general, any form of public sector entity can benefit from accountability measures that ensure officials use resources and authority to meet the mandated goals and objectives. Moreover, good public governance requires fair and impartially enforced laws and regulations. The absence of good governance structures and lack of adherence to basic governance principles increases the risk of public corruption, which is defined as the misuse of entrusted power for private gain (IIA, 2012).

The term governance refers to how an organization makes and implements decisions, the processes by which organizations are directed, controlled, and held to account. Because public sector entities throughout the world are structured differently with different and possibly overlapping mandates and jurisdictions no single governance model applies to all of them. Nevertheless, certain governance principles are common across the public sector. Common principles of corporate governance encompass the policies, processes, and structures used by an organization to direct and control its activities, to achieve its objectives, and to protect the interests of its diverse stakeholder group ethically (IIA, 2012).

2.1.3. CORE PRINCIPLES OF PUBLIC SECTOR CORPORATE GOVERNANCE

➤ Accountability

Accountability is the process whereby public sector entities, and the individuals within them, are responsible for their decisions and actions, including their stewardship of public funds and all aspects of performance, and submit themselves to appropriate external scrutiny. It is achieved by all parties having a clear understanding of those responsibilities, and having clearly defined roles through a robust structure. In effect, accountability is the obligation to answer for responsibility conferred (IIA, 2012).

Accountability in the public sector throughout the world is being given serious attention in view of the fact that the government is the highest spender of public fund. Those in authorities assume fiduciary status with the attendant responsibilities requiring them to render their stewardship accounts to those for whom the authority is held in trust. The general public is increasingly requiring public officers to be accountable by demonstrating effective use of public assets and funds in the delivery of services and pursuit of government objectives (Obazee, 2006).

Accountability has been defined from this perspective as a social relationship in which an actor feels an obligation to explain and to justify his or her conduct to some significant (Day and Klein 1987:5; Romzek and Dubnick, 1998:6)

The notion of accountability is a vague concept that is difficult to define in precise terms. However, broadly speaking, accountability exists when there is a relationship where an individual or body, and the performance of tasks or functions by that individual or body, are subject to another's oversight, direction or request that they provide information or justification for their actions. The concept of accountability involves two stages: answerability and enforceability. Answerability refers to the obligation of the government, its agencies and public officials to provide information about their decisions and actions and to justify them to the public and those institutions of accountability tasked with providing oversight. Enforcement on the other hand suggests that the public or the institution responsible for accountability can sanction the offending party or remedy the contravening behavior. As such, different institutions of accountability might be responsible for either or both of these stages (Asobie, 1991).

Without the required governance enablers audit's capacity to hold state accountable will always remain a problem and indeed, in such situations, audit will make little or no impact on either controlling corruption or improving good governance(Adil,2007).

➤ **Transparency.**

The principle of transparency relates to the openness of a public sector entity to its constituents. Good governance includes appropriate disclosure of key information to stakeholders so that they have the relevant facts about the public sector entity's performance and operations necessary to clearly understand motives and reach correct conclusions about the impacts of its actions. Accordingly, the public sector's decisions, actions, and transactions must be conducted in the open. Many public sector entities are required by law to make public documents available upon request. Additionally, many public sector entities are required by law to publish meetings notices including specific agenda items. Although the public's interest is sometimes served by protecting information from disclosure such as instances where national security, criminal investigations, or the proprietary information of a private company would be compromised the transparency of public sector actions and information plays a significant role in public oversight. Auditors can provide a direct link between transparency and the credibility of the public sector entity. Lawmakers and the public look to audits for assurance that public sector actions are ethical and legal, and that financial and performance reporting accurately reflects the true measure of operations (IIA, 2012).

Openness is required to ensure that stakeholders can have confidence in the decision-making processes and actions of public sector entities, in the management of their activities, and in the individuals within them. Being open through meaningful consultation with stakeholders and communication of full, accurate and clear information leads to effective and timely action and required to ensure that stakeholders have confidence in public sector decision-making processes and actions (IFAC,2001).

➤ **Integrity.**

The principle of integrity calls for public officials to act consistently with the ethical principles and the values, expectations, policies, and outcomes of the public sector entity. It causes the erosion of public trust if public information and actions are not credible and reliable. The principle of integrity also applies when information is disseminated to lending authorities or other principals who have an interest other than an ownership share. The consequences of violating the expectation of the highest integrity can be swift and shattering when the people's trust in the public sector, its institutions, and leadership is undermined (IIA,2012)

Integrity comprises both straightforward dealing and completeness. It is based upon honesty and objectivity, and high standards of propriety and probity in the stewardship of public funds and resources, and management of an entity's affairs. It is dependent on the effectiveness of the control framework and on the personal standards and professionalism of the individuals within the entity. It is reflected both in the entity's decision-making procedures and in the quality of its financial and performance reporting (IFAC,2001)

2.1.4. PUBLIC SECTOR AUDITING

Public sector auditors play an important role in effective public sector good governance. The need for financial accountability has existed ever since it became necessary for one individual to entrust the care of his possessions or business to another(Wilson Committee, 1980).

The public sector represents a principal-agent relationship. The officials acting as the principal's (the public) agent must periodically account to the principal for their use and stewardship of resources and the extent to which the public's objectives have been accomplished. An effective audit activity reduces the risks inherent in a principal-agent relationship. The principal relies on the auditor to provide an independent, objective evaluation of the accuracy of the agent's accounting and to report on whether the agent uses the resources in accordance with the principal's wishes.

The lima declaration in 1977 states that the objectives of the public sector Auditing is ensuring;

1. proper and effective use of public funds
2. The development of sound financial management

3. The proper execution of Administrative activities
4. The communication of information to the public authorities and general public through publication of objective Reports.

In addition to the above roles individual members of INTOSAI has additional roles to play (Akh dime, 2012);

1. Fighting corruption through indirect methods
2. Deterrence and Prevention of fraudulent activities
3. Publicizing areas of corruption risks
4. Working closely with institutions
5. Publicizing recommendations of audit Findings more widely.

REQUIREMENTS FOR EFFECTIVE AUDITING

As indicated by (IIA, 2012) whether through the use of internal or external audit services or a combination of the two important elements to fulfill audit activities require:

- Organizational independence.
- A formal mandate.
- Unrestricted access.
- Sufficient funding.
- Competent leadership.
- Objective staff.
- Competent staff.
- Stakeholder support.
- Professional audit standards.

INDEPENDENCE

• Organizational independence

Organizational independence allows the audit activity to conduct work without interference by the entity under audit. The audit activity should have sufficient independence from those it is required to audit so that it can both conduct and be perceived to conduct its work without interference. Coupled with objectivity, organizational independence contributes to the accuracy of the auditors' work and the ability to rely on reported results. (ISSAI 10)

- **Independence of Supreme Audit Institutions**

1. Supreme Audit Institutions can accomplish their tasks objectively and effectively only if they are independent of the audited entity and are protected against outside influence.
2. Although state institutions cannot be absolutely independent because they are part of the state as a whole, Supreme Audit Institutions shall have the functional and organizational independence required to accomplish their tasks.
3. The establishment of Supreme Audit Institutions and the necessary degree of their independence shall be laid down in the Constitution; details may be set out in legislation. In particular, adequate legal protection by a supreme court against any interference with a Supreme Audit Institution's independence and audit mandate shall be guaranteed. (ISSAI 10)

- **Independence of the members and officials of Supreme Audit Institutions**

1. The independence of Supreme Audit Institutions is inseparably linked to the independence of its members;
2. The independence of the members shall be guaranteed by the Constitution. In particular, the procedures for removal from office also shall be embodied in the Constitution and may not impair the independence of the members. The method of appointment and removal of members depends on the constitutional structure of each country;
3. In their professional careers, audit staff of Supreme Audit Institutions must not be influenced by the audited organizations and must not be dependent on such organizations (ISSAI 10).

- **Financial independence of Supreme Audit Institutions**

1. Supreme Audit Institutions shall be provided with the financial means to enable them to accomplish their tasks.
3. Supreme Audit Institutions shall be entitled to use the funds allotted to them under a separate budget heading as they see fit (ISSAI 10)

- **A formal mandate**

The audit activity's powers and duties should be established by the public sector's constitution, charter, or other basic legal document. Among other topics, this document would address procedures and requirements of reporting and the obligation of the audited entity to collaborate with the auditor. (IIA, 2012)

- **Unrestricted access**

Audits should be conducted with complete and unrestricted access to employees, property, and records as appropriate for the performance of audit activities(IIA,2012).

- **Objective staff**

An audit activity's staff must be objective. Audit staff must have impartial attitudes and avoid any conflict of interest. Conflict of interest is a situation in which an auditor, who is in a position of trust, has a competing professional or personal interest. A conflict of interest may exist even if no unethical or inappropriate act results. Such a conflict can create an appearance of impropriety that can undermine confidence in the auditor, the audit activity, and the profession. Moreover, a conflict of interest could impair an individual's ability to perform audit duties and responsibilities objectively (IIA,2012).

- **Competent staff**

The audit activity needs a professional staff that collectively has the necessary qualifications and competence to conduct the full range of audits required by its mandate. Auditors must comply with minimum continuing education requirements established by their relevant professional organizations and standards (IIA,2012).

- **Stakeholder support**

The legitimacy of the audit activity and its mission should be understood and supported by a broad range of elected and appointed public sector officials, as well as by the media and involved citizens (IIA,2012).

- **Professional audit standards**

Professional audit standards, such as the *International Standards of Supreme Institution* (ISSAI) promulgated by The International Organization of Supreme Audit Institution (INTOSAI), support the implementation quality audit work that is systematic, objective, and based on evidence the Auditing Standards Committee of INTOSAI has developed INTOSAI Auditing

Standards. Although these standards do not have mandatory application, they reflect a “best practice” consensus amongst Supreme Audit Institutions (IFAC, 2001).

For this study purpose Stakeholders support and Independence was considered.

2.2. EMPIRICAL LITERATURE

2.2.1. ECONOMIC PROFILE OF ETHIOPIA

In terms of the overall development agenda, eradicating poverty and ensuring human development have been the primary objectives Ethiopian Government. The government has invested in both physical and human capital formation, which has significant impacts on poverty reduction and on the growth of the overall economy. The allocation and spending of more than 60 percent of its total expenditure on poverty oriented sectors such as agriculture, education, health, water and road development during the last seven years are clear testimony of the government’s commitment to pro-poor development (Fenta, 2011).

Though some improvements, poverty is still widespread and deep rooted, Ethiopia remains to be one of the world’s poorest countries. The 2010 UNDP Human Development Index report revealed that Ethiopia stands at 157 out of 169 countries (UNDP, 2010). Thus, all actors in society should exert efforts to fight corruption through strengthening Good Governance so that every dollar will be spent on expenditures that have positive impact on the poor (FEACC,2012).

2.2.2. GOOD GOVERNANCE IN ETHIOPIA

According to the Second Corruption Perception Survey in Ethiopia by Federal Ethics & Anti-Corruption Commission (FEACC), stated that Ethiopia shares many features of other African countries in respect to the challenges of good governance, Such as... lack of accountability and transparency,, low level of institutional control,,weak financial management, inadequate accounting and auditing, are causes of corruption in Ethiopia(FEACC,2012)

According to state governance survey conducted by the United Nations Economic Commission for Africa in the year 2004 for 28 African countries indicated that Ethiopia's performance in all indices of measuring good governance to be far below the sample average which was 36% while the average for the 28 countries is was 53%. Particularly, the country's index of corruption

control is only 37% while the average is 51% for the remaining surveyed countries. the same trend persists in the country governance profile by subsequent ECA's governance survey of 2005(ECA, 2005).

Especially in transparency, accountability and corruption in public sector the country score below average (Court, Fritz, and Boadi, 2007).

2.2.3. CHALLENGES OF REGULARITY AUDITING IN ETHIOPIA

According to Shimelis (2005) OFAG had several internal and external problems. Problem of capacity is one of the internal problems the Office faces. Experienced professionals are leaving the office looking for better pay and working conditions. Externally, as well, the Office faces problems, Documentation problem is major problem the Office faces, and Documents are not easily found and accessible in several government institutions. Systems and procedures are not clear, moreover, there is some resistance to auditing in general by public institutions due to the wrong perception that auditing is about faultfinding and blaming. For the same reason, internal auditing is not given proper attention in several institutions. In addition to these, actions taken on audit reports are not encouraging and he further noted that there is no strong and professional body in the Parliament to examine and follow-up the audit reports.

Further mentioned OFAG is constrained by limited human capacity from fully performing their oversight duties , recommendations do not always have the desired effect as public officials tend to resist implementation of the recommendations (Shimelis, 2005).

The researcher understands from FEEC and Shimelis that there is inadequate audit practice, External support and problem of capacity to mitigate the challenges of good governance however the researcher considers that their conclusion lacks sufficient research in that even no indication of survey result to indicate the inadequacy of the regularity audit particularly as mentioned by FEEC moreover no prior study found concerning the contribution of the regularity audit to good governance within the scope of auditing in the public sector universities.

In addition, researches conducted so far concentrated on internal audit in public sector good governance and internal auditing in private sector good corporate governance, to the best of the researcher, this indicate that there is limited study conducted regarding role of regularity auditing function in the public sector good governance in public sector universities.

Therefore this study assessed role of regularity auditing function in the public sector good governance in public sector universities to fill the knowledge gap of public sector regularity audit function in selected public sector universities' in Ethiopia to enhancing

CHAPTER THREE

RESEARCH METHODOLOGY

INTRODUCTION

In this section the research design, population of the study, sample and sampling technique, data collection instruments, and the analysis of the questionnaire is presented.

3.1. Research Design

The purpose of the study is to investigate into the role of Regularity audit in the public sector to promote good corporate governance. This involved examining the role of regularity Audit ,in public sector universities in promoting good public sector corporate governance system and factors that affect the effectiveness of the regularity audit function.

This study, therefore, designed within the framework of descriptive research approach Descriptive research studies are designed to obtain information, which concerns the current status of phenomenon (Saunders, , 2007).The approach was chosen because the researcher would not manipulate the variable but to describe the phenomenon that existed at the time of the research. The use of descriptive research enabled the researcher to bring to light the factors that contribute to the effectiveness of audit and the extent to which these factors can affect the work of the public sector auditor in promoting good governance.

The descriptive research design is considered the most appropriate for investigating into the role of the audit function to promote good corporate governance. This is because the role of audit office will depend on the contribution of the stakeholders involved particularly the legislature.

3.2. Sampling technique

For the study samples was selected using purposive sampling method by selecting six public sector Universities from all universities in the country. because the use of purposive sampling enables the researcher to generate meaningful insights that help to gain a deeper understanding of the research phenomena by selecting the most informative participants and reachable universities that is satisfactory to the researcher's specific needs, on the other hand Purposive or non-probability sampling method involves purposive or deliberate selection of particular units of the

universe for constituting a sample which represents the universe When population elements are selected for inclusion in the sample based on the ease of access (Kothari, 2004)

The focus populations for this research was the public sector universities in Ethiopia and office of the federal auditor General, there are around 36 public sector universities. Due to the difficulty of covering all the total existing public sector universities, the researcher minimized its study area by focusing on six purposively selected universities and Middle & senior level Management of the OFAG in Higher Education Directorate are selected those who are expected to be used as a representative. Together with Addis Ababa University, nearby universities such as, **Ambo, Adama, Civil service University College, Debrebrihan** and **Addis Ababa Science and Technology** University was selected for the study.

3.3. Data Collection Instrument

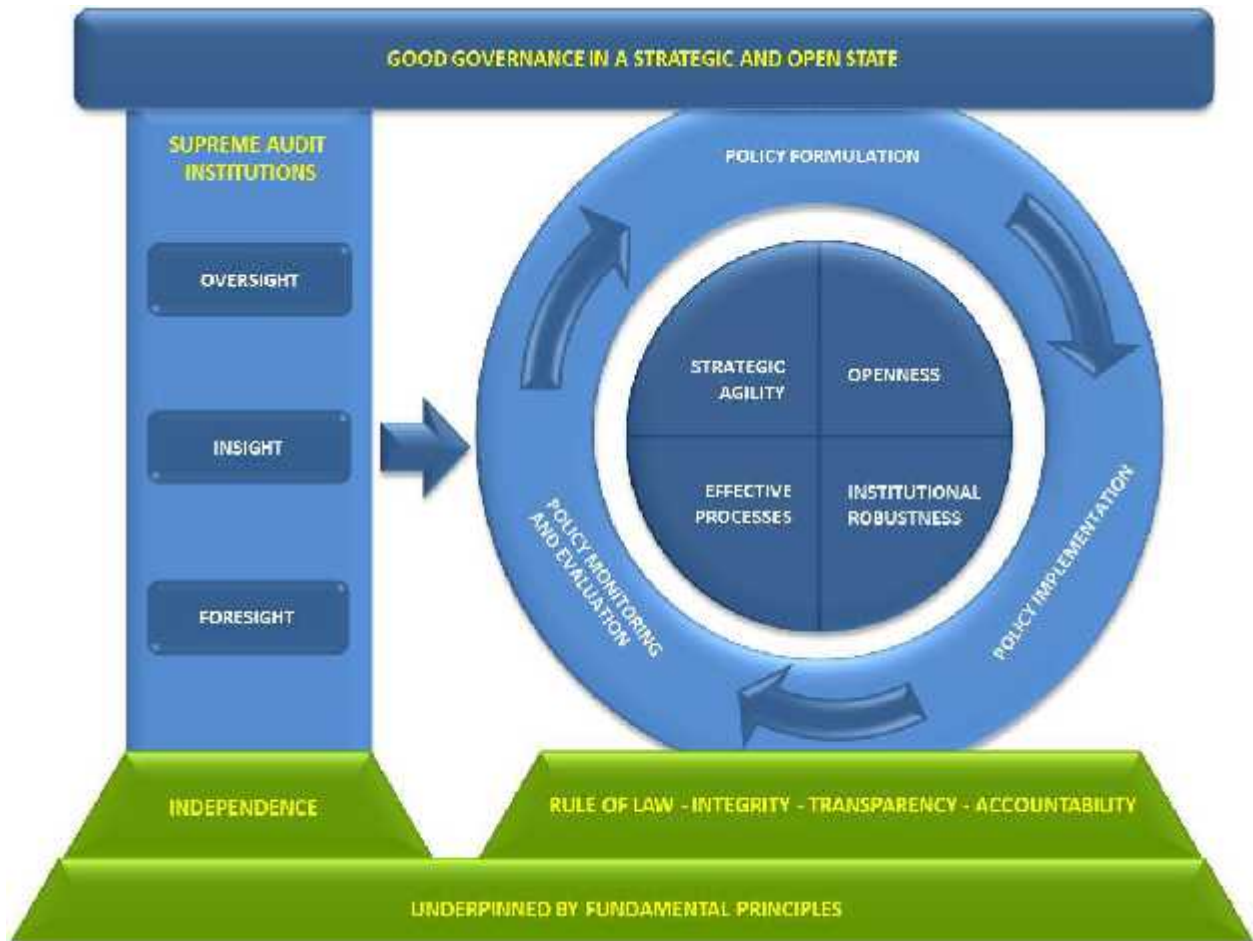
In this study, self-administered questionnaires was used to explore the role of Regularity audit in promoting good corporate governance in the public sector

Two different sets of questionnaires was constructed to collect data from Financial auditors, and University Managements and the board. The questionnaires was made up of closed-ended items (where respondents was given options from which they selected those items that they see it appropriate) and open-ended questions (those that participants provided their own responses).

3.4. Data Analysis Method

After field survey, data obtained was first edited to ensure consistency and accuracy in the responses and to check the response rate. The data was coded and descriptive analysis was conducted using Statistical package for social sciences (SPSS 17).

Cronbach's alpha was used to test the reliability of responses for variables in the study.



SOURCE : (OECD 2014)

CHAPTER 4 ANALYSIS AND DISCUSSION OF RESULTS

4.1. Introduction

This chapter discusses the interpretation and presentation of the findings. This chapter presents analysis of the data on the role of regularity auditing in promoting good governance in the public sector universities in Ethiopia with special focus on the government sector universities. The chapter also provides the major findings and results of the study.

4.2 Response Rate

The researcher targeted the Management of the Universities, Middle and Senior level Auditors, the university Board. This is because the people in Middle and Senior level management are the most Important with the subject matter of the study. However, out of 60 questionnaires distributed 50 respondents completely filled in and returned the questionnaires, this represented 83 % response rate. This is a reliable response rate for data analysis as Mugenda and Mugenda (2003) pointed that for generalization a response rate of 50% is adequate for analysis and reporting, 60% is good and a response rate of 70% and over is excellent.

Table 4.1 Response Rate

Response Rate	Frequency	Percentage
Filled in questionnaires	50	83
Un returned questionnaires	10	17
Total	60	100

4.3. Reliability Analysis

To measure the consistency of the questionnaire particularly the Likert-type scale the reliability analysis is essential in reflecting the overall reliability of constructs that it is measuring. To carry out the reliability analysis, Cronbach’s Alpha () is the most common measure of scale reliability and a value greater than 0.700 is very acceptable (Field, 2009; Cohen and Sayag, 2010) and according to Cronbach’s (1951), a reliability value () greater than 0.600 is also acceptable.

Table 4.2. Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.684	.713	39

Sources: survey data, 2015 SPSS output

From table 4.2 above, the value for Cronbach’s Alpha () was 0.713 for all variables. When these calculated reliability values are close to 0.7000, and compared with the minimum value of alpha 0.600 advocated by Cronbach’s (1951), then the responses generated for all of the variables’ used in this research were reliable enough for data analysis.

4.4. Basic information of respondents

Table 4.3. Academic Qualification

	Frequency	Percent	Valid Percent	Cumulative Percent
Degree	41	82.0	82.0	82.0
Post secondary	9	18.0	18.0	100.0
Total	50	100.0	100.0	

Source: (Own Survey, 2016)

As we see from the table 82% of the respondents are degree holders while 18 % are post secondary.

Table 4.4 .Years' of Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
6-10 Years	39	78.0	78.0	78.0
> 10 Years	11	22.0	22.0	100.0
Total	50	100.0	100.0	

Source: (Own Survey, 2016)

As we can see from the table 4.3. that 78% of the respondents have 6-10 Years of experience and 22% of them have more than ten years of Experience.

Table 4.5 Accountability

		Frequency	Percent	Percent	Cumulative Percent
1.universities make all record available for periodic audit or evaluation on timely basis to Office of the Federal Auditor General	Strongly Disagree	4	8.0	8.0	8.0
	Disagree	31	62.0	62.0	70.0
	Neutral	15	30.0	30.0	100.0
	Total	50	100.0	100.0	
2. Office of the Federal Auditor General audit the University on annual basis, Frequently.	Disagree	40	80.0	81.6	81.6
	Agree	9	18.0	18.4	100
	Total	49	98.0	100.	

				0	
	Missing	1	2.0		
	Total	50	100.0		
3.All laws, regulations, rules and procedures on financial operations are carefully field and made available to the universities in a readily useable format.	Disagree	42	84.0	85.7	85.7
	Neutral	2	4.0	4.1	89.8
	Agree	5	10.0	10.2	100.0
	Total	49	98.0	100.0	
	Missing	1	2.0		
Total		50	100.0		
4.Employees are given necessary financial training and orientations on amendments and new financial regulations and guidelines on timely basis.	Disagree	42	84.0	87.5	87.5
	Neutral	2	4.0	4.2	91.7
	Agree	4	8.0	8.3	100.0
	Total	48	96.0	100.0	
	Missing	2	4.0		
Total		50	100.0		
5.The university managers are responsible for implementing audit recommendations.	Disagree	40	80.0	83.3	83.3
	Neutral	4	8.0	8.3	91.7
	Agree	4	8.0	8.3	100.0
	Total	48	96.0	100.0	
	Missing	2	4.0		
Total		50	100.0		
6.University's Board take corrective action to recommendations provided by Office of the Federal Auditor General.	Disagree	43	86.0	86.0	86.0
	Neutral	1	2.0	2.0	88.0
	Agree	6	12.0	12.0	100.0

	Total	50	100.0	100.0	
7.The University's management report on the implementation of audit recommendations.	Disagree	2	4.0	4.1	4.1
	Neutral	14	28.0	28.6	32.7
	Agree	33	66.0	67.3	100.0
	Total	49	98.0	100.0	
	Missing	1	2.0		
Total		50	100.0		
8.The Office of the Federal Auditor General monitors the implementation of its Audit recommendations;	Disagree	10	20.0	20.0	20.0
	Agree	40	80.0	80.0	100.0
	Total	50	100.0	100.0	
9.Recommendations that are not Implemented in the prior period are clearly identified and acted upon if not justified.	Strongly Disagree	2	4.0	4.1	4.1
	Disagree	38	76.0	77.6	81.6
	Neutral	2	4.0	4.1	85.7
	Agree	7	14.0	14.3	100.0
	Total	49	98.0	100.0	
	Missing	1	2.0		
Total		50	100.0		
10.Public Accounts Committee hold Hearings on Audit findings and recommendations given by Office of the Federal Auditor General;	Disagree	8	16.0	16.3	16.3
	Neutral	3	6.0	6.1	22.4
	Agree	38	76.0	77.6	100.0
	Total	49	98.0	100.0	
	Missing	1	2.0		
Total		50	100.0		

11.Office of the Federal Auditor General directs fraud indicator findings to the third party institutions like anti-corruption;	Strongly Disagree	1	2.0	2.0	2.0
	Disagree	40	80.0	81.6	83.7
	Neutral	2	4.0	4.1	87.8
	Agree	6	12.0	12.2	100.0
	Total	49	98.0	100.0	
	Missing	1	2.0		
Total		50	100.0		
12.The university Board follow the implementation of the audit recommendations given by Office of the Federal Auditor General	Strongly Disagree	1	2.0	2.1	2.1
	Disagree	38	76.0	79.2	81.3
	Neutral	3	6.0	6.3	87.5
	Agree	6	12.0	12.5	100.0
	Total	48	96.0	100.0	
		Missing	2	4.0	
Total		50	100.0		
13.The board use the Audit report as Accountability tool.	Strongly Disagree	1	2.0	2.0	2.0
	Disagree	40	80.0	81.6	83.7
	Neutral	3	6.0	6.1	89.8
	Agree	5	10.0	10.2	100.0
	Total	49	98.0	100.0	
			Missing	1	2.0
Total		50	100.0		
14.The university's board members participate in the	Strongly	2	4.0	4.1	4.1

Audit exit conference	Disagree				
	Disagree	39	78.0	79.6	83.7
	Neutral	5	10.0	10.2	93.9
	Agree	3	6.0	6.1	100.0
	Total	49	98.0	100.0	
	Missing	1	2.0		
Total		50	100.0		
15.The existing role that the audit is playing is sufficient enough to address Accountability on the use of public resources;	Disagree	39	78.0	79.6	79.6
	Neutral	3	6.0	6.1	85.7
	Agree	7	14.0	14.3	100.0
	Total	49	98.0	100.0	
	Missing	1	2.0		
Total		50	100.0		

Source: (Own Survey, 2016)

As indicated in Table 4.4, 62 % disagree that universities make all record available for periodic audit or evaluation on timely basis to Office of the Federal Auditor General and

The Above evidence suggests that there is the difficulty of easy availability of laws, regulations, rules and procedures on financial operations and lack of availing records for periodic timely audit.

As has been indicated by (A.Khan, 2003) for accountability to be effective readily available information is important, it becomes difficult for anyone to master all information for use without reference to the applicable Documents. Mistakes can be made in all honesty and sincerity. It is therefore, extremely important all laws, regulations, rules and procedures are made available to public managers in a readily useable format.

For accountability to be effective, Public managers should also make all record available for periodic audit or evaluation in this regard

Most of the respondents disagree that (81.6%) Office of the Federal Auditor General audit the University on annual basis, Frequently, this indicates there is a gap on the frequency of the audit which may impair accountability role of the audit.

Furthermore (85.7%) of respondents disagreed that laws, regulations, rules and procedures on financial operations are carefully field and made available to the universities in a readily useable format.

From the table above it is evident that Employees are not given necessary financial training and orientations on amendments and new financial regulations and guidelines on timely basis 87.5% disagreed on the timely training on amendments of new financial regulations and guidelines .

Beneficial change in government can happen if auditee act on recommendations in SAI audit reports, The public managers should be accountable for audit observations and implementing audit recommendations. in this regard (83.3%) of the respondents expressed that they Disagreed with the statement the university managers are accountable for implementing audit recommendations and (86 %) of the respondents Disagree with university's board take corrective action to recommendations provided by audit office

There should be the procedure in which Audit office follow the implementation of audit findings and universities also respond to findings and recommendations. Regarding universities management reporting on their implementation of audit recommendations, (66%) Of the respondents expressed their agreement and concerning the monitoring of implementation of Audit recommendations by Audit office 80% of the respondents agreed that the office of the Federal Auditor General monitors implementation of Audit recommendations

This indicates that there is the system in which OFAG follows the implementation of the Audit findings and recommendations and the system in which universities report their implementation of the Audit finding and recommendation. However from open question distributed to the respondents, despite the system of communication, the sufficiency of full implementation and

robust monitoring of the implementation of audit recommendations by office of the federal Auditor General is insufficient.

Recommendation that are not corrected in subsequent years should be clearly justified and if not corrective action should be taken, however Majority of the respondents(81.6 %) Disagree that Recommendations that are not Implemented in the prior period are clearly identified and acted upon if not justified.

This indicate that despite there is system of Follow ups by audit office and reporting of implementation of the Audit findings and recommendations by the universities no action for previous audit findings if not implemented.

(81.3%) of respondents Disagree with The university Board follow the implementation of the audit recommendations given by Office of the Federal Auditor General and 83.7% disagree that The board use the Audit report as Accountability tool while (83.7%) of the respondents disagree that the university's board members participate in the Audit exit conference this can undermine the accountability role that could have contributed by the regularity audit.

(77.6 %) of the respondents Agreed that Public Accounts Committee holds Hearings on Audit findings and recommendations given by audit office the problem however is that 83.7% of the respondents disagree that audit office directs fraud red flag findings to the third party institutions like anti-corruption;

As we learn from the respondents, hearings are made on the Audit findings and however the findings with fraud red flag are not directed to third party institutions like anti-corruption though the audit office is given such responsibility in its proclamation No 669/2010.

Further, (79.6%) of the respondents disagree with the idea the existing role that the audit is playing is sufficient enough to address Accountability on the use of public resources;

From the above table one can understand that Accountability role of the regularity audit is not adequate, accountability exists from viewpoint of Answerability however Enforceability is not sufficient.

TABLE 4.6. Transparency

		Frequency	Percent	Valid Percent	Cumulative Percent
16. Office of the Federal Auditor General publicize the Audit findings of the university in its websites;	Disagree	7	14.0	14.0	14.0
	Neutral	3	6.0	6.0	20.0
	Agree	40	80.0	80.0	100.0
	Total	50	100.0	100.0	
17. published Reports by Office of the Federal Auditor General are easily Accessible;	Disagree	39	78.0	79.6	79.6
	Neutral	3	6.0	6.1	85.7
	Agree	6	12.0	12.2	98.0
	Strongly Agree	1	2.0	2.0	100.0
	Total	49	98.0	100.0	
	Missing	1	2.0		
Total		50	100.0		
18. the contents of published Reports by Office of the Federal Auditor General are easily understandable	Strongly Disagree	2	4.0	4.0	4.0
	Disagree	40	80.0	80.0	84.0
	Neutral	4	8.0	8.0	92.0
	Agree	4	8.0	8.0	100.0
	Total	50	100.0	100.0	
19. Office of the Federal Auditor General encourage the organization to publish budget performance at the end of Financial year.	Strongly Disagree	1	2.0	2.0	2.0
	Disagree	38	76.0	77.6	79.6
	Neutral	4	8.0	8.2	87.8
	Agree	6	12.0	12.2	100.0
	Total	49	98.0	100.0	
	Missing	1	2.0		
Total		50	100.0		
20. The university board use the Audit report issued by Office of the Federal Auditor General as Transparency tool.	Disagree	40	80.0	80.0	80.0
	Neutral	4	8.0	8.0	88.0
	Agree	6	12.0	12.0	100.0
	Total	50	100.0	100.0	
21. The existing role that Office of the Federal Auditor General is playing is sufficient enough to address	Strongly Disagree	1	2.0	2.0	2.0
	Disagree	41	82.0	82.0	84.0
	Neutral	4	8.0	8.0	92.0

transparency on the use of public resources through its report.	Agree	4	8.0	8.0	100.0
	Total	50	100.0	100.0	

Source: (Own Survey, 2016)

(80%) Of the respondents agree that the audit office publicize the Audit findings of the university in its websites; Most respondents (79.6%) Disagree that published Reports are easily Accessible; (80%) of the respondents disagree that the contents of published Reports are easily understandable; **and** (77.6%) disagree that Audit office encourage the organization to publish budget performance at the end of financial year for public assessment and comment.

Also (82%) of the respondent disagree that the existing role that the audit is playing is sufficient enough to address transparency on the use of public resources through its report.

This indicates that even though Audit reports are published in OFAG web site we can understand from the respondents that the reports are not easily understandable and accessible so to increase its transparency role the office has to work on its sites to make it more reachable OFAG also contribute less in encouraging the universities to publicize their budget performance in addition to play more in its transparency role the office should publish in a separate form for individual universities and make it understandable by using simple language and simplified statements so as to easily understand the main message of the report.

The existing role that Office of the Federal Auditor General is playing is not sufficient enough to address transparency on the use of public resources through its report as 82% of the respondents disagree that the existing role that Office of the Federal Auditor General is playing is sufficient enough to address transparency on the use of public resources

Table 4.7. Integrity

		Frequency	Percent	Valid Percent	Cumulative Percent
22.Regularity audit effectively Ensure that public spending is within budgetary provisions.	Disagree	6	12.0	12.5	12.5
	Neutral	3	6.0	6.3	18.8
	Agree	39	78.0	81.3	100.0
	Total	48	96.0	100.0	
	Missing	2	4.0		
Total		50	100.0		
23.Regularity audit effectively Ensure reliability and integrity of financial information;	Disagree	35	70.0	70.0	70.0
	Neutral	2	4.0	4.0	74.0
	Agree	13	26.0	26.0	100.0
	Total	50	100.0	100.0	
24.Regularity audit Ensure Compliance with laws, regulations, and contracts;	Strongly Disagree	1	2.0	2.0	2.0
	Disagree	7	14.0	14.0	16.0
	Neutral	3	6.0	6.0	22.0
	Agree	39	78.0	78.0	100.0
	Total	50	100.0	100.0	
25.Regularity audit Advice and comment on deviation to the values and code of conduct /code of ethics of the organization;	Strongly Disagree	1	2.0	2.0	2.0
	Disagree	40	80.0	81.6	83.7
	Agree	8	16.0	16.3	100.0
	Total	49	98.0	100.0	
	Missing	1	2.0		
Total		50	100.0		
26.The university board use the Audit report issued by Office of the Federal Auditor General as Integrity tool.	Disagree	38	76.0	77.6	77.6
	Neutral	1	2.0	2.0	79.6
	Agree	10	20.0	20.4	100.0
	Total	49	98.0	100.0	
	Missing	1	2.0		
Total		50	100.0		
27.Regularity audit Provide information about any	Strongly	2	4.0	4.1	4.1

indicators of fraudulent activities or irregularities.	Disagree				
	Disagree	38	76.0	77.6	81.6
	Neutral	3	6.0	6.1	87.8
	Agree	6	12.0	12.2	100.0
	Total	49	98.0	100.0	
	Missing	1	2.0		
Total		50	100.0		
28.The existing role that the audit is playing is sufficient enough to address Integrity on the use of public resources;	Disagree	40	80.0	80.0	80.0
	Neutral	4	8.0	8.0	88.0
	Agree	6	12.0	12.0	100.0
	Total	50	100.0	100.0	

As we see from Table 4.6 Above (81.3%) of the respondents agree that Regularity audit effectively Ensure public spending is within budgetary provisions and (70%) of the respondents Disagree that Regularity audit effectively Ensure reliability integrity of financial information; (78%) of the respondents agree that Regularity audit Ensure Compliance with laws, regulations, and contracts;

(81.6 %) of the respondents disagree that Regularity audit advice and comment on deviation to the values and code of conduct /code of ethics of the organization; (77.6%) of the respondents disagree that the university board use the Audit report issued by Office of the Federal Auditor General as Integrity tool. And also (77.6%) of the respondents disagree that Regularity audit Provide information about any indicators of fraudulent activities or irregularities.

(80%) of the respondents disagree that the existing role that the audit is playing is sufficient enough to address Integrity on the use of public resources;

In general as we learn from the response obtained, despite the Regularity audit effectively Ensure public spending is within budgetary provisions and that Regularity audit Ensure Compliance with laws, regulations, and contracts, the Regularity audit lacks sufficiency in advising and comment on deviation to the values and code of conduct /code of ethics of the organization; in addition, the university board do not use the Audit report issued by Office of the Federal Auditor General as Integrity tool. According to the respondents it is evident that Regularity audit

do not Provide information about any indicators of fraudulent activities or irregularities apparently it is possible to deduce from the survey that existing role that the audit is playing is not sufficient enough to address integrity on the use of public resources;

Table 4.8 Independence

		Frequency	Percent	Valid Percent	Cumulative Percent
29.Office of the Federal Auditor General has been given detailed extent of independence from executives by the legislature.	Disagree	19	76.0	76.0	76.0
	Neutral	2	8.0	8.0	84.0
	Agree	4	16.0	16.0	100.0
	Total	25	100.0	100.0	
30.Office of the Federal Auditor General control or direct the access to human, resources.	Strongly Disagree	1	4.0	4.0	4.0
	Disagree	19	76.0	76.0	80.0
	Agree	5	20.0	20.0	100.0
	Total	25	100.0	100.0	
31.Office of the Federal Auditor General manages its own budget and allocate it appropriately as it is considered necessary.	Strongly Disagree	3	12.0	12.5	12.5
	Disagree	20	80.0	83.3	95.8
	Agree	1	4.0	4.2	100.0
	Total	24	96.0	100.0	
	Missing	1	4.0		
Total		25	100.0		
32.Head of Office of the Federal Auditor General has appointments with sufficiently long and fixed terms, to allow to carry out Audit mandates without fear of retaliation;	Disagree	3	12.0	12.0	12.0
	Agree	20	80.0	80.0	92.0
	Strongly Agree	2	8.0	8.0	100.0
	Total	25	100.0	100.0	
33.Auditors are free of prosecution for any act that results from the normal discharge of their duties;	Disagree	1	4.0	4.2	4.2
	Agree	21	84.0	87.5	91.7
	Strongly Agree	2	8.0	8.3	100.0
	Total	24	96.0	100.0	
	Missing	1	4.0		
Total		25	100.0		

From table 4.8 above, (76%) of the respondents disagree that Office of the Federal Auditor General has been given detailed extent of independence from executives by the legislature;

(76%) of the respondents disagree that Office of the Federal Auditor General control or direct the access to human, resources.

(83.3%) of the respondents disagree that Office of the Federal Auditor General manages its own budget and allocate it appropriately as it is considered necessary; however (80%) of the respondents agree that Head of Office of the Federal Auditor General has appointments with sufficiently long and fixed terms, to allow to carry out Audit mandates without fear of retaliation; (87.5%) respondents agree that Auditors are free of prosecution for any act that results from the normal discharge of their duties;

From the above response one can see that even if Head of Office of the Federal Auditor General has appointments with sufficiently long and fixed terms and Auditors are free of prosecution for any act that results from the normal discharge of their duties, Office of the Federal Auditor General has not been given extent of independence from executives; Office of the Federal Auditor General do not control or direct the access to human, resources and Office of the Federal Auditor General do not manages its own budget and allocate it appropriately as it is considered necessary This would limit the work of regularity audit by impairing the independence of the office.

Table 4.9. Stakeholders Support

		Frequency	Percent	Valid Percent	Cumulative Percent
34.Management have wrong perception about Auditor General auditors as fault finders rather than adding value to good corporate governance	Disagree	4	16.0	16.0	16.0
	Agree	19	76.0	76.0	92.0
	Strongly Agree	2	8.0	8.0	100.0
	Total	25	100.0	100.0	
35.PAC directs fraud indicator findings to the third party institutions like anti-corruption;	Disagree	16	64.0	66.7	66.7
	Neutral	2	8.0	8.3	75.0
	Agree	6	24.0	25.0	100.0
	Total	24	96.0	100.0	
	Missing	1	4.0		
Total		25	100.0		

36.Office of the Federal Auditor General Budget and Human resource Matters are managed by legislature or its representatives (PAC).	Disagree	19	76.0	79.2	79.2
	Neutral	1	4.0	4.2	83.3
	Agree	4	16.0	16.7	100.0
	Total	24	96.0	100.0	
	Missing	1	4.0		
Total		25	100.0		
37.the Media publicize the Audit findings in the manner it strengthen accountability; Transparency.	Strongly Disagree	1	4.0	4.0	4.0
	Disagree	21	84.0	84.0	88.0
	Agree	3	12.0	12.0	100.0
	Total	25	100.0	100.0	
38.Civil society and other stakeholders use audit findings and support the Office of the Federal Auditor General in strengthening accountability;	Strongly Disagree	2	8.0	8.0	8.0
	Disagree	18	72.0	72.0	80.0
	Neutral	3	12.0	12.0	92.0
	Agree	2	8.0	8.0	100.0
	Total	25	100.0	100.0	
39.The University's board has Audit Committee.	Strongly Disagree	2	8.0	8.0	8.0
	Disagree	19	76.0	76.0	84.0
	Neutral	3	12.0	12.0	96.0
	Agree	1	4.0	4.0	100.0
	Total	25	100.0	100.0	

From table 4.9 above, (76%) of the respondents agree that Management have wrong perception about Auditor General auditors as fault finders rather than adding value to good corporate governance ; (66.7%) of the respondents disagree that PAC directs fraud indicator findings to the third party institutions like anti-corruption ; (79.2%) of the respondents disagree that Office of the Federal Auditor General Budget and Human resource Matters are managed by legislature or its representatives (PAC) ; (66.7%) of the respondents disagree that the Media publicize the Audit findings in the manner it strengthen accountability; Transparency also ; (84%) of the respondents disagree that Civil society and other stakeholders use audit findings and support the Office of the Federal Auditor General in strengthening accountability; on the other hand (76%) of the respondents disagree that the University's board has Audit Committee.

From the above response there is limited stake holders support in that Management had wrong perception about Auditor General auditors as fault finders rather than adding value to good governance ; PAC consideration of audit finding when fraud indicators are reported less support in managing human and Budget matters further more the use of audit findings by Civil society and other stakeholders to support the Office of the Federal Auditor General in strengthening accountability is limited.

Since University's board has no Audit Committee the consideration of audit recommendations would be limited so as to support the work of Federal Auditor General in contributing to good governance.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter presents a summary of the findings of the study. The conclusions to the main issues of the study and recommendations are also established.

The purpose of this study was to examine the role of regularity audit in the public sector universities in promoting good corporate governance. In recent times, there has been an increased interest in the audit function in the public sector to enhance good governance. The public demand accountability and transparency from government and the government can protect itself by improving the regularity audit function that will provide some level of assurance that government is not wasting public resources.

This study was carried out in six universities in Ethiopia, The data were collected through the use of questionnaire. The study was descriptive survey. Four research questions were developed to guide the study. All the four questions were analyzed using percentages.

Summary of Major Findings

Accountability

Most of the respondents (83.3%) expressed that they Disagreed with the statement the university managers are accountable for implementing audit recommendations and (86 %) of the respondents Disagree with university's board take corrective action to recommendations provided by audit office

There is the procedure in which Audit office follow the implementation of audit findings and universities also respond to findings and recommendations. Regarding universities management reporting on their implementation of audit recommendations, (66%) Of the respondents expressed their agreement and concerning the monitoring of implementation of Audit recommendations by Audit office 80% of the respondents agreed that the office of the Federal Auditor General monitors implementation of Audit recommendations

OFAG follows the implementation of the Audit findings and recommendations and there is the system in which universities report their implementation of the Audit finding and recommendation. However from open question distributed to the respondents, despite the system of communication, the sufficiency of full implementation and robust monitoring of the implementation of audit recommendations by office of the federal Auditor General is insufficient.

Recommendation that are not corrected in subsequent years are not justified and if not corrective action not be taken, This indicate that despite there is system of Follow ups by audit office and reporting of implementation of the Audit findings and recommendations by the universities, no action for previous audit findings if not implemented.

The study reveals that the university Board do not follow the implementation of the audit recommendations given by Office of the Federal Auditor General and the university board do not use the Audit report as Accountability tool ; the university's board members do not participate in the Audit exit conference this can undermine the accountability role that could have contributed by the regularity audit.

the Public Accounts Committee holds Hearings on Audit findings and recommendations given by audit office ;but audit office do not directs fraud red flag findings to the third party institutions like anti-corruption;

Transparency

Office the Federal auditor office publicize the Audit findings of the university in its websites; However published Reports are not easily Accessible; and not easily understandable; Audit office do not encourage the organization to publish budget performance at the end of financial year for public assessment and comment.

This indicates that even though Audit reports are published in OFAG web site we can understand from the respondents that the reports are not easily understandable and accessible so to increase its transparency role the office has to work on its sites to make it more reachable OFAG also contribute less in encouraging the universities to publicize their budget performance in addition to play more in its transparency role the office should publish in a separate form for individual

universities and make it understandable by using simple language and simplified statements so as to easily understand the main message of the report.

Integrity

Despite the Regularity audit effectively Ensure public spending is within budgetary provisions and that Regularity audit Ensure Compliance with laws, regulations, and contracts, the Regularity audit lacks sufficiency in advising and comment on deviation to the values and code of conduct /code of ethics of the organization; in addition, the university board do not use the Audit report issued by Office of the Federal Auditor General as Integrity tool. According to the respondents it is evident that Regularity audit do not Provide information about any indicators of fraudulent activities or irregularities apparently it is possible to deduce from the survey that existing role that the audit is playing is not sufficient enough to address integrity on the use of public resources;

Independence

Head of Office of the Federal Auditor General has appointments with sufficiently long and fixed terms and Auditors are free of prosecution for any act that results from the normal discharge of their duties however Office of the Federal Auditor General has not been given extent of independence from executives; Office of the Federal Auditor General do not control or direct the access to human, resources and Office of the Federal Auditor General do not manages its own budget and allocate it appropriately as it is considered necessary This would limit the work of regularity audit by impairing the independence of the office.

Stakeholders Support

There is limited stake holders support in that Management had wrong perception about Auditor General auditors as fault finders rather than adding value to good governance ; PAC consideration of audit finding when fraud indicators are reported ; less support in managing human and Budget matters by legislatures

University's board has no Audit Committee so that the consideration of audit recommendations would be limited so as to support the work of Federal Auditor General in contributing to good governance.

Conclusion

The evidence from the study indicates that it can be concluded that Accountability Integrity and Transparency role of the regularity Audit is limited because whatever audit is done no result of it is observable unless managers are accountable for implementing audit recommendations; there is the gap in full implementation of the recommendations and robust monitoring of the implementation of audit recommendations by office of the federal Auditor General.

Recommendation that are not corrected in subsequent years are not justified and if not corrective action not taken, This indicate that despite there is system of Follow ups by audit office and reporting of implementation of the Audit findings and recommendations by the universities, no action for previous audit findings when not corrected.

Head of Office of the Federal Auditor General is relatively independent since has appointments with sufficiently long and fixed terms and Auditors are free of prosecution for any act that results from the normal discharge of their duties however Office of the Federal Auditor General has not been given known and clear independence from executives; control or direct the access to human, resources and no means to manages its own budget and allocate it appropriately as it is considered necessary. This would limit the work of regularity audit by impairing the independence of the office.

It was also clear from the findings that the Office of the Federal Auditor General Receive little support of management as management had wrong perception and legislature.

OFAG should encourage the organization to publish budget performance at the end of Financial year.

It can be concluded from these evidences that, the regularity Audit has little role in ensuring good corporate governance system the Public sector universities.

Recommendations

On the basis of the findings, the following recommendations are proposed for the consideration of, management University board And Auditors

To enhance the role of regularity Audit referring to Accountability, office of the federal auditor general should audit universities on annual basis and the universities should avail records to OFAG on a timely basis for evaluations and All laws, regulations, rules and procedures on financial operations should be fielded and made available to the universities in a readily useable format.

For accountability, to be effective, The university managers should be held responsible for implementing audit recommendations ; considerations should be given to Audit recommendations by the university board that is corrective action should be taken to uncorrected findings; university board should include Audit committee for further considerations of audit recommendations the existing board member be participate in the audit exit conferences, Transparency role of the OFAG is limited, to solve this the audit office should publisize Annual audit reports in its official web site in a readable and understandable way for each individual universities rather than publicizing annual reports in a consolidated reports.

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APPENDIX B

**ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF ACCOUNTING AND FINANCE
MSc in Accounting and auditing**

Researchers' Address:

Kadi Gali

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Addis Ababa

Survey Questioner for Public Sector Universities

QUESTIONNAIRE FOR AUDITORS

Objective of the Questionnaire

I am Kadi Gali, an MSC student of the Addis Ababa University, conducting a research on the Role of the Public Sector Regularity Audit in promoting good governance.

Public sector Regularity Auditing is done by Office of the Federal Auditor General (OFAG), Government external auditing play an important Role in ensuring and promoting good governance across the public sector. The purpose of this research is to assess and identify the role of regularity Auditing conducted by (OFAG) in public sector universities' good governance. The conclusions of the study will be drawn in aggregate terms, without any reference to specific office or individual respondents.

In line with this, you are kindly requested to complete this questionnaire. Your responses will be kept strictly confidential and would be used only for the purpose of this research.

Your honest and thoughtful response is valuable

Thank you in advance for your support and participation.

With best Regards

PART ONE: BACKGROUND CHARACTERISTICS

1. Name of the Organization _____

2. Academic Qualification:

Degree

Post-Secondary

Diploma

Other

3. Years' of Experience

<2 years _____

2-5 years _____

6-10 years _____

>10 years _____

PART TWO

The below Questionnaire is prepared in Likert-scale form with five (5) point scales. I ask you to Mark (x) that indicates your opinion in table below. The values of scales are 5 = strongly agree, 4 = Agree, 3 = Neutral, 2 = Disagree, and 1 = strongly disagree.

S/N	Elements	<i>Strongly Agree</i>	<i>Agree</i>	<i>Neutral</i>	<i>Disagree</i>	<i>Strongly disagree</i>
		5	4	3	2	1
	Elements related to Accountability					
1	universities make all record available for periodic audit or evaluation on timely basis to Office of the Federal Auditor General					
2	Office of the Federal Auditor General audit the University on annual basis, Frequently.					
3	All laws, regulations, rules and procedures on financial operations are carefully fielded and made available to the universities in a readily useable format.					
4	Employees are given necessary financial training and orientations on amendments and new financial regulations and					

	guidelines on timely basis.					
5	The university managers are responsible for implementing audit recommendations.					
6	University's Board take corrective action to recommendations provided by Office of the Federal Auditor General.					
7	The University's management report on the implementation of audit recommendations.					
8	The Office of the Federal Auditor General monitors the implementation of its Audit recommendations;					
9	Recommendations that are not Implemented in the prior period are clearly identified and acted upon if not justified.					
10	Public Accounts Committee hold Hearings on Audit findings and recommendations given by Office of the Federal Auditor General;					
11	Office of the Federal Auditor General directs fraud indicator findings to the third party institutions like anti-corruption;					
12	The university Board follow the implementation of the audit recommendations given by Office of the Federal Auditor General					
13	The board use the Audit report as Accountability tool.					
14	The university's board members participate in the Audit exit conference					
15	The existing role that the audit is playing is sufficient enough to address Accountability on the use of public resources;					
	Elements related to Transparency					
16	Office of the Federal Auditor General publicize the Audit findings of the university in its websites;					
17	published Reports by Office of the Federal					

	Auditor General are easily Accessible;					
18	the contents of published Reports by Office of the Federal Auditor General are easily understandable;					
19	Office of the Federal Auditor General encourage the organization to publish budget performance at the end of Financial year.					
20	The university board use the Audit report issued by Office of the Federal Auditor General as Transparency tool.					
21	The existing role that Office of the Federal Auditor General is playing is sufficient enough to address transparency on the use of public resources through its report.					
	Elements related to Integrity					
22	Regularity audit effectively Ensure that public spending is within budgetary provisions.					
23	Regularity audit effectively Ensure reliability and integrity of financial information;					
24	Regularity audit Ensure Compliance with laws, regulations, and contracts;					
25	Regularity audit Advice and comment on deviation to the values and code of conduct /code of ethics of the organization;					
26	The university board use the Audit report issued by Office of the Federal Auditor General as Integrity tool.					
27	Regularity audit Provide information about any indicators of fraudulent activities or irregularities.					
28	The existing role that the audit is playing is sufficient enough to address Integrity on the use of public resources;					
	Elements related to Independence					

29	Office of the Federal Auditor General has been given detailed extent of independence from executives by the legislature.					
30	Office of the Federal Auditor General control or direct the access to human, resources.					
31	Office of the Federal Auditor General manages its own budget and allocate it appropriately as it is considered necessary.					
32	Head of Office of the Federal Auditor General has appointments with sufficiently long and fixed terms, to allow to carry out Audit mandates without fear of retaliation;					
33	Auditors are free of prosecution for any act that results from the normal discharge of their duties;					
	Stakeholder Support					
34	Management have wrong perception about Auditor General auditors as fault finders rather than adding value to good corporate governance;					
35	PAC directs fraud indicator findings to the third party institutions like anti-corruption;					
36	Office of the Federal Auditor General Budget and Human resource Matters are managed by legislature or its representatives (PAC).					
37	the Media publicize the Audit findings in the manner it strengthen accountability; Transparency.					
38	Civil society and other stakeholders use audit findings and support the Office of the Federal Auditor General in strengthening accountability;					
39	The University's board has Audit Committee.					

PART THREE

Please provide “YES or “NO” with the following areas of statements and mark “X” for each in the Box and provide your response on the provided areas.

1. The Audit Office’s Budget process is directed by the Ministry of Finance.

Yes

No

If yes what is its implication on the independence of the office

2. Auditor’s Job Structures and salary scales of the audit office are linked to the Civil Service requirements.

Yes

No

If yes what is its implication on the independence of the office;

3. What Practical challenges the Audit Office Face to exercise its Independence so as to play its role in promoting Good governance?

4. What role you think the regularity audit has in financial accountability?

5. What role you think the regularity audit has in financial Transparency?

6. What role you think the regularity audit has in financial reporting Integrity?

7. What role you think the regularity audit has to improve good governance process?

8. Is Audit findings and recommendations of the universities publicized to the public through audit Office website?

If Yes,

A) Comment on its accessibility;

B) Comment on its understandability;

9. Is the media communication on the audit reports in the position that enable the audit office to promote Financial Accountability and transparency?

10. Please provide your comment regarding, regularity auditing in promoting good governance principles such as; Transparency, Accountability and Financial reporting Integrity;

Thanks for Your co-operation

APPENDIX C

**ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF ACCOUNTING AND FINANCE
MSc in Accounting and auditing**

Researchers' Address:

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E-mail: kadiauditor@gmail.com

Addis Ababa

Survey Questioner for Public Sector Universities

QUESTIONNAIRE FOR UNIVERSITY BOARD MEMBERS

Objective of the Questionnaire

I am Kadi Gali, an MSC student of the Addis Ababa University, conducting a research on the Role of the Public Sector Regularity Audit in promoting good governance.

Public sector Regularity Auditing is done by Office of the Federal Auditor General (OFAG), Government external auditing play an important Role in ensuring and promoting good governance across the public sector. The purpose of this research is to assess and identify the role of regularity Auditing conducted by (OFAG) in public sector universities' good governance. The conclusions of the study will be drawn in aggregate terms, without any reference to specific office or individual respondents.

In line with this, you are kindly requested to complete this questionnaire. Your responses will be kept strictly confidential and would be used only for the purpose of this research.

Your honest and thoughtful response is valuable

Thank you in advance for your support and participation.

With best Regards

PART ONE: BACKGROUND CHARACTERISTICS

1. Name of the Organization _____

2. Academic Qualification:

Degree

Post-Secondary

Diploma

Other

3. Years' of Experience

<2 years _____

2-5 years _____

6-10 years _____

>10 years _____

PART TWO

The below Questionnaire is prepared in Likert-scale form with five (5) point scales. I ask you to Mark (x) that indicates your opinion in table below. The values of scales are 5 = strongly agree, 4 = Agree, 3 = Neutral, 2 = Disagree, and 1 = strongly disagree.

<i>S/N</i>	<i>Elements</i>	<i>Strongly Agree</i>	<i>Agree</i>	<i>Neutral</i>	<i>Disagree</i>	<i>Strongly disagree</i>
		5	4	3	2	1
	Elements related to Accountability					
1	universities make all record available for periodic audit or evaluation on timely basis to Office of the Federal Auditor General					
2	Office of the Federal Auditor General audit the University on annual basis, Frequently.					
3	All laws, regulations, rules and procedures on financial operations are carefully filed and made available to the universities in a readily useable format.					
4	Employees are given necessary financial training and orientations on amendments and new financial regulations and guidelines on timely basis.					

5	The university managers are responsible for implementing audit recommendations.					
6	University's Board take corrective action to recommendations provided by Office of the Federal Auditor General.					
7	The University's management report on the implementation of audit recommendations.					
8	The Office of the Federal Auditor General monitors the implementation of its Audit recommendations;					
9	Recommendations that are not Implemented in the prior period are clearly identified and acted upon if not justified.					
10	Public Accounts Committee hold Hearings on Audit findings and recommendations given by Office of the Federal Auditor General;					
11	Office of the Federal Auditor General directs fraud indicator findings to the third party institutions like anti-corruption;					
12	The university Board follow the implementation of the audit recommendations given by Office of the Federal Auditor General					
13	The board use the Audit report as Accountability tool.					
14	The university's board members participate in the Audit exit conference					
15	The existing role that the audit is playing is sufficient enough to address Accountability on the use of public resources;					
	Elements related to Transparency					
16	Office of the Federal Auditor General publicize the Audit findings of the university in its websites;					
17	published Reports by Office of the Federal Auditor General are easily Accessible;					
18	the contents of published Reports by Office of					

	the Federal Auditor General are easily understandable;					
19	Office of the Federal Auditor General encourage the organization to publish budget performance at the end of Financial year.					
20	The university board use the Audit report issued by Office of the Federal Auditor General as Transparency tool.					
21	The existing role that Office of the Federal Auditor General is playing is sufficient enough to address transparency on the use of public resources through its report.					
	Elements related to Integrity					
22	Regularity audit effectively Ensure that public spending is within budgetary provisions.					
23	Regularity audit effectively Ensure reliability and integrity of financial information;					
24	Regularity audit Ensure Compliance with laws, regulations, and contracts;					
25	Regularity audit Advice and comment on deviation to the values and code of conduct /code of ethics of the organization;					
26	The university board use the Audit report issued by Office of the Federal Auditor General as Transparency tool.					
27	Regularity audit Provide information about any indicators of fraudulent activities or irregularities.					
28	The existing role that the audit is playing is sufficient enough to address Integrity on the use of public resources;					

PART THREE

Please provide your brief answer on the provided area.

11. What role you think the regularity (Government External Audit) has in financial accountability?

12. What role you think the regularity audit has in financial Transparency?

13. What role you think the regularity audit has in financial reporting Integrity or reliability?

14. What role you think the regularity audit has to improve good governance process?

15. Please provide your comment regarding, regularity auditing and good governance; regarding Transparency; accountability and Integrity of Financial Reporting.

Thanks for Your co-operation

APENDIX D

**ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF ACCOUNTING AND FINANCE
MSc in Accounting and auditing**

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Addis Ababa

Survey Questioner for Public Sector Universities

QUESTIONNAIRE FOR UNIVERSITY MANAGEMENT

Objective of the Questionnaire

I am KadiGali, an MSC student of the Addis Ababa University, conducting a research on the Role of the Public Sector Regularity Audit in promoting good governance.

Public sector Regularity Auditing is done by Office of the Federal Auditor General (OFAG), Government external auditing play an important Role in ensuring and promoting good governance across the public sector. The purpose of this research is to assess and identify the role of regularity Auditing conducted by (OFAG) in public sector universities' good governance. The conclusions of the study will be drawn in aggregate terms, without any reference to specific office or individual respondents.

In line with this, you are kindly requested to complete this questionnaire. Your responses will be kept strictly confidential and would be used only for the purpose of this research.

Your honest and thoughtful response is valuable

Thank you in advance for your support and participation.

With best Regards

PART ONE: BACKGROUND CHARACTERISTICS

1. Name of the Organization _____

2. Academic Qualification:

Degree

Post-Secondary

Diploma

Other

3. Years' of Experience

<2 years _____

2-5 years _____

6-10 years _____

>10 years _____

PART TWO

The below Questionnaire is prepared in Likert-scale form with five (5) point scales. I ask you to Mark (x) that indicates your opinion in table below. The values of scales are 5 = strongly agree, 4 = Agree, 3 = Neutral, 2 = Disagree, and 1 = strongly disagree.

S/N	Elements	<i>Strongly Agree</i>	<i>Agree</i>	<i>Neutral</i>	<i>Disagree</i>	<i>Strongly disagree</i>
		5	4	3	2	1
	Elements related to Accountability					
1	universities make all record available for periodic audit or evaluation on timely basis to Office of the Federal Auditor General					
2	Office of the Federal Auditor General audit the University on annual basis, Frequently.					
3	All laws, regulations, rules and procedures on financial operations are carefully field and made available to the universities in a readily useable format.					
4	Employees are given necessary financial training and orientations on amendments and new financial regulations and guidelines on					

	timely basis.					
5	The university managers are responsible for implementing audit recommendations.					
6	University's Board take corrective action to recommendations provided by Office of the Federal Auditor General.					
7	The University's management report on the implementation of audit recommendations.					
8	The Office of the Federal Auditor General monitors the implementation of its Audit recommendations;					
9	Recommendations that are not Implemented in the prior period are clearly identified and acted upon if not justified.					
10	Public Accounts Committee hold Hearings on Audit findings and recommendations given by Office of the Federal Auditor General;					
11	Office of the Federal Auditor General directs fraud indicator findings to the third party institutions like anti-corruption;					
12	The university Board follow the implementation of the audit recommendations given by Office of the Federal Auditor General					
13	The board use the Audit report as Accountability tool.					
14	The university's board members participate in the Audit exit conference					
15	The existing role that the audit is playing is sufficient enough to address Accountability on the use of public resources;					
	Elements related to Transparency					
16	Office of the Federal Auditor General publicize the Audit findings of the university in its websites;					
17	published Reports by Office of the Federal Auditor General are easily Accessible;					

18	the contents of published Reports by Office of the Federal Auditor General are easily understandable;					
19	Office of the Federal Auditor General encourage the organization to publish budget performance at the end of Financial year.					
20	The university board use the Audit report issued by Office of the Federal Auditor General as Transparency tool.					
21	The existing role that Office of the Federal Auditor General is playing is sufficient enough to address transparency on the use of public resources through its report.					
	Elements related to Integrity					
22	Regularity audit effectively Ensure that public spending is within budgetary provisions.					
23	Regularity audit effectively Ensure reliability and integrity of financial information;					
24	Regularity audit Ensure Compliance with laws, regulations, and contracts;					
25	Regularity audit Advice and comment on deviation to the values and code of conduct /code of ethics of the organization;					
26	The university board use the Audit report issued by Office of the Federal Auditor General as Transparency tool.					
27	Regularity audit Provide information about any indicators of fraudulent activities or irregularities.					
28	The existing role that the audit is playing is sufficient enough to address Integrity on the use of public resources;					

PART THREE

Please provide your brief answer on the provided area.

16. What role you think the regularity audit has in financial accountability?

17. What role you think the regularity audit has in financial Transparency?

18. What role you think the regularity audit has in financial reporting Integrity?

19. What role you think the regularity audit has to improve good governance process?

20. Please provide your comment regarding, regularity auditing and good governance; regarding Transparency; accountability and Integrity of Financial Reporting.

Thanks for Your co-operation