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**ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS**

**THE ROLE OF INTERNAL AUDITING IN PROMOTING GOOD
GOVERNANCE IN PUBLIC SECTORS OF ADDIS ABABA CITY**

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Declaration

I, Addis Assefa, do hereby declare that this thesis is my original work and that it has not been submitted partially, or in full, by any other person for an award of degree in any other university/institution.

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Abstract

The aim of this study was to examine the role of internal audit practices in promoting good governance in public sectors of Addis Ababa City. The study used a descriptive and explanatory (mixed) design and both qualitative and quantitative approaches. A descriptive and inferential statistical analysis of correlation and regression analysis was employed in this thesis, and the data analysis was processed using the SPSS software version 25. The results of the analysis were used to interpret and discuss the findings. Cronbach's alpha coefficient of internal consistency was used to determine reliability. Data from the field was collected through the distribution of a structured questionnaire to a group of well-chosen internal auditors. Competent staffs, risk management, and organizational independence and objectivity all played a substantial and positive role in the promotion of good governance in the public sector. Although formal mandates and professional practice standards were positively connected to good governance, their contribution to good governance was statistically insignificant. These five independent variables account for 49.9% of the total contribution to the promotion of good governance in government offices. It was proposed that the internal auditors of the Addis Ababa City Public Sector act in accordance with the purpose, authority, and duty of internal audit as described expressly in their charter. Internal audit teams should be included in formal reporting by the sectors. Finally, it was suggested that the Addis Ababa City Public Sector Finance and Economic Development Office support internal auditing by recruiting a sufficient number of internal auditors and providing training to improve their abilities and capacity to do audits in the best possible way for the public.

Key Words : *Internal Auditing Standard, Internal Audit Practices, Public Sector Offices, Good Governance; Role of Internal Audit*

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CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

Due to their commitment in a number of social and economic operations, such as health service, environmental safety service, education service, poverty reduction, water supply, irrigation and drainage development and power, transport and communication services, financial service, construction service, tourism service, public budgetary institutions are the key channel for a country's economic development. Although the makeup of the public sectors vary depending on their function and aims, they are all meant to help the public sectors achieve their objectives. These sectors are also responsible for collecting and spending hundreds of billions of birr in public funds through numerous ministries and agencies in order to meet the government's growth and transformation goals. (Etana, 2016). However, there are numerous inconsistencies that have sparked public outrage, and there is an increase in government fraud as a result of weak oversight of public finances and execution, particularly in African countries such as Ethiopia. Public sectors fail to meet their objectives, resulting in a loss of confidence in both internal and external economic operations. Concerned governing organizations and well-known experts have recognized the importance of internal audit role in promoting good governance within public sectors. Internal audit is one of the most important instruments for improving an organization's performance in today's world. It gives the board members, the supervisory board, the chief executive officer, senior managers, and interested parties an unbiased view as to whether the institution's risk and control atmosphere is suitable, as well as acting as a catalyst for a strong risk management culture within the organization (IIA, 2014).

Internal auditing is an objective evaluation of what other people have done by independent professionals employed by the company. It is an integral aspect of an organization's governance structure. Internal auditing can help protect the company from any losses that could harm the company's performance. Furthermore, internal audit plays a critical role in improving both public and private sector governance. Internal audit, on the other hand, is responsible for ensuring that organizational policies and processes are followed, as well as verifying the

presence of assets. In agreement with the above importance of internal audit, the work quality of internal audit unit is the key for achieving the organizational performance of public entities. Internal audit quality means use of some techniques to recognize misstatements in clients accounting system and report the misstatements which has a significant impact on the organizations' performance. To enhance the internal audit quality, the internal auditors should possess the knowledge, skills and disciplines essential for professional care in performing of internal audit activity. Internal auditors should possess the right and ability to access all information in every part of the organization and their function should lies at every activities of the corporate governance system (Deyganto, 2013).

Internal audit function (IAF) is a part of the organization's internal monitoring system and should be positioned within the company so that internal auditor independence can be guaranteed. It has also been shown to be a tool for enhancing public sector management. The integrity of the audit activity enhances public governance by providing transparency and trying to defend the government's fundamental principles, which it accomplishes by trying to determine regardless of wether management teams and officials conduct business open to the public in a straightforward, fair, and appropriate manner in accordance with applicable laws and regulations. Among the most effective tools for monitoring and developing a company's strong governance system is a comprehensive internal audit. As a result, good governance is seen as a tool for attaining a company's goals. Organizational independence, unfettered access, appropriate financing, technical and management competence, objective staff competent staff, stakeholder support, and professional audit standards are all required to enhance effective governance in public sector audit activities. The elements of internal audit, which range from oversight to insight and foresight, constitute the foundation of good internal auditing in the public sector. Absence of Internal audit resulting in a lack of oversight and distrust among residents and stakeholders (Geda, 2018).

Internal auditing is an innovative function that has focused on emerging control and audit expertise including control self-assessment, which enlists the support of the employees in diagnosing efficiencies and implementing improvements in different areas of auditing. Internal auditors support management, boards of directors, and audit committees by investigating, assessing, and reporting on the appropriateness and effectiveness of management's risk processes, as

well as making recommendations for improvements when appropriate (Soltani, 2007). Similarly, according to the Ethiopian Internal Audit handbook, auditing is a procedure in which a competent, independent individual gathers and examines evidence concerning quantifiable information relating to a specific economic organization with the goal of finding and reporting on the degree of correspondence between the quantifiable information and defined criteria. Internal auditors have a variety of functions and contribute to the success of the company. Absence of managerial respect, lack of independence, assigning internal auditors to various responsibilities and being ignored (potential conflicts of interest), and lack of professional growth are some of the difficulties cited by the Ministry of Finance and Economic Development (2004) in their internal audit manual. Furthermore, a study conducted by Mihret and Yismaw (2007) on internal audit effectiveness in Ethiopian public universities revealed that the internal audit department of the organization needs to improve technical proficiency of internal audit staff and reduce staff turnover in order to increase audit effectiveness. Internal audit's lack of budget authority reduces its control of reorganization. Also, the need of consideration by administration may send off-base flag around the significance of inside review administrations to the auditee, which in turn antagonistically influences the auditee qualities.

The Internal Audit Agency Act, 2003(658) founded the Internal Audit Agency "as an ultimate accrediting agency to organize, promote, as well as provide quality control for Internal Audit operations within the government sector" by the Government of the Republic of Ethiopia (section 16 of Act 658). The worth of an Internal Auditor is determined because of how well he has contributed to the accomplishment of the institution's overall goal. The Internal Auditor shall strive to remain relevant to his organization by giving information that will enable management to make decisions that will improve the organization's capacity to fulfil its objectives. Thus, the aim of this study is to investigate the role of internal auditing in promoting good governance in public institutions of Addis Ababa city.

1.2 Statement of the Problems

Internal audit functions are critical to firms because they bring value and help them accomplish their goals by using a systematic and disciplined approach to control and analyze operations. Internal auditing is essential to an public sectors good governance and operations. It was a critical component in assisting an organization achieves its goals when it was implemented

properly, administered, and maintained. Internal auditing was more effective in identifying corporate hazards, processes and systems inefficiencies, taking appropriate remedial action, and ultimately supporting continuous improvement in organizations that used it successfully (Changwony & Rotich, 2015). Despite the existence of decentralized internal control systems, a wave of crippling problems connected to the failure of internal audit systems has continued to emerge. It is also clear that there has been abuse of authority and various practices, implying that statutory entities in charge of ensuring good internal audit practice continue to face substantial managerial and capacity challenges.

Furthermore, according to a recent study on internal audit practices in Ethiopian governmental higher educational institutions, a lack of sufficient management commitment, a lack of internal auditor development programs, and other organizational issues all contribute to the efficacy of IAF in public universities (Bethlehem, 2008).

Internal audit staffs are inefficiently organized, have low technical staff proficiency, and do not establish strategic plans to conduct their activities in order to produce successful internal audit output to their business, despite the characteristics listed in the preceding paragraph having a significant impact on internal audit effectiveness (Cohen & Sayag, 2010; Arena and Azzone, 2009; Mihret and Yismaw, 2007) . Unegbu and Kida (2011) discovered that in the public sector, if there are enough IA employees with the right skills, they can efficiently do their tasks. According to Appah E and Oyadonghan J. K., internal auditors in the Nigerian public sector are not completing audit obligations with all levels of professional and technical skill as expected by society (2011). As a result, there is extensive misuse of public funds in Nigeria, as well as rampant corruption.

Even though there have been some studies on internal audit practice in Ethiopia, they have focused on specific points rather than the entire practice. For example, Hailemariam, (2014) does not look into quality assurance, planning and risk assessment, or reporting follow-up, but only management perception, management support, organizational independence of internal auditors, adequate and competent internal auditor's staff and the presence of approved internal audit charter, through the questionnaires administered without considering interview and document analysis. Mulugeta, on the other hand, concentrates on the internal audit reporting relationship in Ethiopian public firms while disregarding the other elements that influence

internal audit effectiveness. Finally, Fekadu (2009) presents evidence on the internal audit methods of Ethiopian governmental higher educational institutions. Open-ended and closed-ended questionnaires were utilized as data collection strategies to obtain the essential information.

As a result, the researcher believes that this study bridges that gap by employing a mixed research approach to combine the benefits of both approaches while investigating internal audit practice in terms of organizational policy in authorizing, audit team collaboration, independence, and reasonableness of the internal audit function (service) and Aside from recognizing the full worth of internal auditing in management, it has contributed to the performance of good governance. Internal auditing processes in Addis Ababa government offices were investigated in this study.

1.3 Research Questions

In order to achieve the intended objectives of the study and to address the research problem, the following research questions are formulated:

- ✓ What are the role of Formal Mandate and Standard for Professional Practice to promote good governance of Addis Ababa City Administration?
- ✓ To what extent Competent Staff contribute to promote good governance?
- ✓ What are the role of Organizational Independence and Objectivity to promote good governance?
- ✓ To what extent does Management Support contribute to promote good governance?
- ✓ What are the roles of risk management to promote good governance?

1.4 Objective of the Study

1.4.1 General Objective

The general objective of this study was to investigate the role internal audit practice in Addis Ababa public sector offices.

1.4.2 Specific Objectives

- ✚ To examine the role of Formal Mandate and Standard for Professional Practice to promote good governance of Addis Ababa City Administration.
- ✚ To investigate the contribution of Competent Staff to promote good governance.
- ✚ To examine the impact of Organizational Independence and Objectivity to promote good governance.
- ✚ To investigate the role of Management Support to promote good governance.
- ✚ To determine the contribution of Risk Management to promote good governance.

1.5 Significance of the Study

Internal auditors are responsible for utilizing a systematic and disciplined method to evaluate and contribute to the improvement of governance, risk management, and control procedures.

As a result, this study could serve as a starting point for individuals who want to perform a more complete and complete investigation into the internal audit process in Addis Ababa government offices. It also makes public sector offices in Addis Ababa, notably management, the higher responsible body, and audit committees of selected public sector offices, aware of the necessity of internal auditing and provides insight into how they use the internal audit service most efficiently. Moreover, the research could be used to:

1. Improve the public's knowledge of the Internal Auditor's role in achieving organizational goals.
2. Improve the literature on internal auditing in the public sector in Addis Ababa.

1.6 Scope of the Study

The study focuses solely on internal audit practices in public sector offices in Addis Ababa, but it would be more effective if it was undertaken in all public sector offices and privately owned businesses.

1.7 Organization of the study

There are five chapters in this study. The introduction, presentation of the problem, and research are all included in Chapter One and its subtopics.

aims, research questions, the importance of doing the study, and the study's scope and limitations The second chapter presents a detailed analysis of related literatures pertaining to internal auditing techniques. The sample strategies utilized to perform the research are described in the third chapter. The analysis, debate, and presentation of the research findings are covered in Chapter 4. Finally, chapter five discusses the case study's summary of findings, conclusions, and suggestions, as well as references and appendices.

CHAPTER TWO

2. LITERATURE REVIEW

The key challenges and objectives to be addressed in the study were established in the preceding chapter. The review of related literature is presented in this chapter. It is divided into three parts. The first portion looks at theoretical studies on internal auditing practices, while the second segment looks at empirical evidence on internal auditing techniques and associated topics. The final part offers concluding thoughts on the literature review and highlights the knowledge gap that the study addressed.

2.1 Theoretical Review

The government of Ethiopia has taken a proactive step in establishing the internal Audit Company (The organization) with the aid of an act of parliament in 2003. The IAA is remitted to coordinate, facilitate and offer great assurance for internal Audit sports in the public zone establishments (IAA act 2003, Act 258). The enterprise has formulated three techniques which it is presently pursuing to enhance the photograph of the inner Audit characteristic inside the public quarter. Those are as follows:

1. Expert practice Framework which aims at growing key files and templates for use with the aid of the inner Audit characteristic consisting of: the inner Audit rules, internal Auditing standards, Audit packages inner Audit charter and Annual Audit planning templates.
2. Human aid improvement which seeks to facilitate the recruitment, schooling and improvement of internal auditors to be gifted in making use of inner audit standards, methods and techniques in performing engagements.
- Three. Great guarantee and development which addresses the issue of keeps improvement inside the performance of the inner Audit pastime.

2.1.1 Definition and Scope of Internal audit

In keeping with the institute of internal Auditors: “internal auditing is an unbiased, objective warranty and consulting interest designed to feature cost and enhance an agency’s operations. It enables an company to perform its objectives by means of bringing a scientific, disciplined

method to evaluate and improve the effectiveness of danger control, manage, ”and governance approaches “(March , 2007).

This definition absolutely seeks to demonstrate the intensity and breadth of the internal audit pastime within a group as towards the preceding orientation of reviewing fee transactions through the years. Contemporary internal audit covers all sports of the organization. Therefore, the scope of internal audit is now not restrained to the procedures and systems inside the debts and finance characteristic.

Within the past, internal auditing changed into described as: Internal Auditing is an independent appraisal function installed within an organization to take a look at and examine its sports as a carrier to the agency. This declaration is greater an introduction than a definition. It tells little approximately what inner auditors are answerable for. We will have to appearance further for a definition that embodies the huge, unrestricted scope of expert internal auditing (Sawyer, 1988).

Hence, new definition of internal audit, internal auditing is an unbiased, goal assurance and consulting interest designed to add value and enhance an employer’s operations. It enables an organization accomplish its targets via bringing a scientific, disciplined technique to assess and enhance the effectiveness of threat control, manage, and governance techniques (Griffiths, 2005). Internal auditing can't continue to exist if it isn't always objective. All definitions of inner audit characteristic and detail of independence, despite the fact that its extent, and the way it's far performed, is a topic in its personal proper. The audit functions have to have sufficient popularity and be able to stand returned from the operation under overview for it to be of use. If this isn't finished, then this forms a fundamental flaw in the audit provider and a few inner audit functions might not be capable of subscribe to the requirements (Pickett, 2005).

2.1.2 Main Elements internal audit

Internal auditing's scope is defined by the Institute of Internal Auditors' implementation standard 2110. A2, which states that "the internal audit activity should analyses key risks made in relation to the organizational framework, operational activities, and information systems regarding the: reliability and integrity of financial and operational information, effectiveness of controls, safety and security of the organization's information systems."

2.1.2.1. Formal mandate and Standards for the Professional Practice of internal audit

The auditing action's authorities and duties should be defined by the government's constitution, charter, or other important legal document. Internal audit function provide internal audit function services in accordance with international Standards for the Responsible Conduct of Research, and they must continually improve their competency, effectiveness, and service quality (IIA, 2012). Professional's internal auditors, such as the Large Institutional investors Practices Framework of the Professional practice Of Internal auditing, support the application of the formation of the universe and provide a structure for fostering methodical, objective, and high-quality audit work.

2.1.2.2. Competent Staffs of Internal Auditors

Internal auditors should have the information, skills, and other talents necessary to carry out their specialized responsibilities, including cognitive and behavioral talents (IIA, 2012). The auditing activity necessitates the use of qualified and experienced individuals who can carry out the full range of audits required by the mandate. Auditors must complete the minimum continuing education requirements established by their professional organizations and standards. The auditor's competency determines their ability to establish a systematic and disciplined strategy for reviewing and improving the efficacy of risk management, control, and governance systems.

2.1.2.3. Organizational independences and objectivity of internal auditor

So the internal auditor reports to a level inside the business that allows it to do so, the internal audit activity should be able to complete its tasks. Internal auditing should be free of interference in terms of determining the scope, carrying out the task, and disseminating the findings, as well as keeping an objective, unbiased approach and avoiding conflicts of interest. Employees in the internal auditing profession must maintain a neutral attitude and avoid any conflicts of interest that could give the appearance of impropriety and destroy public trust in the internal auditor, internal auditing activity, and profession.

2.1.2.4. Management Supports of Internal Audit

A vast kind of elected and appointed public area officers, in addition to the media and concerned residents must apprehend and help the audit pastime and its goal. Irrespective of the need for inner auditors to have get right of entry to the audit committee, the IAF should keep close and normal contact with senior control due to the fact the man or woman of the characteristic is entirely determined with the aid of the resources allocated to it with the aid of senior control, in addition to the support and credence it offers to the position of organization-huge. The sources devoted to inner audit units are heavily influenced by using pinnacle management. They may be also probably to contribute to the internal audit work plan, which offers the internal audit department the authority it needs to carry out its duties.

2.1.2.5.Risk Managements of Internal Audit

Auditors examine the effectiveness of structures for identifying, assessing, and dealing with dangers, as well as the sufficiency of employer governance and the manage surroundings (IIA, 2006). The management of threat consists of 3 steps: defining the agency's goals, identifying functionality danger drivers, and laying out appropriate hazard actions. internal auditing's interest on monetary gadget, overall performance, and effectiveness, or the 3Es, is intimately associated with hazard management in complex companies. internal auditing aids management thru highlighting ability disruptions that would obstruct an employer's capability to meet its targets. Inner auditors must observe bdd5b54adb3c84011c7516ef3ab47e54 of controls gained from consulting engagements to the process of figuring out and reading the enterprise enterprise's foremost hazard exposures (IIA, 2006).

2.1.2.6. Good Governance

It stated via Ogundiya (2010), that even though sizable corporations of people may additionally disagree approximately the most desirable strategies for attaining exact governance, they all agree that exact governance is critical for social and economic development. The agency for financial Cooperation and improvement (OECD) defines exact governance as "a method together with a group of principles that make speech of a hit authorities achievement, citizen-parliament ties, and government-government connections." admire for the rule of regulation, openness, transparency, and responsibility to democratic institutions, and justice and fairness in interacting

with citizens are among these ideas. Six predominant dimensions of good governance have been recognized by means of international financial institution Institute researchers. these consist of political balance, government efficacy, regulatory best, rule of law, and corruption manipulate, amongst others. Participatory, obvious, and responsible authorities are only a few characteristics of good governance. it's also green and honest, as well as promoting the rule of regulation. It ensures that societal political, social, and economic priorities are based on extensive consensus, and that the poorest and maximum prone humans's voices are heard in development useful resource allocation selections.

2.1.3 The Audit Charter

The internal audit constitution is a proper document that defines the inner audit interest's cause, authority, and obligation. The internal audit charter establishes the internal audit activity's position within the employer, consisting of the nature of the chief audit government's functional reporting relationship with the management; authorizes get entry to information, personnel, and bodily properties relevant to the overall performance of engagements; and defines the scope of inner audit sports. Very last approval of the internal audit charter line with the board. As indicated ISPPIAS characteristic one thousand – purpose, Authority, and obligation calls for that the reason, authority, and responsibility of the internal audit hobby must be formally defined in an inner audit charter, consistent with the Definition of internal Auditing, the Code of Ethics, and the standards. The leader audit executive need to periodically review the inner audit constitution and present it to senior management and the board for approval (IIA's , 2012).

2.1.4 Audit Competencies

Effective human resource policies and practices are the first thing that must be in place to ensure competent internal auditors. The characteristics of successful internal auditors are the focus of this article. The IIA Practice Advisory 1210-1 addresses proficiency and stipulates that each internal auditor must possess specific knowledge, skills, and other abilities (Pickett, 2005).

2.1.5 Quality control in auditing at international level

Three additives contain the framework for assuring exceptional in auditing: standards, ethics, and internal and outside nice evaluations. This machine encompasses the activities of the regulatory

businesses, widespread-setting and professional bodies associated with economic reporting and the audit of publicly listed companies. The status quo of the perfect oversight mechanism in auditing strongly contributes to growing the credibility of the audit career. Although it is important that supervision be undertaken in the first instance by the career itself, the final duty for making sure that auditors carry out their duties with due care and in complete independence stays with the regulatory bodies. This trouble is particularly crucial for unbiased auditors of public groups (soltani, 2007).

2.1.6 Main Challenges for Internal Audit

The main demanding situations (further to broadening the ability base and lengthening the scope of the paintings programme to embody all key commercial enterprise risks) were to beautify the value effectiveness and fee added via the characteristic. Threat-primarily based auditing a further task become to gain greater acceptance from senior control and thereby be in a function to steer strategic thinking. These in flip have to beautify the popularity of the feature and offer the opportunity for inner audit to become extra source of destiny management expertise for the enterprise. The very last task noted with the aid of some of directors turned into for internal audit to take a broader function in the corporate governance agenda (Griffiths, 2005).

2.1.7 Types of Audits

Manual auditing can be classified into four types, according to Ethiopian internal auditing:-

- Financial auditing entails verifying financial facts in order to provide an opinion on their correctness and dependability.
- A compliance audit entails ensuring that policies, plans, processes, rules, and regulations are followed.
- A value for money (performance) audit is a forward-looking assessment of operations to identify areas where economy, efficiency, and effectiveness (the three E's) could be improved, as well as to assess compliance with and the suitability of operational policies, plans, and procedures. It entails assessing inputs, processes, and output Other names used to describe this type of audit include Operational, Management and Three E audit.

- An environmental audit verifies the degree of compliance with emission and pollution regulations established both internally and externally (MoFED,2005).

2.1.8 The role of internal audit

The role of internal audit has been remodeling alongside modifications in its environment. Mcnamee and mcnamee (1995) as cited by Mihret (2010) talk three fundamental levels of transformation within the history of inner audit (IA). Pre Forties, IA changed into specially targeted on checking propriety of transaction and data. Within the Nineteen Forties, the development of statistics economic system based totally at the concept of systems triggered the emergence of contemporary IA with a structures assessment approach. On this section, IA has been concerned with checking compliance with regulations and tactics. Then, since the 1990s another wave of transformation led IA to be regarded as a value including provider with a broader scope of sports along with assisting businesses within the control of danger.

The price of the contemporary day inner auditor lies in his capacity to assist control to obtain its objectives. Consistent with a studies at the same time conducted by way of Deloitte & Touche and the Institute of inner Auditors, U.ok., (2004) "progressed attitudes closer to internal audit are built on a perception that internal audit features are creating greater fee for their agencies".

Governance refers to all of the strategic plans of the corporation to demonstrate its dedication to first-class and excellence. They replicate the strategic thinking and orientation of the management to reap the targets of the enterprise. But, each selection and application contains with it an element of hazard of non -achievement, because of uncertainties associated with the implementation of packages. A number of the dangers are reputational, monetary, operational, and data era associated. It'd therefore be suitable to have a dependent manner of identifying occasions that could effect negatively at the ability of control to reap their objectives and additionally to take gain of possibilities and other activities that could be leveraged to acquire the ones identical objectives. I.e. An incorporated danger control framework that is embedded inside the making plans technique of the groups. Internal Auditors are experts in developing and promoting a hazard control way of life this is necessary to the powerful implementation of the danger control framework. They can also help in tracking the framework.

2.1.9 International Internal Auditing Standards

Internal auditing is carried out in a variety of legal and cultural environments, within organizations of varying purpose, size, complexity, and structure, and by people inside and outside the organization, according to the IIA's International Standards for the Professional Practice of Internal Auditing (Standards), revised 2012. While changes in each environment may affect the practice of internal auditing, adherence to The IIA's International Standards for the Professional Practice of Internal Auditing (Standards) is critical in meeting internal auditors' responsibilities and internal audit activity. If internal auditors or the internal audit activity is prohibited by law or regulation from conformance with certain parts of the Standards, conformance with all other parts of the Standards and appropriate disclosures are needed.

- ✚ Internal audit communications may cite the use of other standards if the Standards are used in conjunction with standards issued by other authoritative bodies. If there are conflicts between the Standards and other standards, internal auditors and internal audit activity must follow the Standards, but may follow the other standards if they are more stringent.
- ✚ The Standards are designed to:
 - ✚ Describe or express the fundamental concepts that govern internal auditing.
 - ✚ Establish a framework for conducting and promoting a wide range of value-added internal auditing.
 - ✚ Establish a framework for assessing interdependencies. Improved organizational processes and operations are encouraged.

The Standards are a set of principles-based, required requirements that include:

- Statements of basic requirements for the professional practice of internal auditing and for evaluating performance effectiveness at the organizational and individual levels that are internationally relevant.

2.1.10 Internal Audit Reporting Structure

Theoretically, the chief Audit executive have to record functionally to the board or audit committee and administratively to the chief government officer of the corporation and functional

reporting line for the internal audit characteristic is the ultimate supply of independence and authority (Rupsys, 2005).

Report functionally means that the governing authority could approve the overall charter of the inner audit function, approve the internal audit chance assessment and associated audit plan, get hold of communication from the C.A.E on the results of the inner audit activities or other topics that the C.A.E determines are vital, private meeting with the C.A.E without management gift, approve all decisions concerning the appointment or the removal of the C.A.E, approve the annual repayment and earnings adjustment of the C.A.E, and make suitable inquiries of the management and the C.A.E to decide whether there are scopes or budgetary dilemma that obstruct the internal audit feature to execute its obligation. On the other hand, administrative reporting is the reporting relationship inside the organization's control structure that enables the day to-day operation of the internal audit function it normally includes, budgeting and management accounting, human aid management inclusive of private critiques and composition, internal communiqué and statistics glide, management of the organization's internal regulations and strategies (Gleim , 2002).

2.1.11. The Development of Internal Audit in Ethiopia

The history of the improvement of Internal Auditing in Ethiopia dates returned to approximately the middle of the 1940s. The primary significant development throughout this era becomes the issuance of Ministry of Finance directives in 1942 (Kinfu, 1990). This became observed with the aid of the formation of the Audit commission by using Proclamation No. 69/1944 to undertake outside audit of money owed of the Ministry of Finance (government of Ethiopia, 1944), which became eventually mandated to conduct the external audit of different budgetary establishments as properly.

This marks the begin of these day's office of the Auditor standard of Ethiopia (OFAG), which, among other responsibilities, monitors and regulates the accounting and auditing profession inside the United States of America. The second improvement changed into the formation of the office of the Auditor standard (OAG) became then installed in 1961 by way of proclamation number 199/1961 (authorities of Ethiopia 1961), which accorded the OAG greater authority than the Audit fee that become mounted in 1944. (Kinfu,1990). Inner audit as a separate feature

additionally appeared in this period (in 1987) when the Auditor well known was given the mandate to monitor and alter internal auditing in authorities workplaces and public businesses (Argaw, 2000).

This proclamation also gave the auditor well known the authority to trouble minimal necessities for recruitment of internal auditors, offer education to internal auditors, and require reports on internal audit of government businesses. The Ethiopian authorities has additionally been offering improved help to the development of inner audit considering the fact that 1994 (Teklegiorgis, 2000). In 1994, the top Minister installation a challenge pressure that forwarded tips to improve inner audit in government places of work. Consequently, the Ministry of Finance and financial development (MOFED) has been mandated to broaden a guide for inner audit in authorities groups. Furthermore, Proclamation No. Sixty eight/1997 requires that, the Federal Democratic Republic of Ethiopia's (FDRE) new financial coverage be supported through a modern and dependable audit system with a view to confirm right implementation thru powerful tracking of administrative, developmental and provider rendering establishments inside the Federal Public zone (Zelege, 2007). Typically, the records of Internal Auditing in Ethiopia dated returned to the Forties.

2.2 Review of empirical studies

The theories of internal audit were discussed in the preceding section, which focused on the role, components, types, and challenges of internal audit. This section contains summaries of empirical studies on internal auditing practices in public sector organizations. The second section of this chapter looked at and compared empirical evidence from various public sector internal audit practices in countries like the Philippines, Saudi Arabia, Sudan, Ghana, Malaysia, Kenya, and Ethiopia, which are considered developing countries, while New Zealand, the United States, and Australia are considered developed countries.

This overview is organized thru team primarily based literature assessment in place of chronological based. Internal audit effectiveness does play a function in making sure powerful control in public zone (Enofe et al., 2013), inner audit is taken into consideration as a fee including hobby in modern companies (Al-Twajjry, Brierley & Gwilliam 2003; Bou-Raad 2000; Roth 2002; Yee et al. 2008). Inner audit characteristic has a nice effect at the high-quality

of economic reporting, on excellent government governance, and on accurate government governance (Rahmatika, 2013).

Junio-Sabio, (2013) studied on the country of inner audit practice in selected Philippine authorities companies foundation for policy advocacy. In this have a look at, the researcher made use of the descriptive survey technique of research. Thus, the respondents of this research were basically the heads of inner auditing devices of diverse government groups. From the listing taken from the association of presidency internal auditors (AGIA) there were forty-4 (forty four) internal auditing gadgets (IUA) from countrywide authority's agencies. Authorities owned and managed corporations (GOCC), legislative our bodies, constitutional commissions and judicial service, making use of the Sloven's formula in getting the pattern length the researcher generated a complete of 40 (forty) respondents. The study revealed that the modern-day country of internal audit practice inside the Philippine forms is characterized by means of often performing the vital inner auditor roles. Especially, the practice consists of the usual compliance with the IIIA characteristic standards.

Have a look at by Alzeban and Sawan, (2013) at the function of inner audit feature within the public sector context in Saudi Arabia primarily based through Archival and documentary analysis, supported by 29 semi-structured interviews records collection approach and stated that inner audit suffers from a lack of guide from top control. Similarly, Brierley et, al., (2001) Assessed examine at the issues of setting up internal audit within the Sudanese public region, through interview and direct statement studies strategies and discovered that there's a lack of cooperation and coordination between the numerous events responsible for internal audit in the public zone. Likewise, examine conducted via Onumah and Krah, (2012), on obstacles and catalysts to powerful internal audit inside the Ghanaian public region, This examine gathered the statistics from a hundred and twenty inner auditors in 40 ministries, departments and corporations (mdas) via a self- administered questionnaire, and semi-dependent interview with a senior supervisor of the inner Audit organization.

The take a look at found out that the effectiveness of inner audit inside the Ghanaian public region is hampered through lack of control ownership and aid for internal audit activities.

A look at in Malaysia through Ali et al. (2004) checked out internal audit in the nation and nearby governments of Malaysia changed into located that the inner audit feature within the public quarter in Malaysia is curtailed via insufficient assist from top control even as, the auditors seldom expand their full cooperation. Additionally, Ali et al. (2004) indicated that during many groups, the non-audit personnel and pinnacle control are typically unsupportive of inner audit. Likewise, have a look at by means of Sarens and De Beelde (2004), it became observed that when internal audit got sturdy management help, it became in turn a sturdy aid function to management manifested through inner audit challenge and plan being aligned with management objectives and priorities. The observe with the aid of babirye Mary (2007) discovered huge and nice dating between, management and workforce commitment and assist to internal audit function. While internal audit has strong management help and is taken into consideration as a strategic crucial feature, extra consulting activities can be achieved Rittenberg and Covaleski, 1997 (as stated in Sarens and Beelde, 2004) The belief and attitude of management closer to the inner audit will have large effect on the employees' conduct (Barret, 2001) and the way they may reply to its operations.

Shamsuddin et al. (2014) examines the factors that have an effect on the effectiveness of the inner auditors' features in public sectors in Malaysia. Facts were accumulated via semi-established face-to-face interviews performed on 8 internal auditors from three government ministries as well as an auditor from the Auditor wellknown (AG) office. The findings from this paper suggesting that inner auditors in public zone are going through problems in carrying out their features correctly due to loss of independence because they must audit their very own "boss".

Okibo & Kamau (2012) Exploring internal auditor independence motivators to Kenyan angle, the examine accumulated its records the use of a self-made questionnaire which become allotted amongst auditors in Kenya so that it will set up the fame of inner auditor's independence in Kenya. The researchers found that the level of involvement by the inner auditors in the management sports considerably influences their expert independence. The take a look at additionally located that audit committees effectiveness also plays a widespread position in improving audit independence. Agencies can also therefore bear in mind constructing potential of the audit committees a good way to improve internal audit

independence. Additionally, Kamau et al. (2012) located out that there may be a statistically extensive causal relationship between the extent of inner auditor's talents and auditor independence in Kenya.

Alzeban and Sawan, (2013) shown that the inner audit sports had not accelerated beyond the traditional audit of economic regularity and compliance; and that the primary paintings of inner audit maintains to attention at the traditional roles of internal audit in terms of concentrating at the reliability of monetary facts and compliance with strategies and policies. Onumah and Krah, (2012) argued that the scope of internal audit services within the Ghanaian public area is restrained to normal audit sports, in particular pre-audit of price vouchers which take expected 74% of the common effective audit time.

Alzeban and Sawan, (2013) argued that competence of internal audit was unanimously confirmed that the lack of qualified group of workers stands represents one of the maximum crucial troubles facing inner audit inside the Saudi public quarter, and several reasons had been provided for this situation, consisting of team of workers recruitment, instructional qualifications, expert qualifications, work experience and continuous improvement.

Brierley et al. (2001) argued that there may be low income tiers, low ranges of group of workers schooling and know-how, low esteem and motivation of group of workers are seen in the context of a completely constrained technological infrastructure to the internal audit inside the Sudanese public region. Examine conducted by means of Onumah and Krah, (2012), discovered that the effectiveness of inner audit in the Ghanaian public area is hampered via one of the factors is low professional skillability of inner auditors. Van Peurseem (2004) as sited via Cooper et al. (2006) important take a look at has been undertaken in New Zealand by means of Van Peurseem (2004) on internal auditors' position and authority. On this look at, inner auditors are requested to come to a view on whether or not capabilities they carry out in reference to internal audit engagements are critical, and to what diploma they feel they revel in the authority over, and independence from, management that we'd assume of a professional. The research constituted a survey of recent Zealand auditors, all of whom had been contributors of the new Zealand branch of the IIA. A totally high 73 percent reaction price turned into completed over the unique and observe-up survey. The observe located that traits of a "authentic" profession exist however do no longer dominate. Additionally, Van Peurseem (2004) additionally

discovered that public exercise and experienced auditors may additionally revel in more have an effect on over control, and accountancy trained auditors may enjoy more reputation as a result of the “mystique” of their activities emanating from their club of accountancy professional bodies.

A take a look at in Malaysia by Ali et al. (2004) as sited through Cooper et al. (2006) checked out inner audit within the kingdom and nearby governments of Malaysia. Based on a chain of semi-dependent interviews, it became observed that simplest a minority of local governments in Malaysia have an internal audit function. The presence of quite a small variety of local governments with internal audit may be due to the reality that during at the least states, the inner audit characteristic of their neighborhood authorities departments is carried out through the inner audit departments or gadgets connected to the 2 state governments. There is no consolation, but, for such an association even though it is without a doubt higher than having no internal audit finished in any respect at the local authorities level. That is because inner audit in so many of the country governments and their statutory our bodies are running with severa obstacles. The severest problems are worried with a shortage of audit body of workers and staff missing in audit capabilities.

A examine in Malaysia through Ali et al. (2004) concluded that the internal audit characteristic in the public region in Malaysia is curtailed by using understaffing. The auditors themselves lack appropriate knowledge and schooling on effective auditing strategies.

Junio-Sabio, (2013) Concluded that government internal auditors commonly perceived the expertise elements to be commonly essential. They commonly regard the know-how relating to administration/management and prison to be very critical while management technology, financial management, internal control and necessities of auditing to be similarly essential in Philippine authorities agencies.

Study by using Okibo & Kamau, (2012) on to discover inner auditors' compliance with satisfactory guarantee requirements a case of nation owned agencies in Kenya. This research collected records from 24 internal audit devices from nation owned agencies regarding their compliance with first-rate assurance standards. The research done a hypothesis testing the use of the facts gathered to discover whether the audit departments in kingdom owned businesses

follow fine assurance requirements. The observe discovered out that there's typically low compliance with satisfactory assurance standards among maximum internal audit units in nation owned corporations in Kenya. The research identified a number of the motives that brought about low compliance to include; lack of knowledge of requirements; non-membership with IIA; non adoption of IPPF; age and experience of the inner audit department and expertise of the excellent warranty requirements.

Sarens and Mohammad, (2011) studied the elements associated with convergence of internal auditing practices emerging vs developed nations. The techniques which might be utilized by at the least sixty seven percentage of the inner audit features (iafs) in the u.s.. A pattern of 26 nations and information from 1,708 iafs had been used in this look at.

The have a look at found out evidence of a excessive diploma of de facto convergence of internal auditing practices in the direction of US great practices. It additionally unearths that iafs in rising countries converge greater unexpectedly to first-rate practices than iafs in developed countries. Ultimately, using the Institute of internal Auditors' (IIA) standards and an outside pleasant evaluation in the beyond three years are located to be definitely and considerably associated with convergence closer to US best practices.

In Ethiopia, there are five studies reviewed regarding tax audit, Haile mariam, (2014), Mihret and Yismaw, (2007), Mulugeta, (2008), Fekadu, (2009), Kedir et al. (2014), Hailemariam, (2014), studied determinants of inner audit effectiveness in the public quarter in selected Ethiopian public zone offices; Mihret and Yismaw, (2007) studied inner audit effectiveness in Ethiopian public region; Mulugeta, (2008) studied inner audit reporting courting in Ethiopian public companies, Fekadu, (2009) studied inner audit practices a case of Ethiopian governmental better educational institutions and ultimately. Kedir et al. (2014) studied inner auditing standards and its practice the case of east Arsi zone, Ethiopia.

Research findings by way of Hailemariam, (2014), based on questionnaire reaction from inner auditor officials and manager, operating in Ethiopian public sectors office, suggests that the supply of authorized IA charter had been contributed for the internal audit effectiveness inside the public zone appreciably and undoubtedly. Mihret and Yismaw, (2007) studied inner audit effectiveness in Ethiopian public area, commonalities in rules, processes and organizational

contexts of maximum public zone entities in Ethiopia and the same inner audit guide changed into used by all public bodies in Ethiopia (Ministry of Finance and economic development, 2004). To decorate the first-class of information through triangulation, more than one information resources had been used. Primary records have been collected thru questionnaires allotted to inner audit employees and an interview changed into performed with the internal audit director. A evaluate of applicable files served as way of generating secondary information. The observe argued organizational putting do now not have a strong effect on audit effectiveness. The examine effects through Mulugeta, (2008) on inner audit reporting courting in Ethiopian public firms based totally on each stratified and random sampling technique and number one and secondary information collection method additionally both quantitative and qualitative information analysis approach have been used, argued that the audit charter isn't efficaciously communicated in the ones businesses. Moreover it shows it's miles vague and/ or want clarity.

Except, Fekadu, (2009) studied on internal audit practices a case of Ethiopian governmental better educational institutions, on this have a look at seven internal auditors had been used as facts supply which were decided on the use of convenience sampling strategies, and used as statistics collecting tools open-ended and closed ended questionnaires in an effort to reap the required records. Then qualitative methods have been hired to analyze and interpret the stuffed in data. The result indicated that each one sample respondents confident the absence of audit constitution in each of their respective college rather all respondents said that they are currently the use of the audit manual of the government.

Mihret and Yismaw, (2007) studied internal audit effectiveness in Ethiopian public quarter the look at spotlight that inner audit effectiveness is strongly encouraged by means of management support, additionally, Mihret and Yismaw, (2007) indicated that the auditors sense that the university does now not sufficiently make use of audit reviews and the management's response to the inner audit findings and suggestions is commonly now not ok. Similarly, research locating with the aid of (Hailemariam, 2014) based on questionnaire reaction from inner auditor officers and supervisor, running in Ethiopian public area office, indicates that the management assist contributed for the internal audit effectiveness within the public region notably and undoubtedly.

Research findings by using Hailemariam, (2014), primarily based on questionnaire response from internal auditor officials and manager, working in Ethiopian public sectors workplace, suggests organizational unbiased of internal auditors have been undoubtedly related with the IAE but their contribution for the IAE have been statistically not significance. Kedir et al. (2014) studied internal auditing requirements and its practice the case of east Arsi sector, Ethiopia. For that reason competency, compliance, independency, threat control and first-class guarantee has been taken as predominant parameters for contrast. 36 questionnaires have been distributed for the target populace, and questionnaires were designed to measure the extent of agreement of the respondents on the applicability of each parameter. This have a look at found out those auditors independency is impaired due to the fact most of the time they're connected with internal practical regions. Additionally Fekadu, (2009) revealed that everyone sample respondents said that their CAE functionally reviews to the president workplace that has pressured them to lose their independence. Contrarily, Mulugeta, (2008) proven majority of his pattern respondents accept as true with that the modern internal audit structure promotes independency. Take a look at performed by means of Mihret and Yismaw, (2007) indicated that the internal audit workplace reports to the President however the workplace does not administer its own budget.

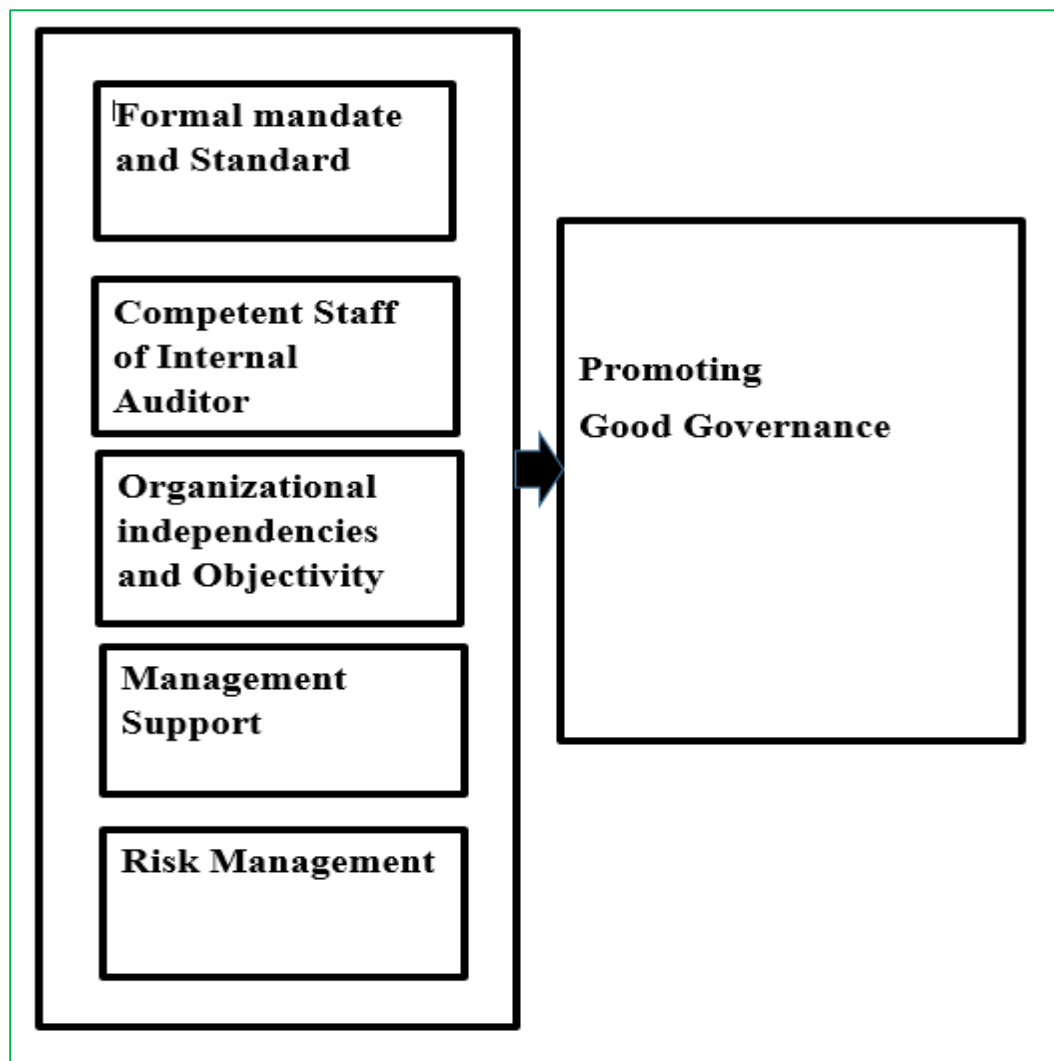
Kedir et al. (2014) studied inner auditing standards and its exercise the case of east Arsi region, Ethiopia concluded that the scope of the inner audit feature inside the enterprises surveyed did no longer but cross a long way from the conventional practices and much time is devoted in appearing monetary and compliance audits.

According to Mihret and Yismaw (2007), the internal audit office of the organisation under study has low technical personnel expertise and significant staff turnover, limiting its ability to deliver effective management service. Furthermore, the majority of the personnel are on a short-term contract and must enhance their skills in order to offer the high-quality service that is anticipated. Internal auditors' qualifications are acceptable for internal audit activities, according to Fekadu (2009)'s sample response at Ethiopian higher governmental institutions. Mulugeta (2008) also found that the majority of respondents agreed that the size of internal audit employees is insufficient, but that they are qualified. According to data obtained from employees of public firms in the East Arsi zone, all workers in the internal auditing department

of selected public firms were deemed to be competent in terms of educational background, qualification, and experience, according to Kedir et al. (2014).

2.3 Conceptual Framework

In this context, the researcher attempted to investigate the function of internal auditors in supporting good governance in Ethiopia's public sector. How would formal mandates and Standards for Professional Practice, management support, organizational independence, sufficiently competent internal audit employees, and internal auditors' risk management function assist to the promotion of good governance.



Source: (Geda, 2018)

Figure 2.1: Conceptual framework

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 Research Approaches

This research took a hybrid strategy, combining qualitative and quantitative methodologies. Creswell (2014) claims that combining qualitative and quantitative approaches allow researchers to have a better understanding of study problems and to explain or build study outcomes. A qualitative study is a “subjective” assessment of a topic expressed as an opinion, point of view, perception, or attitude towards objects (that are referred to as an attribute, variable, factor or question). According to Kothari (2004), qualitative research involves with occurrences and takes place in a natural setting. As a result, the researcher is capable of achieving a level of expertise. Quantitative research, on the other hand, is an impartial examination of a problem that employs statistical methods to examine facts and draw conclusions. According to Creswell (2014), quantitative research is a method for examining the relationship between variables in order to test objective theories. Instruments can be used to measure these variables, allowing statistical methods to be applied to numerical data. As a result, both approaches were used in this research.

3.2 Research Design

The purpose of academic study can be exploratory, descriptive, or explanatory. Exploratory studies are intended to provide a foundational understanding of a topic. Exploratory studies can help you understand what's going on, gain new ideas, raise questions, and examine phenomena in a new light when a topic is broad and poorly defined (Yin, 1994). Literature reviews, polls, focus groups, and case studies are commonly used in exploratory research. Explanatory research, which is based on theory and tries to answer why and how questions, is another study design. It cares more about understanding, explaining, predicting, and regulating relationships between variables than it does about deducing them. When an issue is clearly stated but the purpose is not to investigate the causes and symptoms of the problem, descriptive research is suitable. Furthermore, traditional descriptive studies would evaluate attitudes, views, demographic data, situations, and procedures (Creswell J. , 2012). As a result, a hybrid design that comprised both

descriptive and explanatory aspects best fit the study's aims. In order to answer questions concerning the current status of the study's subject, it requires collecting and describing data from respondents, as well as assessing the effects of independent variables on dependent variables (s).

3.3 Study Population

Internal Auditors of Addis Ababa City's Public Sectors made up the study's population. The finance and economic development sector offices, as well as senior management and internal auditors, were the target populations for this study. Each public sector has internal auditors, according to statistics from Addis Ababa City's finance and economic development, human resource, and management department office. As a result, the Addis Ababa City Administration employs 48 internal auditors.

Table 3.1: Target Population of respondents

N ^o	Administration	Total number of Internal Auditors
1	Lideta Sub city	5
2	Kirkos Sub city	3
3	Bole Sub city	6
4	Yeka Sub city	6
5	Arada Sub city	6
6	Akaki kaliti Sub city	4
7	Gulele Sub city	4
8	Nefas silk lafto Sub city	3
9	Adis Ketema Sub city	3
10	Kolfie Sub city	2
11	Addis Ababa City Administration	6
Total		48

3.4 Sampling Technique and Sample Size Determination

The total numbers of target population were 48. Since the number of population is not larger the researcher directly takes these numbers for the study.

3.5. Data sources and instruments

The researcher used both secondary and primary data sources in this study. A questionnaire was used to collect primary data. Whereas, secondary sources were gathered from printed documents, reports, journals, and books. The questionnaire approach is employed as a data collecting instrument because it covers a larger sample size and allows for the collection of a huge amount of data. The researcher administered the questionnaire, which included open ended questions and closed ended questions on a five-point Likert scale ranging from "Strongly Disagree" =1 to "Strongly Agree" =5. The researchers formulated the questionnaire, which was then compared to reliable sources such as journal articles and published materials. After that, its dependability is examined. Other researchers' work and publications (mostly journals, theses, and online resources) as well as the Internet were used.

3.6. Data Analysis Method

Using SPSS software version 25, data from surveys was analyzed using descriptive and inferential statistics

(Statistical Package for Social Science). The frequency distribution, percentile, mean, and standard deviation are descriptive statistics. Using descriptive and inferential (statistical) analysis, this transformation of the processed data is used to look for patterns and relationships between and/or among data groups. The data based on the primary sources was analyzed using SPSS. This study used descriptive statistics (mean, standard deviation, and variance) as well as inferential statistics (correlation and regression analysis).

3.7 Model Specification

According to Kothari (2004), a simple linear regression can be used to estimate the relationship between a dependent variable, Y, and a single explanatory variable, x, given a set of data that includes observations for both of these variables for a specific population. For independent variables, x, it is possible to find a dependent using $Y_i = \beta_0 + \beta_1 x_i + e_i$. A simple linear regression analysis is then used to estimate the relationship between y and x. There are p explanatory variables in multiple linear regressions, and the relationship between the dependent variable and the explanatory variables is represented by the following equation:

$$Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_3 X_{3i} + \dots + \beta_p X_{pi} + e_i$$

Where:

β_0 is the constant term and β_1 to β_p are the coefficients relating the p explanatory variables to the variables of interest. As a result, multiple linear regression can be regarded of as an extension of multiple linear regression with p explanatory variables, or simple linear regression as a specific case of multiple linear regression with $p=1$. Since we presume that y is directly related to a linear mixture of explanatory factors in multiple linear regressions, the term "linear" is used. Given a set of p explanatory variables (x_1, x_2, \dots, x_p), a multiple linear regression analysis is used to predict the values of a dependent variable, Y . Thus, in this study the multiline regression will be conducted between Independent variables (Formal Mandate and Standard for Professional Practice, Competent Staff, Organizational Independence and Objectivity, Management Support, Risk Management) and the dependent variable Promoting good governance of Addis Ababa City Public Sectors. The model of the regression analysis is presented as follows.

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 X_5 + E$$

In the above equation,

Y.....Good Governance

X1..... Formal Mandate and Standard for Professional Practice

X2..... Competent Staff

X3..... Organizational Independence and Objectivity

X4..... Management Support

X5..... Risk Management

E.....Error

3.8 Reliability of the Instrument

A measuring device is dependable, according to Kothari (2004), if it produces consistent results. Cronbach's alpha is a reliability coefficient. It is widely employed as a measure of a psychometric test score's internal consistency or reliability for a group of examinees. Cronbach's Alpha was used to determine the instrument's reliability. Scales with coefficient alpha between 0.8 and 0.95 are deemed to have very high quality, scales with coefficient alpha between 0.7 and 0.8 are considered to have good reliability, and coefficient alpha between 0.6 and 0.7 indicates fair reliability, according to Zikmund, Babin, and Griffin (2010). As a result, Cronbach's Alpha is greater than 0.7, which is acceptable.

Reliability Statistics	
Cronbach's Alpha	N of Items
.854	54

Source :Sample survey, 2021

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.1 Introduction

This section presents the Analysis, research findings, or outcomes, and the researcher's explanation of the findings and interpretation of the outcomes based on the results. The researcher plans to share findings and explore the importance of internal audit methods in promoting good governance in Addis Ababa's public sectors. *The goal of data analysis is to meet the study's objectives and answer the research questions.*

A total of 48 questionnaires were distributed to Addis Ababa City's internal auditors. This chapter presents and analyses the data collected from the respondents. This component of the study focuses on using SPSS version 25 to answer research questions statistically and evaluate the results.

4.2 Response Rate

Questionnaires were prepared and disseminated to a total of 48 internal auditors, as described in the earlier chapters of this study. As a result of the researcher's diligent follow-up, *all 48 questionnaires were correctly filled out and returned, resulting in a 100% return rate. The responses of 48 auditor responses were successfully collected and analyzed.*

4.3 General Information (Demographic Data) of the Respondents

The first section of the questionnaire contains questions regarding the respondents' general information. It includes information about respondents' gender, academic level, marital status, and year of service with the company. The demographic features of the respondents were represented in the tables below.

Table 4.1:Demographic Information of respondents

		Frequency	Percentage(%)
Gender	Male	26	54.2%
	Female	22	45.8%
Age	Below 25	3	6.3%
	25-30	10	20.8%
	31-35	13	27.1%
	36-40	14	29.2%
	Above 41	8	16.7%
Level of Education	Diploma	0	0.0%
	Bachelor degree	15	31.3%
	Masters	33	68.8%
	PhD	0	0.0%
Marital status	Single	17	35.4%
	Married	31	64.6%
	Divorced	0	0.0%
	Widowed	0	0.0%
Year of Service	1-4 Years	14	29.2%
	5-9 Years	13	27.1%
	10-29 Years	12	25.0%
	Above 20 Years	9	18.8%

Source: Researchers own computation using SPSS,2021

The gender demographic data shows that there were 26 males and 22 females among the 48 responders. Table 4.1 shows that male respondents made up 54.2 percent of the target population, while female respondents made up 45.8%. This indicates that males made up the majority of the respondents.

As shown in table 4.1, 13 (27.1%) of the respondents were between the ages of 31 and 35, 14 (29.2%) were between the ages of 36 and 40, 10 (20.8%) were between the ages of 25 and 30, 8 (16.7%) were above the age of 41, and the rest 3 (6.82%) were under the age of 25. This indicates that the majority of responders were between the ages of 36 and 40, indicating that the organization has productive manpower for improved performance.

Table 4.1 shows that the respondent's educational qualifications are a bachelor's degree and a master's degree. The majority of the respondents (33, or 68.8%) had a master's degree, with the remaining 15 (31.3%) having a bachelor's degree.

Table 4.1 shows that 17 (35.4 percent) of the respondents were single, while the remaining 31 (64.6 percent) were married. This indicates that the majority of the respondents were married, implying that the majority of the employees are settled.

Table 4.1 shows that 14 (29.2%) of the respondents have 1-4 years of experience, 13 (27.1%) have 5-9 years of experience, 12 (25%) have 10-29 years of experience, and the remainder 9 (18.8%) have 20 years of experience. This means that the bulk of the responders had between one and four years of experience.

4.4 Descriptive Statistics

The acquired data was analyzed using various statistical data analysis techniques such as mean, standard deviation, frequency, and percentage in this section. The summary of descriptive statistics for all factors assessed using a 5-point Likert scale (with 1 indicating "strongly disagreed" and 5 indicating "strongly agreed"). According to Zaidaton & Bagheri (2009), respondents strongly agreed (SA) if their overall mean (M) score is between 4.21-5.00, agreed (A) if their overall mean (M) score is between 3.41-4.2, neutral (N) if their overall mean (M) score is between 2.61-3.40, disagreed if their overall mean (M) score is between 1.81-2.60, and disagreed if their overall mean (M) score is between 1-1.80. As a result, the analysis is detailed as follows.

4.4.1 Formal Mandate and Standard for Professional Practices

Table 4.2: Descriptive Statistics for Formal Mandate and Standard for Professional Practices

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	S. D
	F	%	F	%	F	%	F	%	F	%		
Internal audit activity's purpose, authority, and responsibility are formally defined in an internal audit charter.	0	0.0%	2	4.2%	17	35.4%	20	41.7%	9	18.8%	3.75	0.812
The charter recognizes the mandatory character of the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing.	0	0.0%	8	16.7%	15	31.3%	23	47.9%	2	4.2%	3.40	0.818
The aim and authority of the internal audit charter are in line with the Institute of Internal Auditors' "Standards for Professional Practice."	0	0.0%	8	16.7%	15	31.3%	20	41.7%	5	10.4%	3.46	0.898
The internal audit activity's position within the office, as well as authorized access to records, persons, and physical properties related to the performance of engagements and the stated scope of IA activities, are all specified in the IA charter.	1	2.1%	13	27.1%	18	37.5%	14	29.2%	2	4.2%	3.06	0.909
Aggregate Mean=3.45												

Source: Sample survey, 2021

According to Table 4.2, 2 (4.2%) of respondents disagreed with the statement Internal audit activity's aim, authority, and responsibility are formally defined in an internal audit charter of public sectors, 17 (35.4%) were unsure, 20 (41.7%) agreed, and the rest 9 (18.8%) strongly agreed. The mean 3.75 indicates that the objective, authority, and responsibility of internal audit activities are formally stated in a public sector internal audit charter. The standard deviation of 0.812 is slightly higher, indicating that responses are dispersed. According to the respondents, the objective, authority, and duty of internal audit activity are formally stated in an internal audit charter of public sectors in Addis Ababa City Public sectors.

Table 4.2 item 2 indicates, eight (16.7%) of the respondents disagreed as the necessary nature of the center standards for the expert practice of internal Auditing, the Code of Ethics, the standards, and the Definition of internal Auditing are recognized in the constitution, 15 (31.3%) had been not positive, 23 (47.9%) agreed and the final 2 (four.2%) strongly agreed. The imply 3.4 indicates the respondents agreed that the mandatory nature of the middle ideas for the expert exercise of internal Auditing, the Code of Ethics, the requirements, and the Definition of internal Auditing are identified inside the charter. As a result, the necessity of the basic principles for the professional practice of internal auditing, the Code of Ethics, the requirements, and the Definition of internal auditing, may be determined entirely from the responses of the respondents.

On table four, item three. 2, 8 (16.7%) of respondents disagreed since the purpose and authority of the internal audit charter are in line with the Institute of internal Auditors' "requirements for professional practice," 15 (31.3%) were unsure, 20 (41.7%) agreed, and the remaining 5 (10.4%) strongly agreed. The mean of 3.46 indicates that the majority of respondents agreed. According to the responses, the reason for and authority of the establishment of internal audit in the public sector is in accordance with the Institute of Internal Auditors' "requirements for professional practice."

On query 4 of table 4.1, 1 (2.3%) strongly disagreed as IA charter specifies the internal audit interest's position within the office; authorized get right of entry to statistics, personnel, and bodily residences applicable to the overall performance of engagements, and the described scope of IA sports., thirteen (27.1%) disagreed, 18 (37.5%) were no longer certain, 14 (29.2%) agreed and the relaxation 2 (4.2%) strongly agreed. The mean 3.06 indicates that the majority of respondents were unsure about the role of internal audit in the office; authorized access to records, employees, and physical locations relevant to the performance of engagements; and the defined scope of IA operations in the public sector.

The combined mean is 3.45, indicating that the respondents agreed on all assertions concerning Formal Mandate and trendy for public sector expert practices.

4.4.2 Competent Staff

Table 4.3: Descriptive Statistics for Competent Staff

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	S. D
	F	%	F	%	F	%	F	%	F	%		
The amount of internal audit staff and their expertise corresponds to the breadth of the office's/internal sector's operations.	0	0.0%	2	4.2%	20	41.7%	20	41.7%	6	12.5%	3.63	0.761
Internal auditing is carried out using modern technology, such as computerized data tools and specialized IA software.	0	0.0%	3	6.3%	12	25.0%	18	37.5%	15	31.3%	3.94	0.909
The auditors in my organization are qualified to undertake audit function	0	0.0%	5	10.4%	13	27.1%	20	41.7%	10	20.8%	3.73	0.917
Because there are enough and experienced internal auditors accessible or employed, the audit procedures and evidence collecting are finished on time.	0	0.0%	6	12.5%	17	35.4%	17	35.4%	8	16.7%	3.56	0.920
Before any internal auditors are hired, the Office of the Auditor General must approve their competence.	0	0.0%	2	4.2%	15	31.3%	25	52.1%	6	12.5%	3.73	0.736
Internal auditors and the Head of Internal Audit do not have the appropriate level of expertise, knowledge, and experience.	0	0.0%	2	4.2%	16	33.3%	26	54.2%	4	8.3%	3.67	0.694
Internal auditors in my office/sector are sufficiently skilled. The majority of them have auditing certification.	0	0.0%	4	8.3%	19	39.6%	19	39.6%	6	12.5%	3.56	0.823
Aggregate Mean=3.7												

Source: Sample survey, 2021

Based on table 4.3 item one, 2 (4.2%) disagreed because the inner audit team of workers quantity & their talent fits the scope of workplace's/sector's inner operations, 20 (forty one.7%) have been now not certain, 20 (41.7%) had been agreed, and the rest 6 (12.5%) strongly agreed. The mean 3.63 implies the general respondents have been agreed the internal audit team of workers variety & their skill suits the scope of workplace's/region's internal operations. The standard deviation 0.761 is slightly better which indicates that there's dispersion between respondents' responses. Hence, in step with the respondents, it may be deduced the internal audit personnel number & their ability matches the scope of office's/region's internal operations.

In line with table 4.item two, 3 (6.3%) disagreed as the paintings of internal audit is completed with current era that makes use of automatic information gear and specific software program, 12 (25%) were not sure, 18 (37.5%) have been agreed, and the rest 15 (31.3%) strongly agreed. The mean suggests 3.94 that the overall respondents were agreed the work of internal audit is done with contemporary generation that makes use of computerized information tools and particular software program. The usual deviation 0.909 is slightly better which suggests that there is dispersion between respondents' responses. Therefore, in keeping with the respondents, it can be deduced the work of internal audit is executed with modern technology that uses automated statistics equipment and unique software.

At the given table 4.3 item three, five (10.4%) disagreed as the auditors in my corporation are certified to undertake audit function, thirteen (27.1%) were not sure, 20 (41.7%) had been agreed, and the relaxation 10 (20.8%) strongly agreed. The mean 3.73 indicates the overall respondents had been agreed the auditors in my organization are qualified to adopt audit feature. The standard deviation 0.909 is barely better which shows that there's dispersion among respondents' responses. For that reason, consistent with the respondents, it is able to be deduced the auditors in my public sector are qualified to adopt audit characteristic.

Table 4.3 item four suggests that, 6 (12.4%) disagreed as the audit methods and proof collections are completed on time, since enough and professional internal auditors are available or employed, 17 (35.four%) had been not certain, 17 (35.four%) had been agreed, and the rest 8 (16.7%) strongly agreed. The mean 3.56 shows the overall respondents were agreed the audit processes and proof collections are completed on time, on the grounds that enough and skilled internal auditors are to be had or hired the usual deviation 0.920 is barely better which suggests

that there's dispersion between respondents' responses. Thus, consistent with the respondents, it can be deduced the audit techniques and proof collections are completed on time, in view that enough and skilled internal auditors are to be had or employed.

In keeping with table 4.3 item five indicates that, 2 (four.2%) disagreed because the competence of inner auditor is permitted by workplace of auditor general before recruitments is made, 15 (31.three%) were not certain, 25(52.1%) were agreed, and the relaxation 6 (12.5%) strongly agreed. The mean 3.7 suggests the overall respondents were agreed the competence of inner auditor is authorized by using workplace of auditor well known earlier than recruitments is made. The standard deviation 0.736 is barely better which indicates that there may be dispersion between respondents' responses. For this reason, in line with the respondents, it can be deduced the competence of inner auditor is permitted with the aid of workplace of auditor fashionable earlier than recruitments is made.

As table 4.3 item six indicates that, 2 (4.2%) disagreed as the minimal level of ability, knowledge and enjoy required via internal auditor and the pinnacle of internal audit isn't fulfilled., 16 (33.3%) had been now not certain, 26(54.2%) had been agreed, and the relaxation 4 (8.three%) strongly agreed. The mean 3.67 shows the general respondents have been agreed the minimum degree of ability, knowledge and revel in required by means of internal auditor and the pinnacle of inner audit isn't always fulfilled.. The standard deviation zero.694 is barely higher which shows that there is dispersion among respondents' responses. Thus, according to the respondents, it may be deduced the minimal level of skill, knowledge and enjoy required via internal auditor and the pinnacle of inner audit isn't fulfilled.

Table 4.3 item seven suggests that, 4 (8.3%) disagreed as my office/area has sufficient skilled inner auditors. Maximum of them have certification in auditing, 19 (39.6%) were not certain, 19 (39.6%) had been agreed, and the relaxation 6 (12.5%) strongly agreed. The mean 3.56 suggests the general respondents have been agreed that my office/zone has sufficient professional inner auditors. Most of them have certification in auditing. The standard deviation 0.823 is slightly better which indicates that there's dispersion between respondents' responses. Therefore, in keeping with the respondents, it could be deduced my office/quarter has enough skilled internal auditors. Most of them have certification in auditing.

4.4.3 Organizational Independence and objectivity

Table 4.4: Descriptive Statistics for Organizational Independence and objectivity

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	S. D
	F	%	F	%	F	%	F	%	F	%		
The internal audit unit has the authority to conduct independent checks in order to determine if your company's specified rules and regulations are being followed.	0	0.0%	5	10.4%	18	37.5%	21	43.8%	4	8.3%	3.50	0.799
Internal auditing is able to be self-contained because of its suitable reporting ties with executive management.	0	0.0%	6	12.5%	19	39.6%	19	39.6%	4	8.3%	3.44	0.823
Internal auditors conduct their engagements in an objective and fair manner in order to uncover fraud.	0	0.0%	6	12.5%	21	43.8%	16	33.3%	5	10.4%	3.42	0.846
Auditors are free to report any audit finding of fraud to senior management	0	0.0%	6	12.5%	18	37.5%	19	39.6%	5	10.4%	3.48	0.850
The audit unit is self-contained, with no management influence in the duty of fraud detection.	0	0.0%	3	6.3%	18	37.5%	18	37.5%	9	18.8%	3.69	0.854
Internal auditors have unrestricted access to the organization's/relevant sector's documents, information, and data for auditing purposes.	0	0.0%	5	10.4%	25	52.1%	13	27.1%	5	10.4%	3.38	0.815
Auditors provide an unbiased assessment of the effectiveness of detection methods in reducing fraud risk.	1	2.1%	9	18.8%	16	33.3%	17	35.4%	5	10.4%	3.33	0.975
Internal Auditors are independent of management in exercising auditing related decision.	0	0.0%	2	4.2%	19	39.6%	18	37.5%	9	18.8%	3.71	0.824
Internal auditors feel free to include any audit findings in their audit reports	0	0.0%	1	2.1%	14	29.2%	24	50.0%	9	18.8%	3.85	0.743
Where the audit committee has or is anticipated to have tasks and/or obligations outside of internal auditing, protections are in place to ensure independence and objectivity.	0	0.0%	4	8.3%	22	45.8%	12	25.0%	10	20.8%	3.58	0.919
Aggregate Mean=3.538												

Source: Sample survey,2021

According to Table 4.4 item one, 5 (10.4 percent) disagreed that the internal audit unit has the authority to conduct independent checks in order to assess compliance with your organization's established rules and regulations, 18 (37.5 percent) were unsure, 21 (43.8 percent) agreed, and the remaining 4 (8.3 percent) strongly agreed. The mean 3.50 indicates that the majority of respondents believed that the internal audit unit had the authority to conduct independent checks in order to assess conformity with your organization's established rules and regulations. The majority of them have auditing certification. The standard deviation of 0.799 is slightly larger, indicating that respondents' responses are dispersed. According to the responses, the internal audit unit is empowered with the authority of independent checks in order to assess compliance with your organization's established rules and regulations.

As shown in Table 4.4 item two, 6 (12.5%) disagreed because internal audit work is enabled to be independent by its appropriate reporting linkages to executive management, 19 (39.6%) were unsure, 19 (39.6%) agreed, and the remaining 4 (8.3%) strongly agreed. The total respondents felt that internal audit activity is empowered to be independent by appropriate reporting linkages to executive management, as evidenced by the mean 3.44. The standard deviation of 0.823 is slightly larger, indicating that respondents' responses are dispersed. Internal audit work is thus empowered to be independent, according to the respondents, by its appropriate reporting linkages to executive management.

According to Table 4.4, item three as internal auditors give impartial and unbiased judgment in the conduct of their engagement in order to detect fraud, 6 (12.5 percent) disagreed, 21 (43.8 percent) were unsure, 16 (33.3 percent) agreed, and the remaining 5 (10.4 percent) strongly agreed. The total respondents believed that internal auditors give objective and unbiased judgment in the conduct of their engagement in order to uncover fraud, as evidenced by the mean 3.42. The standard deviation of 0.846 is slightly larger, indicating that respondents' responses are dispersed. Internal auditors, according to the respondents, make fair and unbiased judgments in the course of their engagement in order to uncover fraud.

As shown in Table 4.4 item four, 6 (12.5%) disagreed since auditors are allowed to report any audit finding of fraud to top management, 18 (37.5%) were unsure, 19 (39.6%) agreed, and the remaining 5 (10.4%) strongly agreed. The overall respondents agreed that auditors are free to report any audit discovery of fraud to top management, as evidenced by the mean 3.48. The

standard deviation of 0.850 is slightly larger, indicating that respondents' responses are dispersed. As a result, according to the respondents, auditors are allowed to submit any fraud-related audit findings to top management.

According to Table 4.4, item 5 (6.3 percent) disagreed because the audit unit is autonomous and does not have management influence in the role of fraud detection, 18 (37.5 percent) were unsure, 18 (37.5 percent) agreed, and the remaining 9 (18.8%) strongly agreed. The mean 3.69 indicates that the majority of respondents agreed that the audit unit is independent and that management has no influence in the job of fraud detection. The standard deviation of 0.854 is slightly larger, indicating that respondents' responses are dispersed. As a result, according to the respondents, the audit unit is independent and there is no management intervention in the role of fraud detection.

Internal Auditors have unrestricted access to required documents, information, and data concerning the organization/sector for audit work, as shown in Table 4.4 item six, 5 (10.4 percent) disagreed, 25 (52.1 percent) were unsure, 13 (27.1 percent) agreed, and the remaining 5 (10.4 percent) strongly agreed. Internal Auditors do not have unfettered access to relevant documents, information, and data regarding the organization/sector for audit work, as indicated by the mean 3.38. The standard deviation of 0.815 is slightly larger, indicating that respondents' responses are dispersed. Thus, according to the respondents, it can be deduced Internal Auditors freely access necessary documents, information and data about the organization/sector for audit work.

According to Table 4.4.7, 1 (2.1 percent) as auditors Provide an impartial judgment on the effectiveness of detection measures to lower the risk of fraud, 9 (18.8%) highly disagreed, 16 (33.3%) were unsure, 17 (35.4%) agreed, and the remaining 5 (10.4%) strongly agreed. The total respondents were not confident that auditors provide an unbiased view on the effectiveness of detection measures to limit the risk of fraud, as indicated by the mean 3.33. The standard deviation of 0.975 is slightly larger, indicating that respondents' responses are dispersed.

Table 4.4 item eight reveals that 2 (4.2 percent) disputed that internal auditors are independent of management in making auditing-related decisions, 19 (39.6%) were unsure, 18 (37.5%) agreed, and the remaining 9 (18.8%) strongly agreed. The overall respondents believed that Internal

Auditors are independent of management in making auditing-related decisions, as evidenced by the mean 3.71. The standard deviation of 0.824 is slightly larger, indicating that respondents' responses are dispersed. As a result, according to the respondents, Internal Auditors are independent of management when it comes to making auditing-related decisions.

Table 4.4 item nine reveals that 1 (2.1%) disagreed, indicating that internal auditors are free to include any audit results in their audit reports, 14 (29.2%) were unsure, 24 (50%) agreed, and the remaining 9 (18.8%) strongly agreed. The total respondents agreed that internal auditors should be permitted to incorporate any audit findings in their audit reports, as evidenced by the mean 3.85. The standard deviation of 0.743 is slightly larger, indicating that respondents' responses are dispersed. As a result, internal auditors, according to the respondents, feel free to incorporate any audit results in their audit reports.

Table 4.4, item 10, reveals that 4 (8.3%) people disagreed that the accompanying protections are in place to limit the chief audit executive's independence and objectivity where the chief audit executive has or is expected to have tasks and/or duties outside of internal auditing, Twenty-two percent (45.8%) were unsure, twelve percent (25%) agreed, and ten percent (20.8%) strongly agreed. The accompanying precautions are in place to limit impairments to independence or objectivity whenever the chief audit officer has or is expected to have activities and/or responsibilities outside of internal auditing, as shown by the mean 3.58. The standard deviation 0.919 is slightly higher which indicates that there is dispersion between respondents' responses. The standard deviation is 0.919, which suggests that respondents' responses are dispersed. Thus, it can be determined internal where the chief audit executive has or is expected to have functions and/or duties outside of internal auditing; the corresponding protections are in place to limit impairments to independence or objectivity, according to the respondents.

4.4.4 Management Support

Table4.5:Descriptive Statistics for Management Support

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	S. D
	F	%	F	%	F	%	F	%	F	%		
My office/sector management provides me with complete cooperation and access to records and information.	0	0.0%	3	6.3%	19	39.6%	22	45.8%	4	8.3%	3.56	0.741
I can obtain the resources (facilities) required to conduct auditing activities as needed.	0	0.0%	1	2.1%	22	45.8%	19	39.6%	6	12.5%	3.63	0.733
Internal Audit carries out the annual plan, as approved by the Audit Committee, as well as any special assignments requested by departmental management.	0	0.0%	4	8.3%	20	41.7%	17	35.4%	7	14.6%	3.56	0.848
The office/sector helps me by offering training to help me enhance my skills and stay current in the area.	0	0.0%	6	12.5%	19	39.6%	19	39.6%	4	8.3%	3.44	0.823
When new technology, policy, or procedures are required, the office/sector encourages me to introduce myself to them.	0	0.0%	3	6.3%	11	22.9%	25	52.1%	9	18.8%	3.83	0.808
The office/sector encourages me to put my suggestions into action, promote value-added activities, and strengthen the internal audit function.	0	0.0%	6	12.5%	26	54.2%	13	27.1%	3	6.3%	3.27	0.765
Internal Auditing staffs are supported by the office/sector by allocating funds for certification to ensure that they have relevant auditing education that allows them to audit all of the organization's/systems.	0	0.0%	1	2.1%	23	47.9%	20	41.7%	4	8.3%	3.56	0.681
The position/status of internal audit is clearly recognized by the management in my office/sector.	0	0.0%	2	4.2%	21	43.8%	22	45.8%	3	6.3%	3.54	0.683
Aggregate Mean=3.55												

Source: Sample survey, 2021

Table4.5 question one reveals that 3 (6.3%) disagreed because I receive complete cooperation, access to documents, and information from my office/sector administration, 19 (39.6%) were unsure, 22 (45.8%) agreed, and the remaining 4 (8.3%) very agreed. The overall respondents

agreed that I obtain complete cooperation, access to records, and information from my office/sector administration, as evidenced by the mean 3.56. The standard deviation of 0.741 is slightly larger, indicating that respondents' responses are dispersed. According to the responses, my office/sector management provides me with full collaboration, access to records, and information.

Table4.5 item two reveals that 1 (2.1%) disagreed because I can obtain the necessary resources (facilities) to assist me in performing auditing operations as needed, 22 (45.8%) were unsure, 19 (39.6%) agreed, and the remaining 6 (12.5%) strongly agreed. The total respondents agreed that I can obtain the necessary resources (facilities) to assist me in doing auditing duties as needed, as evidenced by the mean 3.63. The standard deviation of 0.733 is slightly larger, indicating that respondents' responses are dispersed. As a result, according to the answers, auditors can obtain the required resources (facilities) to assist me in doing auditing operations as needed.

As the Internal Audit implements the annual plan, as approved by the Audit Committee, including any special assignments requested by respective departments' management, 4 (8.3%) disagreed, 20 (41.7%) were unsure, 17 (35.4%) agreed, and the remaining 7 (14.6%) strongly agreed, as shown in Table4.5 item three. The total respondents agreed that Internal Audit implements the annual plan, as approved by the Audit Committee, including any extra assignments requested by different departments' management, as indicated by the mean 3.56. The standard deviation of 0.848 is slightly larger, implying that respondents' responses are dispersed. As a result, according to the responses, The Internal Audit implements the annual plan, as approved by the Audit Committee, as well as any special assignments requested by the various departments' management.

As shown in Table4.5 item four, 6 (12.5 percent) disagreed because the office/sector supports me by giving training to help me enhance my skills and stay current in the profession, 19 (39.6%) were unsure, 19 (39.6%) agreed, and the remaining 4 (8.3%) very agreed. The total respondents agreed that the office/sector helps me by providing training to help me enhance my skills and stay current in the profession, as seen by the mean 3.44. The standard deviation of 0.823 is slightly larger, indicating that respondents' responses are dispersed. Thus, according to the respondents, it can be deduced the office/sector supports me by providing training in order to improve my skill and update with the field.

According to Table 4.5, 3 (6.3 percent) disagreed with the statement "The office/sector helps me to introduce myself to new technology, policy, or processes when it is essential," 11 (22.9 percent) were unsure, 25 (52.1%) agreed, and the remaining 9 (18.8%) very agreed. The total respondents agreed that the office/sector supports me in introducing myself to new technology, policy, or procedures when it is necessary, as seen by the mean 3.83. The standard deviation of 0.808 is slightly larger, indicating that respondents' responses are dispersed. As a result, according to the respondents, the office/sector encourages me to learn new technologies, policies, or procedures when they are essential.

According to Table 4.5, 6 (12.5%) disagreed because the office/sector pushes me to implement my recommendations, promote value-added activities, and strengthen the internal audit function, 26 (54.2%) were unsure, 13 (27.1%) agreed, and the remaining 3 (6.3%) very agreed. The mean 3.27 indicates that the office/sector does not encourage me to follow my recommendations, develop value-added activities, or strengthen the internal audit function. The standard deviation of 0.765 is slightly larger, indicating that respondents' responses are dispersed. As a result, the office/sector, according to the respondents, encourages me to follow my recommendations, develop value-added activities, and strengthen the internal audit function.

According to Table 4.5, 1 (2.1%) disagreed because the office/sector provides support to Internal Auditing staffs by budgeting funds for certification to have control measures education that allows them to audit all of the organization's/systems, sector's 23 (47.9%) were unsure, 20 (41.7%) agreed, and the remaining 4 (8.3%) strongly agreed. The total respondents agreed that the office/sector supports Internal Auditing staffs by allocating funds for certification to have necessary auditing education that allows them to audit all of the organization's/systems, sector's as shown by the mean 3.56. As a result, according to the respondents, the office/sector supports Internal Auditing staffs by allocating funding for certification to ensure that they have relevant auditing education that allows them to audit all of the organization's/systems/ sector's

Table 4.5 item eight indicates that 2 (4.2%) disagreed because internal audit's position/status is clearly acknowledged by management in my office/sector, 21 (43.8%) were unsure, 22 (45.8%) agreed, and the remaining 3 (6.3%) strongly agreed. The total respondents agreed that the position/status of internal audit is clearly acknowledged by management in my office/sector, as evidenced by the mean 3.54. The standard deviation of 0.683 is slightly larger, indicating that

respondents' responses are dispersed. As a result, according to the answers, the position/status of internal audit in my office/sector is clearly recognized by management.

4.4.5 Risk Management

Table4.6: Descriptive Statistics for Risk Management

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	S. D
	F	%	F	%	F	%	F	%	F	%		
When creating audit programs, potential risks relating to the activity to be audited are identified.	0	0.0%	1	2.1%	18	37.5%	22	45.8%	7	14.6%	3.73	0.736
Risk assessment is done as part of audit planning	0	0.0%	2	4.2%	15	31.3%	26	54.2%	5	10.4%	3.71	0.713
Your company conducts and updates its risk assessment on a regular basis to keep up with changing fraud risks and the unique vulnerabilities that may affect the company over time.	0	0.0%	6	12.5%	24	50.0%	13	27.1%	5	10.4%	3.35	0.838
Auditors examine organizational risk assessment criteria on a regular basis as the organization grows and develops to ensure that auditors are aware of all conceivable types of fraud.	0	0.0%	3	6.3%	16	33.3%	22	45.8%	7	14.6%	3.69	0.803
Fraud risk factors are assessed by auditors to see whether they reflect incentives or pressures to commit fraud, chances to commit fraud, or attitudes or rationalizations used to explain a fraudulent conduct.	1	2.1%	4	8.3%	18	37.5%	18	37.5%	7	14.6%	3.54	0.922
The internal audit activity assesses the likelihood of fraud occurring and how the company addresses fraud risk.	0	0.0%	7	14.6%	19	39.6%	15	31.3%	7	14.6%	3.46	0.922
The internal audit activity's plan of engagements is based on a risk assessment.	0	0.0%	2	4.2%	25	52.1%	17	35.4%	4	8.3%	3.48	0.714
Internal audit follow-up implementation use on improvement of internal control systems	0	0.0%	4	8.3%	20	41.7%	20	41.7%	4	8.3%	3.50	0.772
The chief audit executive meets with upper management to develop better understanding of the organization's plans, important business objectives, associated risks, and risk management processes while formulating the risk-based audit strategy.	0	0.0%	4	8.3%	21	43.8%	18	37.5%	5	10.4%	3.50	0.799
Aggregate Mean=3.55												

Source: Sample survey,2021

According to Table 4.6, 1 (4.2%) disagreed with the statement "Potential risks relevant to the activity to be audited are identified when creating audit programs," 18 (37.5%) were unsure, 22 (45.8%) agreed, and the remaining 7 (14.6%) strongly agreed. The mean 3.73 indicates that the majority of respondents agreed that while developing audit procedures, potential risks relevant to the activity to be audited are recognized. The standard deviation of 0.736 is slightly larger, indicating that respondents' responses are dispersed. As a result, it can be concluded, according to the respondents. When creating audit programs, potential risks related to the activity to be audited are identified.

Table 4.6 item two indicates that 2 (4.2%) disagreed since risk assessment is performed as part of audit planning, 15 (31.3%) were unsure, 26 (54.2%) agreed, and the remaining 5 (10.4%) strongly agreed. The overall respondents agreed that risk assessment is done as part of audit planning, as evidenced by the mean 3.71. The standard deviation of 0.713 is slightly larger, indicating that respondents' responses are dispersed. As a result, risk assessment is done as part of audit planning, according to the respondents.

Table 4.6 item three shows that, as your organization performs and updates its risk assessment on a regular basis to understand evolving fraud risks and the specific vulnerabilities that may apply to the organization over time, 6 (12.5 percent) disagreed, 24 (50 percent) were unsure, 13 (27.1 percent) agreed, and the remaining 5 (10.4 percent) strongly agreed. The overall respondents were not sure that your organization performs and updates its risk assessment on a regular basis to comprehend emerging fraud threats and specific vulnerabilities that may apply to the firm over time, as indicated by the mean 3.35. The standard deviation of 0.838 is slightly larger, indicating that respondents' responses are dispersed. As a result, according to the respondents, your company performs and updates its risk assessment on a regular basis to comprehend evolving fraud risks and unique vulnerabilities that may apply to the company over time.

As Table 4.6 item four indicates, 3 (6.3%) disagreed because auditors reassess organizational risk assessment criteria as the organization grows and changes to ensure Auditors are aware of all possible types of fraud that may occur, 16 (33.3%) were unsure, 22 (45.8%) agreed, and the remaining 7 (14.6%) strongly agreed. The mean 3.69 indicates that the majority of respondents agreed that auditors should examine organizational risk assessment criteria on a regular basis as the organization grows and evolves to ensure that auditors are aware of all conceivable types of

fraud. The standard deviation of 0.803 is slightly larger, indicating that respondents' responses are dispersed. As a result, according to the respondents, auditors examine organizational risk assessment criteria on a regular basis as the organization grows and evolves to ensure that auditors are aware of all possible types of fraud.

According to Table 4.6 item 5, 1 (2.1 percent) strongly disagreed that fraud risk factors reflect incentives or pressures to commit fraud, opportunities to commit fraud, or attitudes or rationalizations used to justify a fraudulent conduct. 4 (8.3%) strongly disagreed, 18 (37.5%) were unsure, 18 (37.5%) were in agreement, and the remaining 7 (14.6%) very agreed. The overall respondents agreed that fraud risk factors imply incentives or pressures to commit fraud, opportunities to commit fraud, or attitudes or rationalizations used to justify a fraudulent conduct, as indicated by the mean 3.54. The standard deviation of 0.922 is slightly larger, indicating that respondents' responses are dispersed. As a result, according to the respondents, auditors should assess whether fraud risk indicators suggest incentives or pressures to commit fraud, opportunities to commit fraud, or attitudes or rationalizations used to explain a fraudulent act.

According to Table 4.6, as the internal audit activity examines the possibility for fraud to occur and how the organization controls fraud risk, 7 (14.6 percent) disagreed, 19 (39.6 percent) were unsure, 15 (31.3 percent) agreed, and the remaining 7 (14.6 percent) strongly agreed. The total respondents agreed that the internal audit activity examines the possibility for fraud to occur and how the firm handles fraud risk, as evidenced by the mean 3.46. The standard deviation of 0.922 is slightly larger, indicating that respondents' responses are dispersed. The standard deviation 0.922 is slightly higher which indicates that there is dispersion between respondents' responses. Thus, according to the respondents, it can be deduced the internal audit activity evaluates the potential for the occurrence of fraud and how the organization manages fraud risk.

Given that the internal audit activity's plan of engagements is based on a risk assessment, 2 (4.2 percent) disagreed, 25 (52.1 percent) were unsure, 17 (35.4 percent) agreed, and the remaining 4 (8.3 percent) strongly agreed. The total respondents agreed that the internal audit activity's plan of engagements is based on a risk assessment, as evidenced by the mean 3.48. The standard deviation of 0.714 is slightly larger, indicating that respondents' responses are dispersed. As a

result, according to the respondents, the internal audit activity's engagement plan is based on a risk assessment.

According to Table 4.6, 4 (8.3%) disagreed with the use of internal audit follow-up implementation on improving internal control systems, 20 (41.7%) were unsure, 20 (41.7%) agreed, and the remaining 4 (8.3%) very agreed. The mean of 3.50 indicates that the majority of respondents agreed that internal audit follow-up implementation should be used to improve internal control systems. The standard deviation of 0.772 is slightly larger, indicating that respondents' responses are dispersed. As a result, according to the respondents, internal audit follow-up implementation can be used to improve internal control systems.

Table 4.6 item nine indicates that 4 (8.3%) disagreed because the chief audit executive consults with senior management and the board to gain an understanding of the organization's strategies, key business objectives, associated risks, and risk management processes while developing the risk-based audit plan. 21 (43.8%) were unsure, 18 (37.5%) were in agreement, and the remaining 5 (10.4%) strongly agreed. The mean 3.50 indicates that the majority of respondents agreed that the chief audit executive consults with senior management and the board of directors while developing the risk-based audit plan to gain an understanding of the organization's strategies, key business objectives, associated risks, and risk management. The standard deviation of 0.799 is slightly larger, indicating that respondents' responses are dispersed. According to the respondents, the chief audit executive consults with senior management and the board of directors when establishing the risk-based audit plan to gain an awareness of the organization's plans, important business objectives, associated risks, and risk management systems.

4.4.6 Promoting good Governance of Public Sectors in Addis Ababa City

Table4.7: Descriptive Statistics for promoting good Governance of Public Sectors in Addis Ababa City

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	S. D
	F	%	F	%	F	%	F	%	F	%		
Through internal audits, my organization develops openness of activities and employee accountability, including management.	1	2.1%	5	10.4%	17	35.4%	23	47.9%	2	4.2%	3.42	0.821
Internal auditing helps my organization grow the entity's capacity, including the leadership's and individuals' capabilities.	0	0.0%	2	4.2%	12	25.0%	25	52.1%	9	18.8%	3.85	0.772
Internal auditing helps my organization manage risks and performance by ensuring that internal controls are in place and that public financial management is sound.	1	2.1%	3	6.3%	10	20.8%	21	43.8%	13	27.1%	3.88	0.959
To ensure effective accountability, my organization/sector follows best practices in transparency, reporting, and audit.	1	2.1%	6	12.5%	15	31.3%	21	43.8%	5	10.4%	3.48	0.922
My sector/organization ensures transparency in order to provide citizens with fair service delivery.	1	2.1%	11	22.9%	10	20.8%	15	31.3%	11	22.9%	3.50	1.149
My company implement efficiency and productivity by properly allocating resources in order to achieve long-term development.	1	2.1%	12	25.0%	20	41.7%	12	25.0%	3	6.3%	3.08	0.919
Internal auditors make helpful advice and constructive criticisms about non-compliance activities or office/sector control systems.	0	0.0%	1	2.1%	16	33.3%	21	43.8%	10	20.8%	3.83	0.781
Internal audit ensures that resources are used economically, effectively, and efficiently in my office/sector.	0	0.0%	1	2.1%	11	22.9%	27	56.3%	9	18.8%	3.92	0.710
Internal audit in my office/sector ensures that all activities are carried out in accordance with defined policies, procedures, rules, and regulations.	0	0.0%	5	10.4%	23	47.9%	16	33.3%	4	8.3%	3.40	0.792
The internal audit department's recommendations offer real, cost-benefit options for resolving the issues that were discovered.	0	0.0%	2	4.2%	23	47.9%	18	37.5%	5	10.4%	3.54	0.743
Internal auditors have the experience and expertise needed to address corporate risk management issues.	0	0.0%	8	16.7%	15	31.3%	19	39.6%	6	12.5%	3.48	0.922

Internal audit's current duty is sufficient to address the primary reason for its existence.	0	0.0%	4	8.3%	22	45.8%	22	45.8%	0	0.0%	3.38	0.640
Internal auditor reports are heavily weighed by management when making decisions and establishing internal controls.	0	0.0%	4	8.3%	24	50.0%	15	31.3%	5	10.4%	3.44	0.796
IA help to ensure openness and comprehensive stakeholder engagement	0	0.0%	2	4.2%	26	54.2%	13	27.1%	7	14.6%	3.52	0.799
IA in the workplace contributes to organizational integrity by displaying a strong commitment to ethical ideals and upholding the rule of law.	1	2.1%	7	14.6%	14	29.2%	20	41.7%	6	12.5%	3.48	0.967
Aggregate Mean=3.55												

Source: Sample survey, 2021

According to Table4.7, 1 (2.1%) strongly disagreed that my organization develops transparency of activities and accountability of employees, including management, through internal auditing, 5 (10.4%) disagreed, 17 (35.4%) were not sure, 23 (47.9%) agreed, and the remaining 2 (4.2%) strongly agreed. The mean 3.42 indicates that the majority of respondents do not believe that internal auditing helps my organization develop transparency of activities and employee accountability, including management. The standard deviation of 0.821 is slightly larger, indicating that respondents' responses are dispersed. As a result, according to the respondents, my firm uses internal audits to improve openness of activities and employee accountability, including management.

According to Table4.7 item two, 2 (4.2%) disputed that my organisations build the entity's capacity, including the capability of its leadership and the personnel inside it, through internal audits, 12 (25%) were unsure, 25 (52.1%) agreed, and the remaining 9 (18.8%) strongly agreed. Through internal auditing, my organisations develop the entity's potential, including the capability of its leadership and the individuals inside it, as indicated by the mean 3.85. The standard deviation of 0.772 is slightly larger, indicating that respondents' responses are dispersed. As a result, according to the respondents, internal auditing helps my organisations grow the entity's capacity, including the leadership's and individual's capabilities.

Table4.7 item three indicates that, as my organization manages risks and performance through robust internal control and strong public financial management using internal auditing, 1 (2.1 percent) strongly disagreed, 3 (6.3 percent) disagreed, 10 (20.8 percent) were not sure, 21 (43.8

percent) agreed, and the remaining 13 (27.1 percent) strongly agreed. The overall respondents agreed that my firm manages risks and performance through excellent internal control and excellent public financial management utilizing internal audits, as evidenced by the mean 3.88. The standard deviation of 0.959 is slightly larger, indicating that respondents' responses are dispersed. As a result, according to the respondents, my organization manages risks and performance through strong internal control and public financial management through internal auditing.

According to Table4.7, 1 (2.1%) highly disagreed that my organization/sector use good practices in openness, reporting, and audit to ensure effective accountability, 6 (12.5%) disagreed, 15 (31.3%) were unsure, 21 (43.8%) agreed, and the remaining 5 (10.4%) strongly agreed. The overall respondents agreed that my organization/sector use solid procedures in transparency, reporting, and audit to ensure effective accountability, as evidenced by the mean 3.48. The standard deviation of 0.922 is slightly larger, indicating that respondents' responses are dispersed. According to the answers, my organization/sector follows best practices in transparency, reporting, and auditing in order to provide effective accountability.

As per Table4.7, 1 (2.1%) highly disagreed that my sector/organization ensures transparency for the fair delivery of services to citizens, 11 (22.9%) disagreed, 10 (20.8%) were unsure, 15 (31.3%) agreed, and the remaining 11 (22.9%) strongly agreed. The overall respondents agreed that my sector/organization ensures transparency for the fair delivery of services to citizens, as indicated by the mean 3.50. The standard deviation of 1.149 is slightly larger, indicating that the responses of the respondents are dispersed. According to the responses, my sector/organization ensures transparency for the equitable delivery of services to the public.

Table4.7 item 6 indicates that 1 (2.1%) strongly disagreed because my organization ensures effectiveness and efficiency through proper resource utilization for the establishment of sustainable development, 12 (25%) disagreed, 20 (41.7%) were unsure, 12 (25%) agreed, and the remaining 3 (6.3%) strongly agreed. The mean 3.08 indicates that the majority of respondents do not believe my organization promotes effectiveness and efficiency through optimal resource utilization in order to achieve long-term development. The standard deviation is 0.919, which suggests that respondents' responses are dispersed. As a result, according to the answers, my

organization ensures effectiveness and efficiency through proper resource utilization in order to establish sustainable development.

According to Table4.7, 1 (2.1%) disputed that internal auditors make good recommendations and constructive criticism on non-compliance activities or control systems of the office/sector, 16 (33.3%) were unsure, 21 (43.8%) agreed, and the remaining 10 (20.8%) very agreed. Internal Auditors make important advice and constructive criticisms on non-compliance activities or control systems of the office/sector, as evidenced by the mean 3.83. The standard deviation of 0.781 is slightly larger, indicating that respondents' responses are dispersed. Internal Auditors make useful recommendations and constructive criticisms on non-compliance activities or controllers of the workplace, according to the respondents.

Table4.7 indicates that 1 (2.1%) disputed that internal audit ensures the economical, effective, and efficient use of resources in my office/sector, 11 (22.9%) were unsure, 27 (56.3%) agreed, and the remaining 9 (18.8%) very agreed. Internal audit ensures the economical, effective, and efficient use of resources in my office/sector, according to the mean 3.92. The standard deviation of 0.710 is slightly larger, indicating that the responses of the respondents are dispersed. Internal audit ensures the economical, effective, and efficient use of resources in my office/sector, according to the answers.

As Table4.7 item nine indicates, 5 (10.4 percent) disputed that internal auditing in my office/sector assures activities compliance with established policies, procedures, laws, and regulations, 23 (47.9%) were unsure, 16 (33.3%) agreed, and the remaining 4 (8.3%) very agreed. The mean 3.40 indicates that the majority of respondents are unsure that internal audit guarantees that activity undertaken in my office/sector complies with existing policies, procedures, rules, and regulations. The standard deviation of 0.792 is slightly larger, indicating that respondents' responses are dispersed. As a result, according to the respondents, internal auditing in my office/sector ensures that activities are carried out in accordance with existing policies, procedures, rules, and regulations.

According to Table4.7, 2 (4.2%) disputed that the recommendations of the internal audit department give feasible, cost-benefit solutions for fixing the problems that were discovered, 23 (47.9%) were unsure, 18 (37.5%) agreed, and the remaining 5 (10.4%) strongly agreed. The total

respondents agreed that the internal audit department's recommendations give viable, cost-benefit solutions for fixing the problems discovered, as indicated by the mean 3.54. The standard deviation of 0.743 is slightly larger, indicating that respondents' responses are dispersed. As a result, according to the respondents, the internal audit department's recommendations provide real, cost-benefit alternatives for fixing the problems discovered.

As shown in Table 4.7 item 10, 8 (16.7 percent) disputed that internal auditors having the experience and expertise to resolve corporate risk management issues inside the organization, 15 (31.3 percent) were unsure, 19 (39.6%) agreed, and the remaining 6 (12.5%) strongly agreed. The total respondents felt that internal auditors have the experience and expertise to address corporate risk management issues inside the firm, as evidenced by the mean 3.48. The standard deviation of 0.922 is slightly larger, indicating that respondents' responses are dispersed. Internal auditors, according to the respondents, have the experience and expertise to address corporate risk management issues within the organization.

According to Table 4.7, item twelve indicates that 4 (8.3%) disagree that the current role of internal audit is sufficient to address the very objective for which it was founded, 22 (45.8%) were unsure, and 22 (45.8%) were agreeable. The mean 3.38 indicates that the majority of respondents do not believe the current role of internal audit is sufficient to address the exact objective for which it was founded. The standard deviation of 0.640 is slightly larger, indicating that respondents' responses are dispersed. According to the answers, the internal audit's current role is sufficient to address the precise objective for which it was founded.

Table 4.7 item thirteen indicates that 4 (8.3%) disagreed because internal auditor reports are heavily considered by management for decision making and internal controls, 24 (50%) were unsure, 15 (31.3%) agreed, and 5 (10.4%) strongly agreed. The total respondents felt that internal auditor reports are highly considered for decision making and internal controls by management, as seen by the mean 3.44. The standard deviation of 0.796 is slightly larger, indicating that respondents' responses are dispersed. As a result, according to the respondents, internal auditor reports are highly regarded by management for decision-making and internal controls.

According to Table 4.7, 2 (4.2 percent) disputed that IA helps to achieve transparency and thorough stakeholder participation, 26 (54.2 percent) were unsure, 13 (27.1 percent) agreed, and

7 (14.6 percent) strongly agreed. The overall respondents felt that IA helps to ensure openness and complete stakeholder participation, as seen by the mean 3.52. The standard deviation of 0.799 is slightly larger, indicating that respondents' responses are dispersed. As a result, it can be determined that IA helps to ensure openness and complete stakeholder participation, according to the respondents.

As shown in Table 4.7 item fifteen, 1 (2.1%) strongly disagreed that IA in the organization helps to promote integrity by exhibiting a strong commitment to ethical values and following the rule of law, 7 (14.6%) disagreed, 14 (29.2%) were unsure, 20 (41.7%) agreed, and 6 (12.5%) highly agreed. The total respondents felt that IA in the business helps to create integrity, demonstrate a strong commitment to ethical values, and respect the rule of law, as evidenced by the mean 3.48. The standard deviation of 0.967 is slightly larger, indicating that respondents' responses are dispersed. As a result, according to the respondents, IA in the workplace aids in the development of integrity, exhibiting a strong commitment to ethical ideals, and upholding the rule of law.

4.5 Correlation

This association is investigated using correlation analysis. The Pearson Product-Moment Correlation Coefficient is a statistic that shows how closely two variables are related to each other. The direction of the association between -1.00 and +1.00 is shown by the sign of a correlation coefficient (+ or -). Variables can be connected in either a positive or negative way. A positive correlation shows that two variables have a direct positive link. A negative correlation, on the other hand, suggests that two variables have an inverse, negative association (Ruud et. al. 2012).

Table4.8: Correlations

Correlations							
		Formal Mandate and Standard for Profession al Practice	Competent Staff	Organizati onal Independe nce and Objectivity	Manageme nt Support	Risk Manageme nt	Promoting good Governanc e
Formal Mandate and Standard for Professional Practice	Pearson Correlation	1	.421**	.242	.288*	.239	.317*
	Sig. (2-tailed)		.003	.098	.047	.101	.028
	N	48	48	48	48	48	48
Competent Staff	Pearson Correlation	.421**	1	.507**	.468**	.292*	.538**
	Sig. (2-tailed)	.003		.000	.001	.044	.000
	N	48	48	48	48	48	48
Organizational Independence and Objectivity	Pearson Correlation	.242	.507**	1	.236	.285*	.529**
	Sig. (2-tailed)	.098	.000		.106	.050	.000
	N	48	48	48	48	48	48
Management Support	Pearson Correlation	.288*	.468**	.236	1	.442**	.553**
	Sig. (2-tailed)	.047	.001	.106		.002	.000
	N	48	48	48	48	48	48
Risk Management	Pearson Correlation	.239	.292*	.285*	.442**	1	.291*
	Sig. (2-tailed)	.101	.044	.050	.002		.045
	N	48	48	48	48	48	48
Promoting good Governance	Pearson Correlation	.317*	.538**	.529**	.553**	.291*	1
	Sig. (2-tailed)	.028	.000	.000	.000	.045	
	N	48	48	48	48	48	48
**. Correlation is significant at the 0.01 level (2-tailed).							
*. Correlation is significant at the 0.05 level (2-tailed).							

4.5.1 Correlation Analysis between Formal Mandate and Standard for Professional Practices and promoting good Governance

Formal Mandate and Standard for Professional Practices ($r=0.317$, $p < 0.05$) are positively connected with Promoting Good Governance, as seen in the table above. This indicates that there is a statistically significant positive association between the Formal Mandate and the Standard for Professional Practices and Promoting Good Governance. Changes in the formal mandate and professional practice standards have an impact on promoting good governance.

4.5.2 Correlation Analysis between Competent Staff and Promoting good Governance

Competent Staff is positively correlated with Promoting Good Governance ($r=0.538$, $p < 0.01$), as shown in the above table, and this relationship is moderately positive and statistically significant. This suggests that improving personnel competency will improve the public sector's governance.

4.5.3 Correlation Analysis between Organizational Independence and Objectivity and Promoting good Governance

The correlation coefficient value of Organizational Independence and Objectivity and Promoting Good Governance ($r= 0.529$, $p < 0.01$) reveals that they are positively associated, as shown in the above Table. This indicates that there is a statistically significant moderate association between organizational independence and objectivity and good governance.

4.5.4 Correlation Analysis between Management Support and Promoting good Governance

Management Support ($r=0.553$, $p < 0.01$) is positively connected with Promoting Good Governance, as shown in the table above. This indicates that there is a statistically significant moderate association between management support and good governance. Changes in Management Support also have an impact on effective governance.

4.5.5 Correlation Analysis between Risk Management and Promoting good Governance

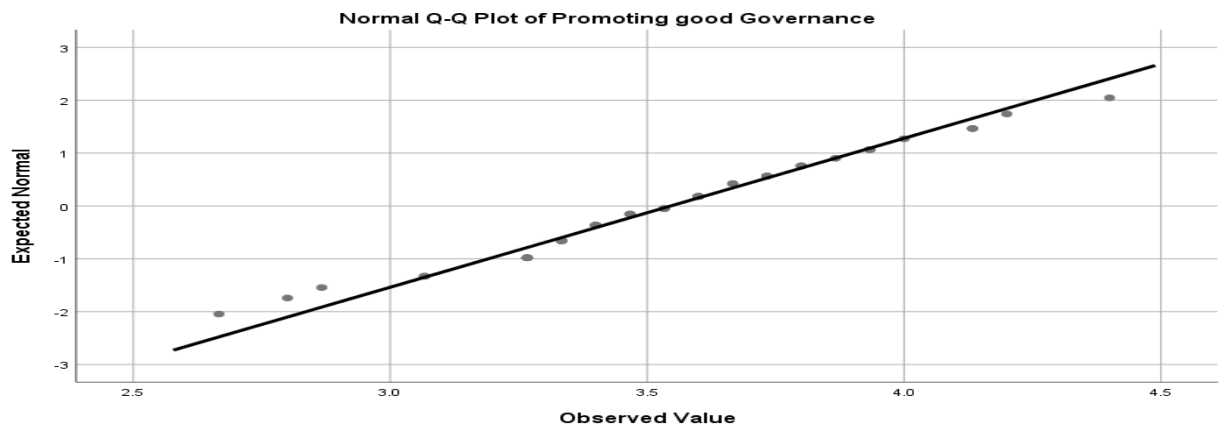
The correlation coefficient result of Risk Management and Promoting Good Governance ($r= 0.291$, $p < 0.05$) reveals that they are positively associated, as shown in the Table above. This indicates that there is a moderately positive association between Risk Management and Promoting Good Governance, which is statistically significant.

4.6 Regression Analysis

4.6.1 Multi linear regression Assumption tests

Linearity, independence of errors, homoscedasticity, normality, and collinearity are some of the multiple regression assumptions that have been recognized as being of significant significance in the research. This section will outline each assumption in detail, evaluate the consequences of assumption failure, and discuss how to test each assumption as well as how to interpret the results.

4.6.1.1 Normality tests



Source: Sample survey, 2021

Figure 4.1: Normality test using Q-Q plot test

Figure 4.1 show the dots are aligned along the line which implies the data are normally distributed.

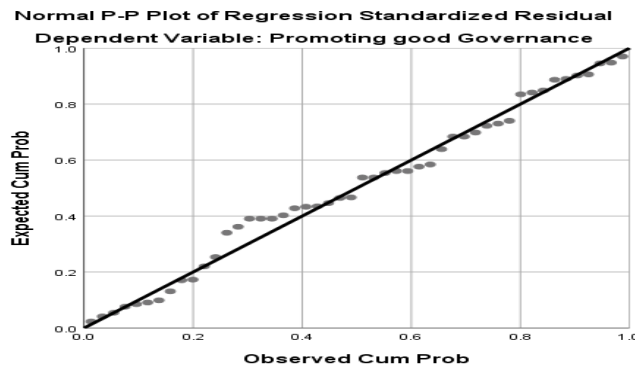


Figure 4.2: Normality test using P-P plot test

As it can be seen figure 4.2 above the expected and observed cumulative probabilities, while not matching perfectly, are fairly similar. This suggests that the residuals are approximately normally distributed.

Table4.9:Normality test using Z value of Skewness and Kurtosis

Descriptive				
		Statistic	Std. Error	
Promoting good Governance	Mean		3.5458	.05121
	95% Confidence Interval for Mean	Lower Bound	3.4428	
		Upper Bound	3.6489	
	5% Trimmed Mean		3.5494	
	Median		3.5667	
	Variance		.126	
	Std. Deviation		.35481	
	Minimum		2.67	
	Maximum		4.40	
	Range		1.73	
	Interquartile Range		.45	
	Skewness		-.55	.343
	Kurtosis		.395	.674

According to Cramer(1998), the Z value of Skewness and Kurtosis should be between -1.96 and +1.96 in order for the data to be distributed normally. The skewness Z value is $(0.343/-0.55)$, which is -0.626, which is between -1.96 and +1.96. The Z Value of kurtosis, on the other hand, is $(0.674/0.395)$, which is 1.7 and falls between -1.96 and +1.96, indicating that the data is normally distributed.

4.6.1.1 Multi co linearity Test

When two or more explanatory variables are significantly associated, multicollinearity occurs. This is an issue since determining which of them best explains any shared variance in the outcome can be difficult. It also raises the possibility that the two variables represent the same underlying factor. Examining a correlation matrix is the simplest technique to determine whether explanatory factors are substantially connected with one another. Using the collinearity statistics

provided by SPSS is a more precise technique. The variance inflation factor (VIF) and tolerance statistic can inform you if one explanatory variable has a strong link with the others.

Table 4.10: Multi co linearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Formal Mandate and Standard for Professional Practice	.804	1.244
	Competent Staff	.564	1.774
	Organizational Independence and Objectivity	.719	1.390
	Management Support	.672	1.487
	Risk Management	.763	1.311

According to Pallant (2007), tolerance reveals how well the independent variables explain the variability of a given independent variable, and the value should not be too low (less than 0.10) to demonstrate the absence of co-linearity. Furthermore, the inverse of tolerance value, VIF, should be smaller than 10 to eliminate any concerns about co-linearity (Pallant , 2007). Because all Tolerance values are greater than 0.1 and all VIF values are less than 10, the numbers in Table 4.10 suggest low co-linearity. As a result, these tests show that the variables in the study are not multi co-linear.

4.6.1.2 Homoscedasticity test

The residuals should do not vary systematically with the predicted values by plotting the residuals against the values predicted by the regression model. It can be looking for any evidence that residuals vary in a clear pattern.

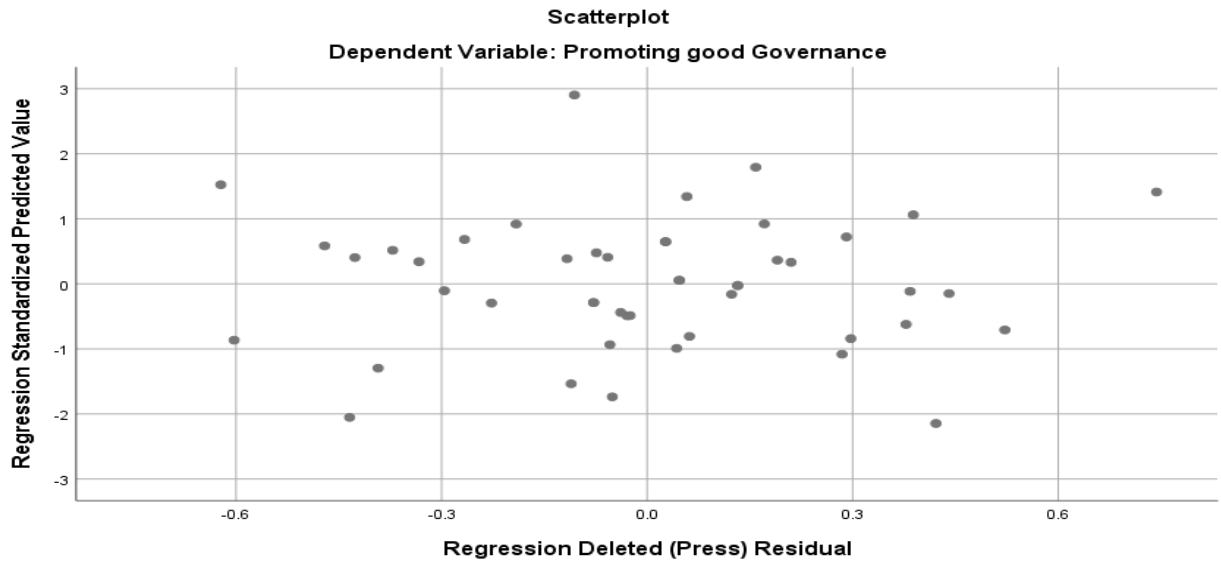


Figure 4.3: Homoscedasticity test using Scatter plot

The data points appear to be reasonably randomly distributed in Figure 4.3, with a reasonably even distribution of residuals at all expected values. As a result, the Homoscedasticity test in this study can be assumed to be met. If, on the other hand, the data points appear to funnel towards the negative end of the x-axis, this indicates that the residuals are more variable at higher anticipated values than at lower projected values. This is troublesome since it implies that the model is more accurate when guessing lower values than it is when guessing higher values. It may be feasible to alter the result measure if the homoscedasticity condition is not met.

4.6.2 Multiple Linear Regression Analysis

Regression analysis is a method for investigating the effect of one or more predictor factors on the dependent variable. It allows you to say how well one or more independent variables will predict the value of a dependent variable. This multiple regression was carried out to see how the total bundle of selected determinant factors affected the promotion of good governance.

Table 4.11: Multiple Linear Regression Model Summary

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.707 ^a	.499	.440	.26562	1.646
a. Predictors: (Constant), Risk Management, Formal Mandate and Standard for Professional Practice, Organizational Independence and Objectivity, Management Support, Competent Staff					
b. Dependent Variable: Promoting good Governance					

Source: Sample survey, 2021

As shown in Table 4.11, the overall bundle of determinant factors for the five independent variables, such as formal mandate and standard for professional practices, competent staff, organizational independence and objectivity, management support, and risk management, accounts for 49.9% ($R^2 = 0.499$) of the dependent variable (Promoting good Governance). This means that the independent variables account for 49.9% of the level of Promoting Good Governance in the Public Sector, while the remaining 50.1 percent is determined by other unexplained factors in this study. As shown in Table 4.12, the result $F = 8.373$ is more than 1 and $P < 0.01$, implying that the combination of activities has a statistically significant beneficial impact on promoting good governance. As a result, the total set of internal audit processes has a positive and statistically significant impact on promoting good governance in the public sector.

Table 4.12: Anova

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.954	5	.591	8.373	.000 ^b
	Residual	2.963	42	.071		
	Total	5.917	47			
a. Dependent Variable: Promoting good Governance						
b. Predictors: (Constant), Risk Management, Formal Mandate and Standard for Professional Practice, Organizational Independence and Objectivity, Management Support, Competent Staff						

Table 4.13: Multiple Regression Coefficient

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.653	.512		1.276	.0209		
	Formal Mandate and Standard for Professional Practice	.046	.092	.061	.501	.619	.804	1.244
	Competent Staff	.128	.115	.162	1.116	.0271	.564	1.774
	Organizational Independence and Objectivity	.273	.100	.352	2.732	.009	.719	1.390
	Management Support	.412	.138	.397	2.984	.005	.672	1.487
	Risk Management	.047	.126	-.047	-.374	.011	.763	1.311
a. Dependent Variable: Promoting good Governance								

The relative contribution of each of the numerous factors can be simply compared using the table above. The beta value is subtracted from the unstandardized coefficients. The greater the beta value, the greater the contribution. As a result, Management support (Beta= 0.412) makes the strongest unique contribution to explaining the dependent variable, with the results revealing that a one unit increase or positive change in "management support" would lead to a 0.412 unit

increase in the level of Promoting good Governance, including Organizational Independence and Objectivity (B=.273), competent staff (B=.128), and for good governance (B=.273). The statistical significance of each variable can be observed in the above coefficients; all variables, with the exception of the Formal Mandate and the Standard for Professional Practice, have Sig values smaller than 0.05, indicating that they are statistically significant. This indicates that Risk Management, organizational independence and objectivity, management support, and competent staff all contribute significantly to good governance, whereas the significance value of Formal Mandate and Standard for Professional Practices is greater than 0.05 (p= 0.619), indicating that their contribution is not significant.

4.7 Regression Mathematical Model (Estimation of Multiple Regression equation)

This study's multiple regression equation is based on two sets of variables: the dependent variable (promoting good governance) and the independent factors. The primary goal of employing regression equations in this study is to improve the researcher's ability to describe, comprehend, predict, and regulate the variables.

Promoting good Governance = F (FMSP,CS, OI, RM,MS)

Where,

G= good governance

FMSP= Formal Mandate and Standard for Professional Practices

OI= Organizational Independence and Objectivity

RM= Risk Management

MS=Management Support

CS=Competent Staff

Mathematically, $Y_i = \beta_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6$

Where Y is the dependent variable and X₂, X₃, X₄, X₅, and X₆ are the independent variables, and 1 is the intercept term, which gives the mean or average effect on Y of all the variables excluded from the equation, although its mechanical interpretation is the average value of Y when the stated independent variables are set to zero. The coefficient of their respective independent variable is 2, 3, 4, 5, and 6, and it measures the change in the mean value of Y per

unit change in their respective independent variables. As a result, the following model is built based on Table4.13.

$$G = 0.653 + 0.046 * FMSP + 0.128 * CS + 0.273 * OI + 0.412 * MS + 0.047 * RM$$

4.7 Discussions

The regression investigation clearly demonstrate part of inner review hones to advance great administration such as the managements support (MS), Freedom and objectivity of inner review (IO), Formal command and Measures for the Proficient Practice(FMSP), Competent staffs(CS) and Hazard administration (RM) which was degree in terms of inner reviewers capacity to realize the Responsibility, Straightforwardness, Proficiency and Adequacy and Responsiveness of open teach of Addis Ababa city to convey quality administrations and oversee open assets. As shown in Table4.13, the p values for internal audit independence (IO) and competent staffs (CS), risk management (RM), and management support (MS) are statistically significant at ($p < 0.05$), implying a strong contribution to good governance; whereas, formal mandate and Standards for Professional Practice (FMSP) were statistically insignificant at ($p < 0.05$). Similarly, Geda (2018) discovered significant beta and t statistics for competent staff ($\beta = 0.238$ and $t = 3.290$, respectively, and $p < 0.05$). This finding was in line with prior auditing studies, such as Samuel Adebayo Adedokun (2016), who discovered that competent internal auditors are critical to the operation and success of good governance in the public sector. Because internal audit staff have professional certifications, are members of the IIA Audit staff, and receive at least 40 hours of formal training per year, the presence of adequate and competent IA staff in the public sector office has a positive relationship with good governance and a high contribution to good governance Organizational independences and objectivity of internal auditors Geda (2018) regression result strongly supports his hypothesis at the ($P0.05$) level of significance, with positive signs of beta and t statistics coefficient of ($\beta = 0.171$, $t = 2.000$, and $p = .048$) were positively related with good governance. Thus, in public institutions, the presence of organizational independence and objectivity of internal auditors results in a positive relationship with good governance and a high contribution to the promotion of good governance by Internal audit staff who are sufficiently independent to perform their professional obligations and duties. It is also consistent with previous research undertaken by (Samuel Adebayo Adedokun 2016), who found that the more organizational independence given to internal auditors plays a critical

role in promoting good governance in terms of the purpose and authority of internal audit being clearly defined, internal auditors having full access to the records and data they need to conduct audits, and internal controls having full access to the records and data they need to improve transparency.

The level of support internal audit receives from high management is also closely tied to the promotion of good governance. The positive beta sign and positive t test a statistically significant result of management support connected to good governance ($\beta = 0.024$, $t = 0.0275$). Geda (2018) regression results suggest that there is a to some extent associated relationship between good governance and management support.

CHAPTER FIVE

5. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter focuses on the summary of findings, conclusions and recommendations resulting from the study. This is based on the findings that have been found from the research and discussed in the previous chapter. The chapter ends with appropriate recommendations aimed at fostering to improve Promoting good Governance of Addis Ababa City Public sectors.

5.2 Summary of Findings

The data was examined with descriptive statistics, correlation, and regression, and the following are the primary conclusions and summaries:

Formal Mandate and Standard for Professional Practices (mean=3.45), Competent Staff (mean=3.7), Organizational Independence and Objectivity (mean=3.538), managerial support (mean=3.55), and risk management (mean=3.55) are the arithmetic mean values derived by descriptive statistics. It is clear from this that the auditors of the Addis Ababa City Public Sector concurred or were satisfied with the practices.

The Pearson correlation values for Formal Mandate and Professional Practices ($r=0.317$, $P0.05$) are significantly and positively connected with Promoting Good Governance. However, the regression result ($B=0.046$, $Sig=0.629$) indicates that it has a negligible impact.

Competent Staff has a positive and substantial Pearson correlation coefficient ($r= 0.538$, $p0.01$) with Promoting Good Governance. And based on the regression results ($B=0.128$ $Sig. = 0.0271$), competent staff has a positive and significant impact on good governance.

Organizational Independence and Objectivity, on the other hand, have a correlation result ($r=0.529$, $p0.01$) and a regression result ($B=0.273$) with ($Sig. = 0.009$), indicating that they have a positive and significant relationship and contribution to explaining the dependent variable of Promoting good Governance.

Management Support has a correlation result of ($r=0.553$, $p=0.01$), implying a positive significant link with Promoting good Governance, as well as ($B=0.412$) with ($\text{Sig.} = 0.005$), implying a positive effect and contribution to Promoting good Governance in the public sector.

Risk management has a positive and substantial correlation ($r=0.291$, $p=0.000$) and regression result ($B=0.047$, $\text{Sig.}=0.011$), implying that risk management has a positive and substantial effect on good governance.

Finally, in Addis Ababa City Public Sectors, overall bundles of internal factors such as Formal Mandate and Standard for Professional Practices, Competent Staff, Organizational Independence and Objectivity, Management Support, and Risk Management with F-value significant at 0.000 contribute 49.9% of the variation on Promoting good Governance.

5.3 Conclusion

Internal auditing is a key tool for ensuring good governance in government agencies. It is critical to the overall management system and the delivery of prompt services. The presence of good governance in offices promotes government institutions' accountability and transparency to their citizens, improves organizational efficiency and effectiveness, reduces information asymmetry during decision-making, and increases responsiveness. Taking this into account, this study identified internal audit responsibilities that promote good governance in government offices and then assessed the organizational characteristics that government offices should follow to achieve good governance. Internal audit practices that significantly contribute to Promoting Good Governances include Formal Mandate and Standard for Professional Practices, Competent Staff, Organizational Independence and Objectivity, Management Support, and Risk Management, according to the study findings. The survey also found that both the general bundles and individual behaviors play a vital role on promoting good governance in Addis Ababa's public sectors. As a result of the study's findings regarding management support for internal audit, independence of internal audit, professional competence, formal mandate and standards for professional practice, competent staffs, and the presence of risk management and control roles of internal audit in government offices.

The following conclusions were drawn in regards to proposed aims and questions in respect to these independent factors for the realization of good governance.

- ✚ When there was a statutory mandate, good governance in the public sector office advocated Standards for Professional Practice, competent internal auditors, and organizational independence and objectivity of internal auditors. This study's regression analysis reveals that these variables have a significant impact on the promotion of good governance.
- ✚ As a result, the overall effect of the Formal mandate and Standards for the Professional Practice of Internal Audit, competent internal auditors, and organizational independence and objectivity of internal auditors are critical for the promotion of good governance in government offices, without overlooking internal audit's management support role. Because it has a positive beta sign and accounts for 49.9% of variances in the promotion of good governance. As a result, ignoring these variables may reduce the value of the good governance promotion variance produced from the combined contributions of independent factors.
- ✚ Furthermore, the correlation analysis reveals that all of the independent variables have positive effects on good governance, and the regression results show that all of the independent factors have positive coefficients with good governance in public institutions.
- ✚ By allowing the head of internal audit to report to a level within the organization that allows the internal audit to fulfill its responsibilities, the public sectors of Addis Ababa city should also give their internal auditors independence and autonomy in performing their professional obligations and duties.
- ✚ This can be accomplished by letting the head of internal audit to have direct contact to the board (to the President for Government Organizations), making the internal audit department to have direct contact with senior management than the finance director, avoiding the presence of Conflict of interest in the work of internal auditors, avoiding interference faced from management to Internal auditors while they conduct their work, letting Internal audit staff to have free access to all departments and employees in the organization, directly approving the appointment and replacement of the head of internal auditing, restricting themselves from requesting Internal audit staff to perform non-audit functions.
- ✚ The internal auditors of the public sector office should recommended to maintain and improve their vital role for the promotion of good governance in their office, improving

their professional certification in line with the institute of internal audit standards and organizational guidelines and introducing themselves with modern technologies that improve their internal audit function for their office.

- ✚ Finally, the internal audit staffs of the public sector recommended to work in accordance with the available internal audit charters, since it formally define the purpose, authority, and responsibility of the internal audit activity, and it also helps the internal auditors to provide the appropriate reports and to know the extent of their relationships with the managements, briefly describes their rights and duties of internal auditors and the employers.

5.4 Recommendations

After the research had conducted, the researcher come up with findings and achieved results with regard to identify the major roles of internal audit practice to promote good governance in public institutions and also to prove the hypotheses, the following recommendations were made. The finding of this research proved that the formal mandate, Standards for the Professional Practice, competent staff of internal auditor and Organizational independences and objectivity of internal auditors were statistically significant and positively related with the promotion of good governance in the public institutions of Addis Ababa City Public sectors. Thus, Addis Ababa City Public sectors finance and economic development coordination office were recommended to provide continually evaluation to the internal audit charter for each office;

- ✚ Addis Ababa City Public sectors finance and economic development coordination office also should support the internal audit works by hiring sufficient number of internal auditors and funding the certification fees for the internal auditors.
- ✚ Facilitate, structure, and set the way of certifying them as well as provide additional trainings.
- ✚ Since, the study also indicate that risk management has contribute for promoting good governance Addis Ababa city public sectors should plan their risk management procedures.

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Appendix I

Questionnaire

Dear Respondents,

This Questionnaire will be filled by Internal Auditors of Addis Ababa City Administration. The questionnaire is designed to prepare a thesis on the title of “ The role of internal auditing in promoting good governance in public sectors of Addis Ababa ”. It is carried out to write a thesis, in partial fulfillment of the requirement for the **Masters of Art in Accounting and Finance**. The outcome of the study will be used for suggesting possible solutions to problems identified while conducting this study. Therefore, I would kindly request you to share your precious time to fill in the questionnaire. I would like to confirm that the information you provide will only be used for academic purposes. Your genuine, frank and timely responses are extremely determinant for the success of this study. Hence, I would once more kindly request your contribution in filling this questionnaire honestly and responsibly. There is no need to write your name on the paper; all answers will be kept confidential.

Thank you for your cooperation!

Part I - Profile of Respondents

1. Gender, a) Male b) Female
2. Age, a) 18-24 b) 25-30 c) 31 -40 d) 41-45 e) > 46
3. Marital Status a) Single b) Married c) Divorced d) Widowed
4. Education level
a) Below Grade 10 b) 10+1-10+3 c) Diploma d) BA/BSC
 e) MA/MSC f) PHD
5. Years of Service ,
a) Less than 1 year b) 1- 2 years c) 3 -5 years d) 6-10 years
 e) Above 10 years

Part II : JOB RELATED QUESTIONS

Please indicate your responses to each of the following statements . Indicate with a in the appropriate answer box, according to the following code definitions:

Please rate your response as follows:

1=Strongly Disagree (SD) 2= Disagree (D) 3=Neutral(N) 4=Agree (A) 5=Strongly Agree(SA)

N ^o	Statements	1 SD	2 D	3 N	4 A	5 SA
A	Formal Mandate and Standard for Professional Practices					
1	Internal audit activity's purpose, authority, and responsibility are formally defined in an internal audit charter.					
2	Internal audit activity's purpose, authority, and responsibility are formally defined in an internal audit charter.					
3	The mandatory nature of the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing are recognized in the charter.					
4	The purpose and authority of internal audit charter is in line with “Standards for the Professional Practice” formulated by the Institute of Internal Auditors					
5	The IA charter specifies the internal audit activity’s position within the office; authorized access to records, personnel, and physical properties relevant to the performance of engagements, and the defined scope of IA activities.					
B	Competent Staff					
1	The internal audit staff number & their skill matches the scope of office's/sector’s internal operations.					
2	The work of internal audit is performed with modern technology that uses computerized data tools and specific IA software					
3	The auditors in my organization are qualified to undertake audit function					
4	The audit procedures and evidence collections are completed on time, since enough and skilled internal auditors are available or employed.					
5	The competence of internal auditor is approved by Office of auditor general before recruitments is made					
6	The minimum level of skill, knowledge and experience required by internal auditor and the Head of Internal Audit is not fulfilled.					
7	My office/sector has sufficient skilled internal auditors. Most of them have certification in auditing.					

C	Organizational Independence and Objectivity					
1	The internal audit unit is vested with the power of independent checks, in order to assess compliance with established rules and regulations of your organization					
2	Internal audit activity is empowered to be independent by its appropriate reporting relationships to executive management					
3	Internal auditors render impartial and unbiased judgment in the conduct of their engagement in order to detect fraud					
4	Auditors are free to report any audit finding of fraud to senior management					
5	Audit unit is independent and no interference by management in the role of fraud detection					
6	Internal Auditors freely access necessary documents, information and data about the organization/sector for audit work.					
7	Auditors Provide an independent opinion on the effectiveness of detection processes to reduce the risk of fraud.					
8	Internal Auditors are independent of management in exercising auditing related decision.					
9	Internal auditors feel free to include any audit findings in their audit reports					
10	Where the chief audit executive has or is expected to have roles and/or responsibilities that fall outside of internal auditing, the related safeguards are in place to limit impairments to independence or objectivity.					
D	Management Support					
1	I receive full cooperation, access to records and information from my office/sector management					
2	I can get the necessary resources (facilities) that help me to perform auditing activities as needed.					
3	The Internal Audit implements the annual plan, as approved by the Audit Committee, including any special assignments requested by respective departments' management.					
4	The office/sector supports me by providing training in order to improve my skill and update with the field.					
5	The office/sector supports me to introduce myself with new technology, policy or procedures when it is necessary.					
	The office/sector encourages me to implement my recommendations, to promote value-added activities and to strength internal audit function.					
6	The office/sector supports Internal Auditing staffs by budgeting funds for certification to have relevant education in auditing that allows them to audit all of the organization's/sector's systems.					
7	The position/status of internal audit is clearly recognized by the management in my office/sector.					

E	Risk Management					
1	Potential risks relevant to the activity to be audited are identified when setting audit programs					
2	Risk assessment is done as part of audit planning					
3	Your organization performs and updates its risk assessment regularly to understand evolving fraud risks and the specific vulnerabilities that may apply to the organization over time.					
4	Auditors periodically reassess organizational risk assessment criteria as organization grows and changes to make sure Auditors are aware of all possible types of fraud that may occur.					
5	Auditor evaluate whether fraud risk factors indicate incentives or pressures to perpetrate fraud, opportunities to carry out fraud, or attitudes or rationalizations used to justify a fraudulent action					
6	The internal audit activity evaluates the potential for the occurrence of fraud and how the organization manages fraud risk.					
7	The internal audit activity’s plan of engagements is based on a risk assessment.					
8	Internal audit follow-up implementation use on improvement of internal control systems					
9	While developing the risk-based audit plan, the chief audit executive consults with senior management and the board and obtains an understanding of the organization’s strategies, key business objectives, associated risks, and risk management processes.					
F	Promoting good Governance					
1	My organization develop transparency of activities and accountability of employees including management through internal auditing					
2	My organization develop the entity’s capacity, including the capability of its leadership and the individuals within it through internal auditing .					
3	My organization manage risks and performance through robust internal control and strong public financial management using internal auditing.					
4	My organization /sector implement good practices in transparency, reporting, and audit, to deliver effective accountability.					
5	My sector/organization ensure transparency for the fair delivery of services to the citizens					
6	My organization ensures Effectiveness and efficiency via proper utilization of resources for the establishment of sustainable development .					
7	Internal Auditors provide useful recommendations and					

	constructive criticisms on non-compliances activities or control systems of the office/sector.					
8	Internal audit ensures the economical, effective and efficient use of resources in my office/sector.					
9	In my office/sector internal audit ensures activity performed is compliance with established policies, procedures, laws and regulations.					
10	The recommendations of internal audit department provide practical, cost-benefit solutions for correcting the problems that were found.					
11	Internal auditors have the experience and expertise to address corporate risk management problems within the organization					
12	The existing role that the internal audit is playing sufficient enough to address the very purpose for which it is established					
13	The internal auditor reports are highly considered for decision making and internal controls by the management.					
14	IA help to ensure openness and comprehensive stakeholder engagement					
15	IA in the organization help to build integrity, demonstrating strong commitment to ethical values, and respecting the rule of law					

Thanks for your cooperation

Appendix 2- Financial Control Support Process Owner's In-Depth Interview instrument

INTERVIEW QUESTIONS

1. Do you have charter that defining all your responsibility and authority?
2. Is internal auditing sufficiently resourced to provide objective assurance on risk and control?
3. Do internal auditors get any cooperation from auditee?
4. To what extent management and other organs support, understand the role of internal audit function in the good governance?
5. Are you free from intervention in performing your duties?
6. To what extent internal audit scope in your office is performing?
7. Is internal audit department in your organization is large enough to successfully carry out its duties?
8. Is there reporting follow-up and quality review in auditing department in your organization?
9. Is internal audit annual audit plan is prepared in your organization?
10. Do you think that the organization's audit department or divisions has progressed in terms of number of qualified staff?