



# **The Effectiveness of Implementation of Audit Recommendation on selected Public Universities**

**A PROJECT PAPER SUBMITTED TO THE DEPARTEMENT OF ACCOUNTING AND  
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AND AUDITING**

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**ADDIS ABABA UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**DEPARTMENT OF ACCOUNTING AND AUDITING**

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## **DECLARATION**

I, Redet Kebede Shume declare this project paper for the fulfilment of the requirements for MSc Degree in Accounting and Auditing “Effectives of implementation of audit recommendations on the selected public sector universities” is prepared with my own effort. I have made it independently with the close guidance of my advisor Dr Abebe Yetayw.

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# 1 ABSTRACT

*This research project assessed the effectiveness of implementation of audit recommendation on selected public sector universities. And 3 public sector universities were selected. Primary data were collected by using questioner. The questioner was prepared from many aspects. The result showed that there is poor implementation of audit recommendations and that causes risk on the selected public sector universities and commit to massive corruption and fraud. There for this project will benefits the top level managers to work hard and follow in depth through the ground on implementation of those audit recommendations.*

## 2 ACKNOWLEDGEMENTS

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*Lastly my special thanks for my strongest and bravest mother Wro. Amsale Seyum for supporting me by my side and this is her victory.*

### **3 ACRONYMS**

**EGAS**            **The Ethiopian government auditing standard**

**HR**                **Human Resource**

**OFAG**            **Office of the Federal Auditor General Ethiopia**

**SPSS**            **Statistical Package for the Social Sciences**

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# 1 CHAPTER ONE

## 1.1 Background of the study

The scope and complexity of audit recommendations varies, thus the work of implementing them may involve collaboration across a number of program delivery and support activities within an institution, according to the Australian National Audit Office (2015). It seems that each organization has different hazards to deal with and implementation timelines for recommendations. The full value of the audit would not be realized if application is not advanced quickly and different risks are not addressed. According to Adeyami and Uadile (2012), the audit group should be able to address difficulties and challenges the firm is having and offer a course of action? However, Tajudeen (2016) contends that proposals that violate laws and policies must be carried out even if doing so will incur costs. quite high and the company has little resources. According to Chiang and Northcott (2010), non-compliance with audit approvals for environmental issues such as occupational health and safety settings, productions, and waste disposals due to budgetary restrictions becomes a penal infraction. According to Pollitt's (2013) theory, it should typically take twelve months to finish an audit's recommendations. In addition to "assessing exposure to risk and recommending, where applicable, practical modifications to the control environment," internal audit helps management by "confirming that running has familiar and assumed the risk of not attractive deed," according to Zwaan et al. (2009). (Zwaan et al 2009). This also entails assessing the timeliness, efficacy, and effectiveness of the implementation and its suggestions (Aikins, 2012). The management must, however, "make sure that Reports from the internal audit are properly considered. According to Aikins (2012:34), "the auditor will take the necessary steps to get a recommendation executed when he or she is committed to the need for action on it. A recommendation may not result in the intended action without that commitment. (Wadesango, N., Chinamasa, T., Mhaka, C., & Wadesango V.O. (2017).

The process of auditing involves gathering and analyzing evidence about quantifiable information pertaining to a particular economic entity in order to assess and report on the degree of correlation between the quantifiable information and predetermined criteria (IIA, 2012; MOFED, 2013). The goals of auditing activities are to create a written report or opinion on the fairness of the provided financial statements and on their compliance with legal and accounting

requirements, or to assess the sufficiency and effectiveness of controls encompassing the organization's internal system and governance operations. The accuracy and integrity of financial and operational information, the efficacy and efficiency of operations, and Safeguarding of belongings and compliance with laws, policies and contracts (IIA, 2012; Cosserat and Rodda, 2009). According to Cosserat and Rodda (2009), the general cause of an audit file is: "... to provide guarantee and/or spotlight troubles in regards to the reality and equity of the monetary and compliance with the relevant reporting framework, regulation and different applicable regulation." Auditors explicit their opinion on audit locating via audit file to worried frame in every zone and layout observe up mechanism for his or her implementation. Auditor`s opinion will undergo the anticipated fruit simplest whilst it's miles absolutely implemented. However, there may be huge hole in audit file implementation specifically in Ethiopian public sectors. This become came about because of loss of control aid and challenge in auditor's opinion implementation. Even in a few sectors, the control does now no longer provide complete freedom for auditors to affirm the implementation and observe up their opinion.

Therefore, the primary purpose of this examine changed into to evaluate the volume of enforcing auditing findings mentioned via way of means of workplace of auditing general (OAG) in public sectors. The examine changed into carried out in Ethiopian public sectors discovered in Southern Nations, Nationalities and Peoples Regional State (SNNPRS). SNNPRS (hereafter known as the region) is one of the 9 Ethiopian local nation geographically discovered in Southern a part of the country. For the reason of this situation examine, simplest the ones public entities accountable to audit their economic and operational overall performance and put in force audit findings have been considered. (Global Journal of Management and Business Research (D ) Volume XVI Issue II Version I Year 2016) Audit findings are written motives of errors, weaknesses, deficiencies, destructive conditions, want for enhancements or adjustments which might be unveiled in an audit. Chandler (2014) asserts that it's far a beneficially important observation on moves or indecisions, which withinside the auditors` decision avert the triumph of favored targets in an powerful and green manner. Aikins (2012) guesses that audit results are commonly accompanied with the aid of using hints for unique moves to accurate the noted absence. Australian National Audit Office (2015:43) states that "auditors are intended evaluation how packages are being done and the way sports are achieved". They similarly assert that "this presents top notch possibilities to make hints to control that improves their ongoing packages, preserve resources,

offer higher customer support and in the end offer the taxpayers imagine”. However Australian National Audit Office (2015) contends that auditors can offer negative great pointers which can be generic, unpersuasive, imprecise, terrible in tone and content, non-possible and insignificant and not using a reaction to original reasons of the glitches. Aikins (2012:43) states that “pointers need to be motion oriented, convincing, nicely supported and effective. When correctly applied they need to get the favored useful results”. (Wadesango, N., Chinamasa, T., Mhaka, C., & Wadesango V.O. (2017)

## **1.2 Statement of the problem**

Audit advice is an important for appropriate governance in public area. These is with the aid of using figuring out bottlenecks of higher authorities overall performance and aid control to enhance economy, performance and effectiveness of presidency overall performance that have coverage and legislative requirements. The public area auditors have the obligation to offer the supposed customers with independent, goal and dependable information, conclusions or reviews or advice primarily based totally on enough and suitable audit proof regarding public entities overall performance. Whereas, the auditee, public sectors, obligation is to put into effect the audit advice. Public area duty may be carried out thru audit outcomes and guidelines. The achievements of public area audit goals are decided with the aid of using the implementation of audit guidelines which in flip have an effect on higher authorities overall performance and aid control. (Abebe Dugassa 2018)

To the best research knowledge this study has looked o the effective of implementing audit recommendation to promote the effectiveness of the audit recommendation on the recommended issue.

Most of the time we all know after auditing the auditor give recommendation on which that she /he believe to done in legal way but in my experience there were few audited firm were implement that recommendation and correct the uncorrected issue on those firm we can see visual change on their performance.

There for this study assess the effectives of implementing audit recommendation on public sector university to full fill the knowledge gap of how dose it is effective and that of empirical literature.

### **1.3 Research Questions**

1. What factor affects the effectiveness of implementing the audit recommendation?
2. What will be the risk if the implementation of the audit recommendation is not effective?
3. Which HR related factors affect the successful implementation of the Auditor General's recommendations?
4. Are the selected public sector universities implementing audit recommendations appropriately?

### **1.4 Objective of the Study**

#### **General Objective**

The overall objective of this research is to assess the effectiveness of implementation audit recommendation on selected public sector universities.

#### **Specific Objectives**

1. To assess HR related factors like capacity of the workforce, willingness of management compliance of staff etc. that affect successful implementation of the Auditor recommendations.
2. To examine factor that affect the effectiveness of implementing the audit recommendation. Factors like corruption, audit quality.
3. To identify the risk that caused by unproven implementation of the audit recommendation.
4. To assess whether the selected public sector universities implementing audit recommendations appropriately.

### **1.5 Significance of the Study**

The researcher believes that the finding of this study would benefit the public sector university management to evaluate how they're effective on the implementation of audit recommendation, not only the public sector it will benefit all audited firm general Knowledge about implementation of audit recommendation and also it will aware the benefit of implementing the audit recommendation for their success. In addition, it will more help full for those who want to do their research on this topic as a literature.

## **1.6 Scope of the study**

This paper study the effectiveness of implementing the audit recommendation on the selected university's by selecting the upper and middle level management which are involved on the implementation of audit recommendation from the selected public sector university's which are belongs in Addis Ababa. This research also includes the finance department of those selected three public sector universities because the direct interaction or the direct relation of audit and it recommendation is touched by this department and evaluated by upper and middle level management.

## **1.7 Limitation of the study**

This research has been taken from the recommendation of other related research. There for the research needs a good and positive opinion from those selected public sector universities may be this will be the first limitation. And also through the lack of past related study on this topic also can be limit the study.

## **1.8 Organization of the study**

This studies undertaking has 5 chapters. Chapter one gives the overall creation of the study. The 2nd chapter offers with the literature evaluation and identifies the distance in present literature. The 3 chapter outlines the study's methodology. The forth chapter speak with the evaluation and dialogue of results. The remaining chapter attracts conclusion, precis of findings and recommendations.

## **2 CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Theoretical Literature**

##### **2.1.1 The Concept of Auditing**

Cyasi (2001), described auditing because the impartial exam and research of the proof from which an economic declaration has been organized with a view of permitting the impartial exam and investigation of the proof from which an economic declaration has been organized with a view of permitting the impartial examiner to document on whether or not his personal opinion consistent with the statistics and rationalization obtained via way of means of him , the declaration is nicely drawn up and deliver a true and honest view of that that is supported to show and I now no longer to document in what recognize he isn't always satisfied. from this definition it could be deducted that auditing is the procedure of getting access to the economic declaration of the organization to which the man or woman project the challenge isn't always a member with the aim of making sure that those economic declarations had been really organized from actual record of economic transaction. The audit standard (2004) defines auditing because the impartial exam of an expression of opinion at the economic declaration of an employer via way of means of an appointed auditor in pursuance of that appointment and compliance with any applicable statutory obligation. "Audit is an impartial, goal evaluation of the equity of management`s representations on overall performance or the evaluation of management`s structures and practices, in opposition to criteria, mentioned to a governing frame or others with comparable responsibilities." (Canadian Comprehensive Audit Foundation, 1991.) According to Ray (2003), auditing is involved with the verification of accounting data, with figuring out the accuracy and reliability of accounting statements and reports. Howard (2000) additionally described auditing as "an exam of accounting facts undertaken so as to setting up whether or not they efficaciously and absolutely mirror the transactions to which they relate. In a few instances, it can be vital to examine whether or not the transactions themselves are supported via way of means of authority.

##### **2.1.2 Auditing in the Public Sector**

Auditing is a critical detail of the general public groups control due to the general public manipulate that grows larger and larger as municipalities are becoming increasingly more

responsibility (Shlomo and Idit, 2007). Government auditing is a foundation of accurate public area governance. By supplying dispassionate, goal tests of whether or not public sources are responsibly and successfully controlled to attain supposed results, auditors assist authority's groups attain duty and truthfulness, enhance operations, and inculcate self-belief amongst residents and stakeholders. The authority's auditor's function helps the governance duties of oversight, insight, and foresight. Oversight addresses whether or not authority's entities are doing what they're imagined to do and serves to hit upon and deter public corruption. Insight assists decision-makers via way of means of supplying an impartial evaluation of presidency programs, policies, operations, and results. Foresight identifies developments and rising challenges. Auditors use equipment consisting of monetary audits, overall performance audits, and research and advisory offerings to satisfy every of those roles.

### **2.1.3 Public-sector audit**

According to INTOSAI, (n.d.), the public-zone audit surroundings is that during which governments and different public-zone entities exercising obligation for using assets derived from taxation and different reassets with inside the transport of offerings to residents and different recipients. These entities are liable for their control and overall performance, and for using assets, each to those who offer the assets and to the ones, which includes residents, who rely upon the offerings brought the usage of the ones assets. Public-zone auditing facilitates to create appropriate situations and make stronger the expectancy that public-zone entities and public servants will carry out their features effectively, efficiently, ethically and according with the relevant legal guidelines and regulations. In general, public-zone audits may be categorized into one or greater of 3 major types: audits of monetary statements, audits of compliance with government and overall performance audits. The goals of any given audit will decide which requirements apply. The 3 major styles of public-zone audit are described as follows:

### **2.1.4 Financial audit**

Focuses on figuring out whether or not an entity's economic records are supplied according with the relevant economic reporting and regulatory framework. This is completed with the aid of using acquiring companies are doing what they're supposed to do and serves to hit upon and prevent public sufficient and suitable audit proof to allow the checker to specific a judgment as to whether or not the economic records are loose from fabric misstatement because of fraud or error.

### **2.1.5 Performance audit**

Focuses on whether interventions, programmers and institutions are performing in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement. Performance is examined against suitable criteria, and the causes of deviations from those criteria or other problems are analyzed. The aim is to answer key audit questions and to provide recommendations for improvement.

### **2.1.6 Compliance audit**

Focuses on whether or not a specific subject material is in obedience with establishments known as criteria. Compliance auditing is done by assessing whether actions, money contacts and knowledge are, all told material respects, in obedience with the establishments that govern the audited entity. These powers that be might embrace rules, laws and regulations, fund resolutions, policy, traditional codes, in agreement terms or the final values main sound public-sector financial managing and therefore the conduct of community bureaucrats.

Past researchers measured a person's attitude based on his belief in the importance and usefulness of the behavior (Buchan 2005; Dahlin 2000; Uddin 2000). Similarly, in the implementation of audit recommendations, if auditees believe that the audit recommendation will improve their performance, save public money and improve public services (Aikins 2012; Steagall 2004; Van Acker et al. 2015) then they will tend to implement it. This is because, in 21 overcoming the organization's weaknesses or to achieve organization's goals, audit recommendation determines the required actions, the responsible officers, the term of implementation and the monitoring action (Aikins 2011; Roe 2014).

### **2.1.7 The main causes of failure to implement the auditor general's recommendations in South African municipalities**

As the researcher said In (African Evaluation Journal · September 2020)·Literature analysis showed that failure to implement the recommendations of the AG can be caused by many factors, which include the availability of financial resources, human resources and time. According to Cohen and Savag (2010:297), 'the foundation of the implementation of audit implementation is the availability of resources and time to adopt the recommendations'. Abdullah (2014:6) further described, '[t]he unavailability of adequate funding results in the delay

or non-implementation of audit recommendations' It has to be emphasized that Abdullah's (2014:6) hypothesis presented here was deduced in an economic set-up other than South Africa. In fact, as this study will demonstrate in the following paragraph, the unavailability of financial resources and time is not one of the three major factors that affected the implementation of audit recommendation in the South African municipalities during the period considered in this research

As the following paragraphs will show, these two factors also have influenced the implementation of audit recommendations given by the AG in local government during the period covered by this research (AGSA 2016:46). Human capacity is a critical factor in the South African context. No government institution can achieve its objectives without the support of properly trained and committed human capital (PSC 2011:16). Inefficient utilization of public resources is one of the many problems contributing to high levels of inefficiency in many South African municipalities and provincial governments (National Treasury 2015:3). As found from the AGSA reports, an inadequate resource can hamper the recruitment of additional personnel to ensure an adequate segregation of duties in the finance area (AGSA 2011:14).

The second major factor found in the literature is the lack of vibrant audit committees in municipalities. According to Ibrahim, Baker and Doyle (2014:15), these are committees that are responsible for the following up of the implementation of audit recommendations of the ministries and government departments and bodies to determine the extent to which they have responded to the AG's recommendations. The audit committee can strengthen the organisation's ability to identify and assess risks. Van des Nest (2006:183) argued that '[a]udit committees are required to continuously review their oversight role in an effort to maintain their effectiveness.

The third major problem causing failure to implement the AGSA recommendations is the AGSA's failure (or at least inability) to establish regular progress checks follow-up and monitoring to find out whether the recommendations given to the auditees by his or her office are being implemented. Recommendation monitoring is an ongoing responsibility and the status of open recommendations should be determined on a regularly scheduled basis. According to Aikins (2012:65), monitoring and follow-up systems can be sophisticated or rather simple depending on a number of factors, including the size and complexity of the audit client organisation. Zahran, Chulkov and Inomata (2010:54) stated that follow-up systems in place for

implementing audit recommendations vary in terms of refinement and effectiveness as only a few organisations have implemented online systems.

The fourth major problem identified in the above analysis is the lack of consequences for not implementing the AG's recommendations. Aikins (2012:59) argued that 'when status monitoring identifies dormant recommendations, follow ups should determine why action is not being taken'. He further argued that 'the environment could have changed such that the problem no longer exists or that the recommendation is no longer relevant or feasible' (Aikins 2012:60). In this instance, municipalities could be reluctant towards implementing AG's recommendations because there are no consequences for inactions from the respective municipalities.

The fifth and final major factor, which hampers the implementation of the AGSA recommendations, relates to the failure to track progress regarding implementation of audit recommendations. The factors pertaining to implementation of audit recommendations within the municipalities call for the establishment of monitoring and evaluation (M&E) unit in the local government. At a municipal level, a part of M&E functions includes, amongst others, municipalities reporting on their performance to the respective national and provincial government departments, legislature as well as other related local government stakeholders. This means that municipalities are supposed to produce credible quarterly, midyear and annual performance information reports that will be used for financial performance review and assessment by the above-mentioned stakeholders (National Treasury 2015:9).

### **2.1.8 Major management risks**

Aikins (2012:61) says that "hazard implies destiny uncertainty approximately deviation from predicted profits or predicted final results and hazard measures the ambiguity that a financier is inclined to take to recognize a benefit from an funding". Examples include "liquidity risk, credit score risk, reputational risk, enterprise hazard, default hazard and fraud hazard". "Various dangers originate because of the uncertainty springing up out of different factors that have an impact on an funding or a condition (Scandizzo, 2011:65)

#### **❖ Reputational risk**

According to Aikins (2012:55) "popularity is a hope of conduct and purchasers have expectancies after they purchase merchandise or offerings". Sheehan and Stabell (2010:43), declare that "popularity hazard is the chance to assembly expectancies that during flip hastens a

crisis. It is formed whilst expectancies are unwell controlled and beat abilities, or whilst a organization fails to execute”. Kraatz and Love (2015:43), states that “popularity is abstracted as a precious immaterial asset and in itself could be very difficult to measure. Reputation may be shaped and managed as quickly as its nature is completely silent”. Lemke and Petersen (2013) says that it tiers from high quality to poor excesses and wishes to be controlled. Reputation is increasing this is it's far fashioned over the years primarily based totally on what the organisation has carried out and the way it has performed. Lodhi and Magood (2015:43) states that “in Pakistan fraud and embezzlement of price range at authorities stage is constantly extinguishing parastatals popularity, community consider withinside the authorities in addition to financial welfare”. Inadequacies in railway transportation withinside the shape of gradual offerings bad protection of rail automobiles and injuries have caused the accumulation of bad popularity of rail transportation for instance withinside the case of Canada railways. Cape Times (2012:54) kingdom that “the Passenger Rail Agency of South Africa which owns Metrorail did not meet Worldwide Ethics in maximum respects”. This additionally derails the popularity of such units. Lemke and Petersen (2013:76) sustains that “reputational hazard can arise via some of methods this is immediately due to the movements of the organization itself, in a roundabout way because of the movements of an worker or via different peripheral events together with dealers”. On the opposite hand, “precise standings aren't constructed in a day”. Saunders (2012:54), states that “precise reputations take time and steady observance to maintain

#### ❖ Risk of fraud from employees

Mansfield and Pindler (2008:54) plan deception “as conduct this is misleading, lying, unethical or wrong. For fraud to exist their desires to be an offender, a sufferer and a scarcity of controls or safeguards”. Maine (2013:54), states that “fraud is typically defined in 3 classes which can be asset misappropriation, fraudulent accounting and monetary reporting in addition to corruption. Fraudulent interest is encouraged via way of means of one or extra of the elements which can be forces, possibility and justification”.

#### ❖ Asset misappropriation

Etheridge (2012:65) defines “asset embezzlement because the intentional, unlawful use of belongings or price range of some other individual for one`s personal use or different illegal determination, especially with the aid of using a public official, a trustee of a accept as true with or with the aid of using any individual with a obligation to take care of and defend some other`s

property, in quick a fiduciary duty”. Examples include “robbery of plant, stock or coins, faking accounts, debts receivable fake and staff deception”. An instance is a case of Pakistan Railways, Right imaginative and prescient news (2015), factors out that huge economic irregularities, embezzlement and misappropriation of price range withinside the debts of Pakistan Railways were mentioned with the aid of using the audit withinside the audit record for the 12 months 2013-2014. Right imaginative and prescient news (2015) states that audit reviews displays a sum of R27.sixty four million which turned into embezzled with the aid of using the economic and civil workforce thru faux receipts which have been sold, and the cash turned into taken. Imtiaz (2014), reviews that asset misuse has left Pakistan Railways with massive price range deficits going for walks in billions of money main to a weakening circumstance in working, economic attitude and a query mark on its sustainability. Ball and Ken (2013:23), kingdom that “the Association of Certified Fraud Examiners anticipated that companies lose about 5% in their sales to job-related scam and misuse”. Striscek (2010:65) moreover specified that “companies which have directors and personnel appear ordinary schooling on fraud are much less in all likelihood to be sufferers of fraud and go through fewer losses than companies which do now no longer offer fraud schooling”. However, Yusuf and Dingley (2015:54) argues that “the more the efficiency of the Audit Group and the better the proportion of unbiased memberships, then the decrease the prevalence of misuse of property, case have a look at of USA, Australia and New Zealand”. Asset misappropriation instances are extra not unusual place than fake journalism, bookkeeping for almost 80% of stated deception, creation it a tremendous trouble for plenty companies. Chi (2011) stated in ACFE (2015) anticipated that deception charges US companies extra than \$six hundred billion annually. In the AG Report (2012) there has been a case of coins fraud wherein curbside vouchers issued whose worker records did now no longer exist at the listing of control allotted worker facts. In the (2012) AG Report, there have been bad gasoline portions amounting to \$1 554 781 which turned into in no way recovered. This indicates the diploma to which property are stole at NRZ.

### **2.1.9 Fraudulent accounting and reporting**

This is the deliberate education of deceptive economic statements and might end result from slanted records, fabricated contacts and tainted secretarial standards to mislead others via way of means of parodying proceedings, dealings for non-public or structural gain. Striscek (2010:56) says that” the maximum essential economic assertion frauds have concerned senior control

who're in a completely unique function to perpetrate fraud via way of means of superseding panels and performing in conspiracy with different personnel". Ghazali and Nazli (2012:43) reviews that "an entity is inspired to dedicate deceitful economic reporting because of political connection elements as an instance The Pakistan officers who brought about hundreds of thousands of rupees` losses to the country wide exchequer account pursuing their non-public interests". Right imaginative and prescient news (2016:43), reviews that "companies with political connections have extra inclinations to misreport and overstate income considering they will want to suppress company particular statistics to cover expropriation sports via way of means of politicians and their cronies". Chander et al (2015:44), additionally reviews that "politically linked companies would possibly care much less approximately the first-rate of the statistics they expose and are much more likely to interact in fraudulent economic reporting due to the fact the gain of obligating fraud is better than the anticipated price and consequence that follows upon discovery". Mardiana (2015:66), states that "decision-making possession can inspire corporations to contain in deceitful monetary broadcasting in particular whilst it's miles own circle of relatives of overseas owned. Fraudulent reporting is because of company governance failure to forestall corrupted control and related destruction of agency cost as an instance the WorldCom case". Rendering to Persons (2012:54), "New York Railroad Retirement Board has been concerned in a \$1 billion test where previous Long Island Rail Road personnel lied approximately being incapacitated retired in six parent pensions after requesting they had been in an excessive amount of ache at the side of their orthopedists and a pair of previous blending majors". However, Striscek (2010:43) requests the realism of the Audit Board "whether or not they even check the danger of deceitful economic journalism, whether or not they have got a skeptical view of control and additionally in the event that they use inner audit as its eyes and ears". He keeps to confirm "that the Audit Group have to receive duty of assessing fraud danger and to aggressively check the control truth and the pressures and possibilities to dedicate fraud". Examples of deceitful commentary consists of introduction of ghost personnel and ghost supplies, faking time sheets and manipulating economic statistics to obtain overall recital extras. NRZ is dropping quite a few cash because of fraud instances as said via way of means of the AG Report (2013) wherein there has been poor gasoline portions amounting to \$1 554 781 which become by no means recovered.

### **2.1.10 Corruption**

Aikins (2012:59) defines “corruption as a shape of dishonesty or unethical behavior via way of means of someone entrusted with a function of authority frequently to collect non-public benefit. Activities might also additionally consist of bribery, favoritism, extortion, abuse of discretion, battle of interest, nepotism and embezzlement in addition to performs that might be criminal in different nations”. Roelofse et al (2014:54) says that “corruption has been diagnosed as a compound, widespread and complicated hassle that lurk the very lifestyles of Nigeria and diverse efforts were made to scale back the menace”. Tajudeen (2013:25) argues that “the problem of corruption has been taken into consideration one of the maximum essential issues not unusual place to human humanity”. According to Khakbaz et al (2015:145), “the annoyance of dishonesty isn't always simply in 0.33 international nations despite the fact that the records are better in growing nations than in advanced nations”. According to Tajudeen (2013:29), “corrupt personnel are frequently covered via way of means of authorities officers and despite the fact that Anti-corruption gadgets are a hit of their endeavors to root out corruption, it stays unfathomable due to political interference”. Roelofse (2014:176) asserts that “police and courts thru bribery, observed via way of means of authorities officers concerned with bickering with kingdom indentures are singled out because the maximum dishonest foundations. The Association of Certified Fraud Examiners have stated that authorities guidelines global have expanded crook consequences that may be levied in opposition to organizations and people who take part in scam arrangements at a business equal”. CIMA Global (2008) approximations the price of fraud to be \$1.5 trillion every 12 months and simplest a small part of dead from fraud is improved via way of means of organizations. However, fraud has been held to assist a state's increase in numerous methods this is carrots are visible as a manner to lessen official incompetence in particular in growing nations. Tajudeen (2013:45) says that “in spite of the controversies indexed above, this studies is aimed toward figuring out whether or not corruption has resulted because of nonconformity with audit suggestions and the feasible techniques to ease the risk”.

### **2.1.11 Obsolescence risk**

“Obsolescence chance may be seemed as a failure in software that isn't always immediately associated with use, movement of factors or passage of time” (Tajudeen. 2013:25). It isn't always the end result of the sporting out of an item as out of date objects can nevertheless be in suitable

operating order. Grover (2015) says that it's miles because of the item turning into old or lessening in utility, thereby fetching its existence to a untimely end. Obsolescence is erratic as it takes place because of an unexpected alternate in claim. It impacts income on account of shareholders, however now no longer what the commercial enterprise can also additionally define as its fundamental income. Mansfield and Pinder (2008:67) postulates that “dealing with desuetude is a complete commercial enterprise dedication that calls for techniques that pass over many administrative limits”. Grover (2015:176), states that “desuetude is classified in bodily, practical and financial aspects”. Bodily uselessness is wherein the price of fixing, servicing or refurbishing the asset to make it practical tops the price of a current equal. NRZ has confronted uselessness chance wherein its gaits are old and now no lengthier working successfully (Takundwa, 2014).

### **2.1.12 Liquidity Risk**

Xiaopeng et al (2011:65) defines “liquidness as an asset’s cap potential to be bought with out inflicting a vast motion withinside the rate with a minimal lack of value. The random trade in wateriness is then known as liquidity danger”. Grover and Grover (2015:43) additionally defines “liquidity danger because the danger that a business enterprise can be not able to satisfy brief time period economic needs which takes place because of the lack of ability to transform a safety or difficult asset to coins with out a lack of capital or profits withinside the process.” Liquidity danger arises from conditions wherein a celebration inquisitive about buying and selling an asset can not do it due to the fact no one withinside the marketplace desires to change for that asset.

Xiaopeng (2011:54) states that “it turns into specifically critical to events who're approximately to keep or presently keep an asset because it influences their cappotential to change. However, if one celebration can not locate any other celebration inquisitive about buying and selling the asset, it turns into a hassle for marketplace members to locate every different therefore wateriness danger is generally determined to be better in rising markets or low extent markets”.

Chandler (2014) says that liquidity danger also can be defined as economic danger because of unsure liquidity. Ukrainine Business Weekly (2013) states that a lower in rail and merchandise conveyance dimensions has obligatory in addition on Ukrainian Railways Operations which has brought about its enterprise danger profile evaluated as vulnerable and its economic danger profile incredibly leveraged. Ukraine Business Weekly (2013) states that the fading autonomous credit score first-rate might constrain Ukrainian issuers get right of entry to to the economic

markets. This will rise Ukrainian Railways liquidity danger in mild of its full-size debt payback of approximately 5.three billion withinside the home currency. The vulnerable home banking gadget in which Ukraine Railways holds its coins has a excessive percentage of nonperforming finances which provides to the entity`s wateriness danger which makes Ukraine Railways reliant on running coins currents from the presently unwell conveyance bazaars. An group would possibly lose liquidity if its credit score score falls, it reviews unexpected surprising coins flows or a few different occasion reasons counterparties to keep away from buying and selling or lending to the group. Venkiteshwaran (2014:45) argues that “due to liquidity dangers tendency to compound different dangers, it's miles not possible to isolate liquidity danger; therefore complete metrics of liquidity danger do now no longer exist”. NRZ in 2014 became in a internet present day legal responsibility role of \$131 million as said with the aid of using the AG Report (2014) which “designated the life of a fabric uncertainty that can solid vast doubt over the National Railways` cap potential to hold as a going worry”.

## **2.2 Empirical Literature Review**

### **2.2.1 Realistic and constructive recommendation**

The new auditing state finances standard (BPK RI, 2007) requires auditors to convey recommendations on corrective measures to improve performance in problem areas of public sector agencies (Paragraph 24). Based on this standard, audit recommendations are to provide potential corrections, to improve compliance with laws and regulations, and to encourage follow up of previous recommendations that were not done. In providing constructive and realistic recommendations, the BPK standard provides guidelines that are:

- (i) aimed at problem solving,
- (ii) oriented to real and specific actions,
- (iii) aimed at authorities to take action,
- (iv) Focused on concrete solutions, and aimed at reasonable expenses/costs. In the same fashion, the Ethiopian government auditing standard (EGAS) Reporting standard 4.3.14 stated that recommendations should be constructive and directed at resolving the cause of identified problems.

Auditors have to provide realistic and practicable audit recommendations for auditees to implement in order to improve their performance and public administration in general (Taylor 1996). Gendron 14(2007) underlined the essential nature of auditor`s expertise in issuing

recommendations and constructing performance guidance measurements to improve the management of government.

Adams(1994) states that coupled with education and professional training enables the audit team to better understand the internal control structure, and perform quality fieldwork by designing and performing appropriate audit test, and by providing value-added recommendations, thereby facilitating acceptance and implementation of those recommendations. This will then help the agent/public manager demonstrate to the principal that the public resources are being judiciously utilized. One of the measurements for the quality of effective information in audit reports is the provision of realistic audit recommendations.

Wilkins (1995) pointed out that the improvement in public sector accountability can be achieved through audit results and recommendations. This means that public sector audits can be effective if auditees put into action audit recommendations for better government performance and resource management, which will improve economy, efficiency and effectiveness. Whether audit results are attained depends on the standard of the endorsement. A reference that's not convincing won't be realized. A endorsement that doesn't correct the essential reason behind a deficiency might not achieve the supposed result.

### **2.2.2 Commitment to Results**

In fact, in a governmental setting, even as perceptions of audit pleasant and auditee pride are important, the interpretation of pride and perceptions into auditee implementation of audit tips to enhance inner controls is greater big given the want for public managers to be responsible to stakeholders and the overall public. (Stephen, 2012) VanGansberghe (2005) in his observe said that implementation of audit tips is fairly applicable to audit results.

Sawyer (1995) said that control's dedication to apply audit tips and its assist in strengthening inner audit is critical to audit effectiveness.

The control's dedication to put into effect audit tips improves the operation of the auditee, due to which the audited attributes might enhance to the gain of audit effectiveness (GAO, 1991). Therefore, Audit findings and tips might now no longer serve tons cause until control is dedicated to put into effect them.

### **2.2.3 CHALLENGES OF REGULARITY AUDITING IN ETHIOPIA**

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

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

### **2.3 Summary of the literature and Gap**

Despite the good sized sum of money spent on audit public establishments little interest has been paid to making sure that the findings and suggestions of audit are applied in ordinary Practice, as discovered through Letza (1995:5). The essential goal of auditing is to enhance organizational performance and effectiveness thru optimistic criticism. Audit suggestions are primarily based totally on

4 essential components: verification of written records; evaluation of policy; assessment of the good judgment and wholeness of procedures, inner offerings and employment to guarantee they're green and suitable for the society`s plans; and reporting suggestions for enhancements to Management, as argued through Eden and Moriah (1996:11).

From the literature evaluate the researcher discover a gap. Most of the Author research approximately the issue that have an effect on the implementation of audit advice, evaluation of implementation of audit advice, and additionally implementation of audit advice. There for the researcher reveals the space how correctly the general public region college will put into effect the audit advice.

Building on those research, the cutting-edge researcher needed to bridge the gaps diagnosed in those research through setting extra emphasis and consciousness at the evaluation of the effectiveness of implementation audit advice on decided on public region universities.

## **3 CHAPTER THREE**

### **3.1 RESEARCH METHODOLOGY**

#### **INTRODUCTION**

In this section the methodology, research design, sample, type of data source, data collection instruments, and the analysis are presented.

According to Catherine (2002), the research methodology is the philosophy or general principle which guides the research. The research problems, personal experiences and different philosophy of research methodology show the choice of appropriate research methods.

#### **3.1.1 METHODOLOGY**

##### **3.1.1.1 Research design**

This research is qualitative research which is design within the framework of descriptive research approach.

Orodho (2005) states that research design is the plan, structure and strategy of investigation proposed for obtaining answers to research questions.

The purpose of the study to evaluate the effective of implementation of audit recommendation on the selected public sector universities. This involved to evaluate and how effective in the audit recommendation on those selected public sector universities. Frankel and Wallen (2003) define survey as the method that involves asking a large group questions about a particular issue. Information obtained from a sample rather than the entire population at one point in time. Descriptive survey research collects data in order to answer questions covering the current status of the subject in the study. It also allows for quick collection at comparatively cheap cost Grinnel

(1993). Both quantitative and qualitative approaches used to get the various aspects of implementation of audit recommendations.

Qualitative research focuses in understanding a research query as a humanistic or idealistic approach. Though quantitative approach is a more reliable method as it is based upon numeric and methods that can be made objectively and propagated by other researchers. Qualitative method is to understand people's beliefs, experiences, attitudes, behavior, and interactions. It generates non-numerical data. The integration of qualitative research into intervention studies is a research strategy that is gaining increased attention across disciplines. Although once viewed as philosophically incongruent with experimental research, qualitative research is now recognized for its ability to add a new dimension to interventional studies that cannot be obtained through measurement of variables alone.[1] Qualitative research was initially used in psychological studies when researchers found it tedious to evaluate human behavior in numeric. Since then, qualitative research is used in other research fields as well. In clinical research, qualitative approach can help view the data more extensively. It strengthens clinical trials by enhancing user involvement in it. Perspect Clin Res. 2013 Jul-Sep; 4(3): 192. Vibha Pathak, Bijayini Jena,<sup>1</sup> and Sanjay Kalra

The qualitative research method also uses for the research to get the “what”” why”” how” question of answer from the selected universities upper and middle level management fiancé department.

### **3.1.1.2 Target Population and Sampling Design**

- **Sampling Technique**

The sampling technique for the research will be purposive sampling method by selecting three public sector universities from all universities that found in Addis Ababa because when the researcher chooses this type of sampling to generate useful and full understanding of the research by selecting the most known and big public sector universities from Addis Ababa.

Due to the difficulty to assess all public sector universities effectiveness of implementing audit recommendation the researcher minimizes the study area on three selected universities which found in Addis Ababa which are Addis Ababa University school of commerce, Civil service university and Kotebe metropolitan university are the selected universities for this study.

- **Target Population**

In research methods, population is the entire aggregation of items from which samples can be drawn. The target population is a group of people or organization or any other entities that the researcher is attempting to make a valid inference and generalization about. Defining the population is the first step in designing the sample (Creswell, 2009). A population implies the 18 Overall collection of elements about which one needs to make inference (Cooper and Schindler, 2006). The target populations for this study were the selected public sector university in Addis Ababa.

- **Data Collection Instrument**

On this study of analysis questionnaires will use to evaluate the effectiveness of implementation of audit recommendation of the implementation of audit recommendation on public sector universities.

A questionnaire in the form of closed-ended questions was used so that each item can be analyzed efficiently (Bryman & Bell 2007). The questionnaire consists of four (4) sections. Section A contains questions regarding respondents' demographic. Meanwhile, to obtain the views of respondents on their attitudes and intentions, Section B describes vignette and audit recommendation. Section C contains questions about respondents' perceptions of six (6) reference groups that are expected to influence the implementation of the recommendation. Section D contains questions about the actual implementation of audit recommendations at the respondent's office. The actual implementation is measured as to determine whether the finding is consistent or otherwise if the element of intention is ignored. This is because there was a previous study in the environment of compliance to rules and regulations that examined the attitude and individual environment without considering the element of intention (Saad, Idris & Bidin et al. 2009).

Two different questionnaires will contract to collect data from the upper middle level of management and the finance department.

The questionnaires will have made up open ended questionnaires because at the metrology design the researcher were mentioned that the researcher will use qualitative research type.

## **Methods of Data Analysis**

Data analysis is the process of evaluating data using analytical and logical reasoning to examine each component of the data provided. Data from various sources is gathered, reviewed, and then analyzed to form some sort of finding or conclusion.

The primary data collected through survey questionnaires, structured interviews, and in advance the researcher us the secondary data to obtain by reading different literatures, manuals, proclamations and regulations, audit reports were analyzed quantitatively and qualitatively.

In this study, the researcher employed descriptive statistics were used to analyze data, percentages were applied to assess the effective of implementation of audit recommendation on the data collected through questionnaires. The questionnaire data checked for completeness, accuracy and pretested in advance. Then after the questionnaire coded according to each variable to ensure that the error margin is minimized and assure accuracy during analysis. The collected quantitative data were processed by the use of Statistical Package for Social Science (SPSS).

- **Techniques of data Analysis and interpretation**

Data analysis is all about examining categorizing tabulating recombining the collected data to address the initial objective of the study (yin, 2003). On this study the researcher was used to analysis data by descriptive statistics percentage, proportion were applied to evaluate the effectiveness of implementing audit recommendation on the collected data through questioner.

Therefore, data collected, processed and analyzed using Statistical Package for Social Sciences (SPSS) in order to come up with frequencies and percentages. Microsoft word and excel used in drawing tables, charts and graphs so as to clearly present the research findings.

### **3.1.1.3 Ethical Consideration**

In conducting this project paper, the researcher evaded any act that might jeopardize security of an informant, and respondent anonymity maintained throughout the research process. Also, before distributing the questionnaires, the objective of the study explained adequately to each informant, and his/her consent duly sought in advance.

## 4 CHAPTER FOUR

### 4.1 ANALYSIS AND DISCUSSION OF RESULTS

#### Introduction

This chapter discusses the interpretation and presentation of the findings. This chapter presents Analysis of the effective of implementation audit recommendation on public sector universities. The chapter also provides the major findings and results of the study.

#### 4.1.1 Response Rate

The questioner was distributing to the selectee public universities finance department starting from officer to finance manager. This is because the direct relation of the audit recommendation implementation was to this staff of the department. So that from 30 questioner distributed 20 of the questioner were collected.

#### 4.1.2 Demographic characteristics

According to the result from the questioner the Demographic characteristic show the respondent background like Gender, Position, Academic education Professional certification, Experience. The above table showed this information was required to ensure that the sample that participated in the study had similar distribution of the respondents by characteristics to that of the population it was drawn from.

This determines the accuracy and representativeness of information drawn from the sample to the population. Findings regarding their Gender, Position, Academic education Professional certification and Experience are presented in the above Tables.

4.1.2.1.1 Table 4.1 Respondents gender Profile

#### Gender

	Frequenc y	Percent	Valid Percent	Cumulative Percent
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Male	9	45%	45.0	45.0
Valid Female	11	55%	55.0	100.0
Total	20	100%	100.0	

Source: SPSS output from Survey data

From the above table we can see the majority of the respondent was 55% of them are female and 45% of the respondent was male. This show that the high status of jobs in the selected public sectors are female-dominated.

4.1.2.1.2 Table 4.2 Number of Respondents for the available level of position

**Position**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Manager	2	10.0	10.0	10.0
Sr. Accountant	9	45.0	45.0	55.0
Accountant	9	45.0	45.0	100.0
Total	20	100.0	100.0	

Source: SPSS output from Survey data

From the above table we can see the majority of the respondent was 45% each of them are Accountant and Sr. Accountant and the rest was Managers 10% of the respondent.

4.1.2.1.3 Table 4.3 Educational background

**Academic Education**

	Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid Bachelor's degree	13	65.0	65.0	65.0
Master's degree	7	35.0	35.0	100.0
Total	20	100.0	100.0	

Source: SPSS output from Survey data

As proven under in Table, the have a look at asked the respondents to suggest their maximum degree of educational education. From the findings it turned into set up that 65% of the respondent indicated their maximum degree as degree, and 35% of the respondent indicated their maximum degree as put up graduate. This is a sign that maximum of the respondents targeted on

this have a look at had college ranges as their maximum degree of education. These suggests majorities of the respondents had been knowledgeable and might make contributions greater for the effectiveness in their meant work. It is likewise believed to offer greater honest data for this have a look at.

## Experience

4.1.2.1.4 Table 4.4 Experience of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 2 years	2	10.0	10.0	10.0
3 – 5	4	20.0	20.0	30.0
6-10	8	40.0	40.0	70.0
More than 10	6	30.0	30.0	100.0
Total	20	100.0	100.0	

Source: SPSS output from Survey data

In phrases of labor enjoy, 6 respondents (30%) had greater than ten years, eight respondents (40%) had six to 10 years, and four respondents (20%) had 3 to 5 years `and a pair of respondents(10%) had much less than 2 years` paintings enjoy of their modern organization. The look at discovered that maximum of the respondents (70%) had greater than six years paintings studies. These indicates that maximum of the respondents had sufficient paintings studies to offer greater truthful facts for this look at

4.1.2.1.5 Table 4.5 respondents professional certification

### Professional Certification

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No professional certification	19	95.0	95.0	95.0
CMA	1	5.0	5.0	100.0
Total	20	100.0	100.0	

Source: SPSS output from Survey data

In case of processional certification, no one has any professional certification. These can imply that there is a lack of broad range of skills and expertise, and ongoing professional development which are crucial to the formation and maintenance of an effective audit and non-audit activity

which affect implementation of audit recommendation. Due to lack of this professional certification, auditors may lack knowledge in auditing audit staffs lack knowledge in implementing audit recommendation.

### 4.1.3 Factor affects the effectiveness of implementing the audit recommendation

4.1.3.1.1 Table 4.6 Factor affects the effectiveness of implementing the audit recommendation

When audit recommendations were properly implemented, they can bring the expected change on the organization		Percent
	Strongly disagree	5.0
	Neutral	15.0
	Agree	60.0
The implementation of audit report on appropriate time has its own value on public resource utilization of the office	Strongly Agree	15.0
		Percent
	Disagree	5.0
	Neutral	5.0
Lack of audit report implementation will enhance illegal action in public offices.	Agree	20.0
	Strongly Agree	65.0
		Percent
	Disagree	35.0
Implementation of audit report reduces errors and frauds in public offices	Neutral	5.0
	Agree	40.0
	Strongly Agree	20.0
		Percent
Implementation of audit report increases the moral of the auditors and auditee	Neutral	45.0
	Agree	20.0
	Strongly Agree	30.0
		Percent
The implementation of Auditor recommendations have increased accountability in the sector.	Neutral	40.0
	Agree	40.0
	Strongly Agree	10.0
		Percent
The implementation of Auditor recommendations has improved efficiency and	Neutral	45.0
	Agree	45.0
	Strongly Agree	10.0
		Percent

effectiveness of the organization

Disagree	35.0
Neutral	20.0
Agree	35.0
Strongly Agree	10.0

Source: SPSS output from Survey data

60% of the respondents were agreed ,15% are neutral and strongly agreed and 5% are strongly disagreed on when the audit recommendation were properly implemented they can bring the expected change on the organization and the second question was the implementation of audit report on appropriate time has its own value on public resource utilization of office,65% of the respondents were strongly agreed,20% were agreed and 5% are disagreed and neutral, lack of audit report implementation will enhance illegal action in public offices on this 35% of the respondents were disagreed and 40% are agreed, 20% were strongly agreed and 5% were neutral. The implementation of audit report reduces errors and frauds in public offices, 45% were neutral, 30% are strongly agreed and 20% are agreed. Implementation of audit report increases the moral of the auditors and audited, 40% are neutral, 40% are agreed and 10% are strongly agreed. The other one is the implementation of auditor recommendation have increased accountability in the sector and the respondents were make their attitude 45% are agreed and neutral ,10% were strongly agreed. The last question on this section were the implementation of auditor recommendation has improved efficiency and effectiveness of the organization,35% of each respondents were disagreed and agreed ,20% are neutral and 10% were strongly agreed.

#### **4.1.4 Audit recommendation Quality**

The take a look at sought to set up the extent at which respondents agreed or disagreed with the subsequent statements regarding audit hints pointing out in particular the motion to be undertaken. Australian National Audit Office (2015) states that “auditors are intended assessment how packages are being accomplished and the way sports are managed”. They in addition assert that “this offers high-quality possibilities to make hints to control that improves their ongoing packages, preserve resources, and offer higher client service.

Table 4.7 Audit recommendation Quality

Audit recommendations do state specifically the action to be undertaken		Percent
	Disagree	10.0
	Neutral	45.0
	Agree	35.0
	Strongly Agree	10.0
Audit recommendations are well supported by facts or criteria		Percent
	Disagree	40.0
	Neutral	10.0
	Agree	35.0
	Strongly Agree	15.0
Audit recommendations are not convincing		Percent
	Strongly disagree	30.0
	Disagree	5.0
	Neutral	35.0
	Agree	15.0
	Strongly Agree	10.0
The audit findings and audit recommendations are in align		Percent
	Strongly disagree	15.0
	Disagree	25.0
	Neutral	40.0
	Agree	15.0
Recommendations do not identify a course of action that will correct audit findings		Percent
	Strongly disagree	5.0
	Neutral	60.0
	Agree	15.0
	Strongly Agree	20.0
Audit recommendations properly addressed the identified risk with proper control.		Percent
	Strongly disagree	5.0

	Disagree	5.0
	Neutral	30.0
	Agree	50.0
	Strongly Agree	10.0

Source: SPSS output from Survey data

As we can see on the table , the first question was audit recommendation does state specifically the action to be under taken, on this question 45% of the respondent was neutral and 35% were agreed, which means the audit recommendation states were specifically undertaken by those who have an agreed status. The other one is audit recommendation is well supported by the facts or criteria on this section 40% of the respondents were disagreed and 35% are agreed this indicate the audit recommendation was not fully supported by the criteria. The other question were audit recommendations are not convincing , on this question 35% of the respondents were neutral which means they have no comment on this issue and 30% were strongly disagreed with this idea , 15% are agreed, 10% 's are strongly agreed. The audit findings and audit recommendation are in alien, 40% of the respondents were neutral, 25% are disagreed and 15% of each agreed and strongly disagreed. Recommendation don not identified a course of action that will correct the audit findings was the other question and 60% of the respondents were neutral and 20% are strongly agreed and 15% are agreed. The last question was audit recommendation properly addressed the identified risk with proper control in these issues on the research question, 50% of the respondents were agreed, 30% are neutral, 10% were strongly agreed and 5% are strongly disagreed.

## 4.1.5 Competence of staff

### 4.1.5.1.1 Table 4.8 Competence of staff

The auditee staffs lack the appropriate expertise to implement audit recommendation		Percent
	Disagree	25.0
	Neutral	35.0
	Agree	35.0
	Strongly Agree	5.0
Auditee Staff changes due to organizational merging and restructuring do not slow down efforts to resolve audit recommendations.		Percent
	Strongly disagree	10.0
	Neutral	45.0
	Agree	25.0

	Strongly Agree	20.0
Government office does not have any challenges in attracting and retaining high quality employees that leads to ineffective implementation of audit recommendation		Percent
	Strongly disagree	10.0
	Disagree	5.0
	Neutral	40.0
	Agree	40.0
	Strongly Agree	5.0
Staffs of auditees are motivated to implement the audit recommendation		Percent
	Strongly disagree	15.0
	Disagree	5.0
	Neutral	40.0
	Agree	35.0
	Strongly Agree	5.0
Government offices are not committed to audit recommendations		Percent
	Strongly disagree	5.0
	Disagree	5.0
	Neutral	15.0
	Agree	55.0
	Strongly Agree	20.0
Staff in the accounting and finance department or the entire organization is competent implementation of internal audit recommendations		Percent
	Strongly disagree	5.0
	Disagree	35.0
	Neutral	25.0
	Agree	25.0
	Strongly Agree	10.0
Employees lack the right skills so as to make the implementation of audit recommendation process simple and easy		Percent
	Disagree	15.0
	Neutral	40.0
	Agree	35.0
	Strongly Agree	10.0

Source: SPSS output from Survey data

The auditee staff lack the appropriate experience to implement audit recommendation on this issue ,35% of respondents were agreed and other 35% were neutral ,25% were disagreed and 5% are strongly agreed. Auditee staff changes due to slow down efforts to resolve audit recommendations, 40% were neutral and 25% are agreed and 20% were strongly agreed, the

other 10% were strongly disagreed. Government office does not have any challenges in attracting and retaining high quality employees that leads to ineffective implementation of audit recommendation on this issue 40% of the respondents were neutral and agreed for each and 10% are strongly disagreed and 5% are disagreed and strongly agreed. The other question on the questioner were, staffs of auditors are motivated to implement the audit recommendation and 40% of respondents were neutral ,35% are agreed and 15% are strongly disagreed and 5% are strongly agreed and disagreed. The forth question is government office are not committed to audit recommendations,55% of the respondents were agreed more than half of the respondents are agreed, 20% are also strongly agreed and 15% are neutral , the rest 5% are each strongly disagreed and disagreed. The last question were staff in the accounting and finance department or the entire organization is competent implementation of internal audit recommendations,35%of respondents were disagreed with this idea and 35% are neutral and agreed each the other 10% are strongly agreed and 5% are strongly disagreed.

## 4.1.6 Audit Follow up

### 4.1.6.1.1 Table 4.9- Audit Follow up

Top management lacks follow up to implement audit recommendations		Percent
	Disagree	30%
	Neutral	10%
	Agree	20%
The regional Auditor General performed follow up on the implementation of audit recommendations	Strongly Agree	35%
		Percent
	Strongly disagree	5%
	Disagree	5%
Action plan is set by the audited government sector	Neutral	75%
	Agree	15%
		Percent
	Disagree	10%
Management is given pressure by the auditors in the way of follow ups	Neutral	70%
	Agree	10%
	Strongly Agree	5%
		Percent
	Disagree	30%

	Neutral	25%
	Agree	25%
	Strongly Agree	20%
The auditors and management work together and continuously follow up on the implementation process.		Percent
	Disagree	5%
	Neutral	70%
	Agree	15%
	Strongly Agree	10%
Report is presented on follow up audit		Percent
	Disagree	5%
	Neutral	40%
	Agree	40%
	Strongly Agree	15%

Source: SPSS output from Survey data

Top management lacks follow up to implement audit recommendation, 35% of the respondents were strongly agreed 20% are disagreed and 20% are agreed and 10% are neutral. The regional auditor general performed follow up on the implantation of audit recommendation, 75% of the respondents were neutral and 5% are strongly disagreed and disagreed each, 15% were agreed. The third question was action plan is set by the audited government sector and 70% of them are neutral and 10% of each respondents are disagreed and agreed, 5% are strongly disagreed. The forth question is management is given pressure by the auditor in the way of follow-ups and 30% are disagreed and 25% are neutral and agreed the other 20% were strongly agreed. The next one is the auditor s and management work together and continuously follow-up on the implementation process and 70% of the respondents were neutral and 15% are disagreed. The last question were report is presented on follow-up audit, the 40% of respondents were neutral and agreed and 15% are strongly agreed and 5% were disagreed.

### 4.1.7 Massive corruption

#### 4.1.7.1.1 Table 4.10- Massive corruption

The collaboration of regulatory authorities, external auditors, and the Auditees top management to commit massive corruption affect the implementation of audit recommendations		Percent
	Disagree	5%
	Neutral	45 %

	Agree	35%
	Strongly Agree	15%
The interaction between the auditee and the auditor with subjective norms and conflict of interest significantly affect the actual implementation of the audit recommendations		Percent
	Strongly disagree	5%
	Disagree	25%
	Neutral	30%
	Agree	40%
The relationship between auditors and management is appropriate, such that there is no perception that the auditors may lack, or appear to lack, the required degree of objectivity		Percent
	Strongly disagree	5%
	Neutral	50.0
	Agree	40.0
	Strongly Agree	5%
External auditors or audited entities have guidance on how to react to cases when management or those charged with governance repeatedly ignore implementing audit recommendation		Percent
	Strongly disagree	5%
	Disagree	10%
	Neutral	50%
	Agree	10%
	Strongly Agree	25%

Source: SPSS output from Survey data

On the above table the first question were the collaboration of regulatory authorities, external auditors, and the Auditees top management to commit massive corruption affect the implementation of audit recommendations and Disagree 5%, Neutral 45%, Agree 35% and Strongly Agree 15%. The interaction between the auditee and the auditor with subjective norms and conflict of interest significantly affect the actual implementation of the audit recommendations and the response was strongly disagree 5%, Disagree 25%, Neutral 30.% and Agree 40%. The forth question were the relationship between auditors and management is appropriate, such that there is no perception that the auditors may lack, or appear to lack, the required degree of objectivity, strongly disagree 5%, Neutral 50%, Agree 40%and Strongly Agree 5% .the last question was External auditors or audited entities have guidance on how to react to cases when management or those charged with governance repeatedly ignore

implementing audit recommendation and the responses was; Strongly disagree 5% ,Disagree and Agree 10% , Neutral 50% ,and Strongly Agree 25%.

## 4.1.8 HR related factors

4.1.8.1.1 Table 4.12 HR related factors

To what extent do you agree that attitudes of staff affect implementation of Auditor general are recommendations in your university?		Percent
	Strongly disagree	5%
	Disagree	10%
	Neutral	20%
	Agree	55%
	Strongly Agree	10%
To what extent do you agree that staff beliefs affect implementation of Auditor generals are recommendations in your university?		Percent
	Strongly disagree	5%
	Disagree	30.0
	Neutral	50.0
	Agree	10.0
	Strongly Agree	5%
To what extent do you agree that skill and knowledge of staff about auditing exercise affect implementation of Auditor general's recommendations in your university?		Percent
	Strongly disagree	5%
	Disagree	15.0
	Neutral	65.0
	Agree	15.0

Source: SPSS output from Survey data

From the above table the first question was to what extent do you agree that attitudes of staff affect implementation of Auditor general are recommendations in your university; strongly disagree,5%, Disagree 10% and Strongly Agree, Neutral 20% and Agree 55%.The second question was to what extent do you agree that staff beliefs affect implementation of Auditor generals are recommendations in your university and the responses were ;Strongly disagree and Strongly Agree 5% , Disagree 30%, Neutral 50% and Agree 10%. The last question was to what extent do you agree that skill and knowledge of staff about auditing exercise affect

implementation of Auditor general's recommendations in your university; strongly disagree 5%, Disagree 15%, Neutral 65% and Agree 15%.

## **5 CHAPTER FIVE**

### **5.1 SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **Introduction**

On this chapter summary of the finding of the study, conclusion to the main issues of the study and the study recommendation. The purpose of the study is to evaluate the effectiveness of audit recommendation on the selected public sector universities.

#### **5.1.1 Summary of findings**

Based on the review conducted on related literature, analysis and interpretation of data made,

The followings are the major findings of the research work:

- ❖ If the audit recommendation are properly implemented it can bring expected changes on those universities and the implementation in appropriate time value its own value on public resource.
- ❖ Implementing audit recommendation will minimize the risks that are illegal action, errors and frauds in those universities. The implementation of auditor's recommendation have increase accountability and improve efficiency and effectiveness of the organization.
- ❖ On audit recommendation quality the audit recommendation are not well supported by facts or critical and are not convincing. Recommendations are identify a courses of action that will correct audit findings and are properly addressed the identified risk with proper control.
- ❖ Lack of top management on follow-up of implementation of audit recommendation. The auditor and management are not work together and consciously follow-up on the implementation process.
- ❖ The collaboration of regulatory authorities, external auditors, and the Auditees top management to commit massive corruption affect the implementation of audit

recommendations. The interaction between the auditee and the auditor with subjective norms and conflict of interest significantly affect the actual implementation of the audit recommendations. External auditors or audited entities have guidance on how to react to cases when management or those charged with governance repeatedly ignore implementing audit recommendation.

- ❖ The attitudes of staff affect implementation of Auditor general are recommendations, the staff beliefs affect implementation of Auditor generals are recommendations and the skill and knowledge of staff about auditing exercise affect implementation of Auditor general's recommendations.

### **5.1.2 Conclusion**

This study deals with the effectiveness of implementation of audit recommendation on public sector universities. Based on the summery the following conclusion is made.

The audit recommendation quality are low because these recommendations are not well supported by the criteria and facts and also they are not convincing. This audit recommendations are identify the course of action that will correct audit findings and properly addressed the identified risk, perhaps lack of top management on follow-up of implementation is counted as a factor for the effective implementation of audit recommendation. The lack of unity on work of top management and finance department on implementation of audit recommendation follow-up , attitude of staff and lake of skill and knowledge of staffs also factors that affect the effective implementation on audit recommendation. Based on those factors ineffective implementation of audit recommendation will cause risks on the company and commit to massive corruption, fraud, errors and also conflict of interest between the staffs and top management.

### **5.1.3 Recommendation**

Based on findings the following recommendation are proposed for the consideration of selected public sector universities Top management, Auditors and Finance department staffs.

- ❖ The researcher recommends that auditors should supported by facts or criteria and increase their audit recommendation quality.
- ❖ As the researcher provide universities should hire well educated and experienced finance department staffs and give some trainings to update their knowledge frequently.

- ❖ Directors, Boards should follow the top management department on the implementation of audit recommendation and top managements make a report on effectiveness of the implementation of the audit recommendation.

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# APPENDIX 1:

## QUESTIONNAIRE

### **Ethiopia, Addis Ababa University College of Business and Economics Department of Accounting and Finance**

Dear respondent (s), I am a student of Ethiopia, Addis Ababa University College of Business and Economics Department of Accounting and Auditing carrying out a research on an organization of public sector university in Addis Ababa about the “Effectiveness of implementing audit recommendation”. The research is purely academic being a requirement for a qualification of a master’s degree in Accounting and Auditing.

The information you provide will only be used for the purpose of this study and will be treated with utmost confidentiality. Please feel free and answer all the questions truthfully. Hence your name is not required. Many thanks for your profound contribution towards this study.

Yours Sincerely

Redet Kebede

### **The personal profiles:**

**General Instruction:** Please indicate your choice by putting “√” mark in the box or supply the required information where, required, please specify and elaborate.

1. Please indicate your gender  M  F

2. What is your level of position title in your organization? -----

3. What is your highest level of completed academic education?

Diploma  Bachelor’s degree  Masters “ degree

PHD  Other specify it-----

4. What is your highest level of professional certification?

CIA  CPA  CMA  ACCA

No professional certification  Other specify it-----

5. How long have you worked in the organization?

Less than 2 years  3- 5 years

6-10 years  More than 10 years

**IV General Question:**

6. Do you think audit recommendation implementation is a problem in your sector office?

Yes  No 41

7. Do you feel audit recommendation quality is critical for implementation?

Yes  No

<b>OUTCOMES</b>					
<b>Statements</b>	SA	A	N	DA	SDA
	5	4	3	2	1
22. When audit recommendations were properly implemented, they can bring the expected change on the organization					
23. The implementation of audit report on appropriate time has its own value on public resource utilization of the office					
24. Lack of audit report implementation will enhance illegal action in public offices.					
25. Implementation of audit report reduces errors and frauds in public offices					
26. Implementation of audit report increases the moral of the auditors and auditee					

27. The implementation of Auditor general's recommendations have increased accountability in the region.					
28. The implementation of Auditor general's recommendations has improved efficiency and effectiveness of the organisation					
<b>Factors</b>					
<b>Audit recommendation Quality</b>					
<b>Statements</b>	SA	A	N	DA	SDA
	5	4	3	2	1
Audit recommendations do state specifically the action to be undertaken					
Audit recommendations are well supported by facts or criteria					
Audit recommendations are not convincing					
The audit findings and audit recommendations are in align					
Recommendations do not identify a course of action that will correct audit findings					
Audit recommendations properly addressed the identified risk with proper control.					
<b>Competence of staff</b>					
The auditee staffs lack the appropriate expertise to implement audit recommendation					
Auditee Staff changes due to organizational merging and restructuring do not slow down efforts to resolve audit recommendations.					
Government office does not have any challenges in attracting and retaining high quality employees that leads to ineffective implementation of audit					

recommendation					
Staffs of auditees are motivated to implement the audit recommendation					
Government offices are not committed to audit recommendations					
Staff in the accounting and finance department or the entire organization is competent implementation of internal audit recommendations					
Employees lack the right skills so as to make the implementation of audit recommendation process simple and easy					
<b>Audit Follow up</b>					
<b>Statements</b>	SA	A	N	DA	SDA
	5	4	3	2	1
Top management lacks follow up to implement audit recommendations					
The regional Auditor General performed follow up on the implementation of audit recommendations					
Action plan is set by the audited government sector					
Management is given pressure by the auditors in the way of follow ups					
The auditors and management work together and continuously follow up on the implementation process.					
Report is presented on follow up audit					
<b>Massive corruptions</b>					
<b>Statements</b>	SA	A	N	DA	SDA
	5	4	3	2	1

8. The collaboration of regulatory authorities, external auditors, and the Auditee's top management to commit massive corruption affect the implementation of audit recommendations					
9 The interaction between the auditee and the auditor with subjective norms and conflict of interest significantly affect the actual implementation of the audit recommendations					
The relationship between auditors and management is appropriate, such that there is no perception that the auditors may lack, or appear to lack, the required degree of objectivity					
External auditors or audited entities have guidance on how to react to cases when management or those charged with governance repeatedly ignore implementing audit recommendation					
<b>HR related factors</b>					
To what extent do you agree that attitudes of staff affect implementation of Auditor general are recommendations in your university?					
To what extent do you agree that staff beliefs affect implementation of Auditor generals are recommendations in your university?					
To what extent do you agree that skill and knowledge of staff about auditing exercise affect implementation of Auditor general's recommendations in your university?					



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Yours Sincerely

Redet Kebede

**The personal profiles:**

General Instruction: Please indicate your choice by putting "✓" mark in the box or supply the required information where, required, please specify and elaborate.

1. Please indicate your gender  M  F

2. What is your level of position title in your organization? *Accountant*

3. What is your highest level of completed academic education?

Diploma  Bachelor's degree  Masters' degree

PHD  Other specify it-----

4. What is your highest level of professional certification?

CIA  CPA  CMA  ACCA

No professional certification  other specify it-----

5. How long have you worked in the organization?

Less than 2 years  3 - 5 years

6-10 years  More than 10 years

28

**IV General Question:**

6. Do you think audit recommendation implementation is a problem in your sector office?

Yes  No 41

7. Do you feel audit recommendation quality is critical for implementation?

Yes  No

OUTCOMES					
Statements	SA	A	N	DA	SDA
	5	4	3	2	1
22. When audit recommendations were properly implemented, they can bring the expected change on the organization			✓		
23. The implementation of audit report on appropriate time has its own value on public resource utilization of the office		✓			
24. Lack of audit report implementation will enhance illegal action in public offices.				✓	
25. Implementation of audit report reduces errors and frauds in public offices			✓		
26. Implementation of audit report increases the moral of the auditors and auditee			✓		
27. The implementation of Auditor general's recommendations have increased accountability in the region.		✓			
28. The implementation of Auditor general's recommendations has improved efficiency and effectiveness of the organisation			✓		
Factors					
Audit recommendation Quality					
Statements	SA	A	N	DA	SDA
	5	4	3	2	1
Audit recommendations do state specifically the action to be undertaken				✓	
Audit recommendations are well supported by facts or criteria				✓	

29

Audit recommendations are not convincing					
The audit findings and audit recommendations are in align				✓	
Recommendations do not identify a course of action that will correct audit findings				✓	
Audit recommendations properly addressed the identified risk with proper control.				✓	
Competence of staff					
The auditee staffs lack the appropriate expertise to implement audit recommendation		✓			
Auditee Staff changes due to organizational merging and restructuring do not slow down efforts to resolve audit recommendations.				✓	
Government office does not have any challenges in attracting and retaining high quality employees that leads to ineffective implementation of audit recommendation				✓	
Staffs of auditees are motivated to implement the audit recommendation				✓	
Government offices are not committed to audit recommendations				✓	
Staff in the accounting and finance department or the entire organization is competent implementation of internal audit recommendations		✓			
Employees lack the right skills so as to make the implementation of audit recommendation process simple and easy				✓	
Audit Follow up					
Statements	SA	A	N	DA	SDA
	5	4	3	2	1
Top management lacks follow up to implement audit recommendations			✓		
The regional Auditor General performed follow up on the implementation of audit recommendations				✓	
Action plan is set by the audited government sector				✓	
Management is given pressure by the auditors in the way of follow ups				✓	
The auditors and management work together and continuously follow up on the implementation process.				✓	
Report is presented on follow up audit				✓	

30

Massive corruptions					
Statements	SA	A	N	DA	SDA
	5	4	3	2	1
8. The collaboration of regulatory authorities, external auditors, and the Auditee's top management to commit massive corruption affect the implementation of audit recommendations			✓		
9. The interaction between the auditee and the auditor with subjective norms and conflict of interest significantly affect the actual implementation of the audit recommendations			✓		
10. The relationship between auditors and management is appropriate, such that there is no perception that the auditors may lack, or appear to lack, the required degree of objectivity			✓		
11. External auditors or audited entities have guidance on how to react to cases when management or those charged with governance repeatedly ignore implementing audit recommendation				✓	
HR related factors					
To what extent do you agree that attitudes of staff affect implementation of Auditor general are recommendations in your district?				✓	
10. To what extent do you agree that staff beliefs affect implementation of Auditor general's are recommendations in your district?				✓	
11. To what extent do you agree that skill and knowledge of staff about auditing exercise affect implementation of Auditor general's recommendations in your district?				✓	

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Yours Sincerely

Redet Kebede

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**General Instruction:** Please indicate your choice by putting "✓" mark in the box or supply the required information where, required, please specify and elaborate.

1. Please indicate your gender  M  F

2. What is your level of position title in your organization? Senior Accountant

3. What is your highest level of completed academic education?

Diploma  Bachelor's degree  Masters' degree

PHD  Other specify it.....

4. What is your highest level of professional certification?

CIA  CPA  CMA  ACCA

No professional certification  other specify it.....

5. How long have you worked in the organization?

Less than 2 years  3 - 5 years

6-10 years  More than 10 years

28

APPENDIX 1: QUESTIONNAIRE

Ethiopia, Addis Ababa University College of Business and Economics Department of Accounting and Finance

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Yours Sincerely

Redet Kebede

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1. Please indicate your gender  M  F

2. What is your level of position title in your organization? Accountant

3. What is your highest level of completed academic education?

Diploma  Bachelor's degree  Masters' degree

PHD  Other specify it.....

4. What is your highest level of professional certification?

CIA  CPA  CMA  ACCA

No professional certification  other specify it.....

5. How long have you worked in the organization?

Less than 2 years  3 - 5 years

6-10 years  More than 10 years

28

Statements	Massive corruptions				
	SA	A	N	DA	SDA
8. The collaboration of regulatory authorities, external auditors, and the Auditee's top management to commit massive corruption affect the implementation of audit recommendations	5	4	3	2	1
9. The interaction between the auditee and the auditor with subjective norms and conflict of interest significantly affect the actual implementation of the audit recommendations		✓			
10. The relationship between auditors and management is appropriate, such that there is no perception that the auditors may lack, or appear to lack, the required degree of objectivity		✓			
11. External auditors or audited entities have guidance on how to react to cases when management or those charged with governance repeatedly ignore implementing audit recommendation			✓		
<b>HR related factors</b>					
To what extent do you agree that attitudes of staff affect implementation of Auditor general are recommendations in your district?			✓		
10. To what extent do you agree that staff beliefs affect implementation of Auditor general's are recommendations in your district?			✓		
11. To what extent do you agree that skill and knowledge of staff about auditing exercise affect implementation of Auditor general's recommendations in your district?			✓		

31

**IV General Question:**

6. Do you think audit recommendation implementation is a problem in your sector office?

Yes  No 41

7. Do you feel audit recommendation quality is critical for implementation?

Yes  No

Statements	OUTCOMES				
	SA	A	N	DA	SDA
22. When audit recommendations were properly implemented, they can bring the expected change on the organization	5	4	3	2	1
23. The implementation of audit report on appropriate time has its own value on public resource utilization of the office	✓				
24. Lack of audit report implementation will enhance illegal action in public offices.	✓				
25. Implementation of audit report reduces errors and frauds in public offices	✓				
26. Implementation of audit report increases the moral of the auditors and auditee					
27. The implementation of Auditor general's recommendations have increased accountability in the region.			✓		
28. The implementation of Auditor general's recommendations has improved efficiency and effectiveness of the organisation	✓				
<b>Factors</b>					
<b>Audit recommendation Quality</b>					
Statements	SA	A	N	DA	SDA
Audit recommendations do state specifically the action to be undertaken	5	4	3	2	1
Audit recommendations are well supported by facts or criteria			✓		

29

Audit recommendations are not convincing					
The audit findings and audit recommendations are in align					
Recommendations do not identify a course of action that will correct audit findings					
Audit recommendations properly addressed the identified risk with proper control.					
<b>Competence of staff</b>					
The auditee staffs lack the appropriate expertise to implement audit recommendation					
Auditee Staff changes due to organizational merging and restructuring do not slow down efforts to resolve audit recommendations.					
Government office does not have any challenges in attracting and retaining high quality employees that leads to ineffective implementation of audit recommendation					
Staffs of auditees are motivated to implement the audit recommendation					
Government offices are not committed to audit recommendations					
Staff in the accounting and finance department or the entire organization is competent implementation of internal audit recommendations					
Employees lack the right skills so as to make the implementation of audit recommendation process simple and easy					
<b>Audit Follow up</b>					
<b>Statements</b>	SA	A	N	DA	SDA
	5	4	3	2	1
Top management lacks follow up to implement audit recommendations					
The regional Auditor General performed follow up on the implementation of audit recommendations					
Action plan is set by the audited government sector					
Management is given pressure by the auditors in the way of follow ups					
The auditors and management work together and continuously follow up on the implementation process.					
Report is presented on follow up audit					

30

Audit recommendations are not convincing					
The audit findings and audit recommendations are in align					
Recommendations do not identify a course of action that will correct audit findings					
Audit recommendations properly addressed the identified risk with proper control.					
<b>Competence of staff</b>					
The auditee staffs lack the appropriate expertise to implement audit recommendation					
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Government office does not have any challenges in attracting and retaining high quality employees that leads to ineffective implementation of audit recommendation					
Staffs of auditees are motivated to implement the audit recommendation					
Government offices are not committed to audit recommendations					
Staff in the accounting and finance department or the entire organization is competent implementation of internal audit recommendations					
Employees lack the right skills so as to make the implementation of audit recommendation process simple and easy					
<b>Audit Follow up</b>					
<b>Statements</b>	SA	A	N	DA	SDA
	5	4	3	2	1
Top management lacks follow up to implement audit recommendations					
The regional Auditor General performed follow up on the implementation of audit recommendations					
Action plan is set by the audited government sector					
Management is given pressure by the auditors in the way of follow ups					
The auditors and management work together and continuously follow up on the implementation process.					
Report is presented on follow up audit					

30

Audit recommendations are not convincing					
The audit findings and audit recommendations are in align					
Recommendations do not identify a course of action that will correct audit findings					
Audit recommendations properly addressed the identified risk with proper control.					
<b>Competence of staff</b>					
The auditee staffs lack the appropriate expertise to implement audit recommendation					
Auditee Staff changes due to organizational merging and restructuring do not slow down efforts to resolve audit recommendations.					
Government office does not have any challenges in attracting and retaining high quality employees that leads to ineffective implementation of audit recommendation					
Staffs of auditees are motivated to implement the audit recommendation					
Government offices are not committed to audit recommendations					
Staff in the accounting and finance department or the entire organization is competent implementation of internal audit recommendations					
Employees lack the right skills so as to make the implementation of audit recommendation process simple and easy					
<b>Audit Follow up</b>					
<b>Statements</b>	SA	A	N	DA	SDA
	5	4	3	2	1
Top management lacks follow up to implement audit recommendations					
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Report is presented on follow up audit					

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<b>Massive corruptions</b>					
<b>Statements</b>	SA	A	N	DA	SDA
	5	4	3	2	1
8. The collaboration of regulatory authorities, external auditors, and the Auditee's top management to commit massive corruption affect the implementation of audit recommendations					
9. The interaction between the auditee and the auditor with subjective norms and conflict of interest significantly affect the actual implementation of the audit recommendations					
10. The relationship between auditors and management is appropriate, such that there is no perception that the auditors may lack, or appear to lack, the required degree of objectivity					
11. External auditors or audited entities have guidance on how to react to cases when management or those charged with governance repeatedly ignore implementing audit recommendation					
<b>HR related factors</b>					
To what extent do you agree that attitudes of staff affect implementation of Auditor general are recommendations in your district?					
10. To what extent do you agree that staff beliefs affect implementation of Auditor general's are recommendations in your district?					
11. To what extent do you agree that skill and knowledge of staff about auditing exercise affect implementation of Auditor general's recommendations in your district?					

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**IV General Question:**

6. Do you think audit recommendation implementation is a problem in your sector office?

Yes  No 41

7. Do you feel audit recommendation quality is critical for implementation?

Yes  No

OUTCOMES						
Statements	SA	A	N	DA	SDA	
22. When audit recommendations were properly implemented, they can bring the expected change on the organization	5	4	3	2	1	
23. The implementation of audit report on appropriate time has its own value on public resource utilization of the office		✓				
24. Lack of audit report implementation will enhance illegal action in public offices.		✓				
25. Implementation of audit report reduces errors and frauds in public offices		✓				
26. Implementation of audit report increases the moral of the auditors and auditee			✓			
27. The implementation of Auditor general's recommendations have increased accountability in the region.		✓				
28. The implementation of Auditor general's recommendations has improved efficiency and effectiveness of the organisation			✓			
Factors						
Audit recommendation Quality						
Statements	SA	A	N	DA	SDA	
Audit recommendations do state specifically the action to be undertaken	5	4	3	2	1	
Audit recommendations are well supported by facts or criteria		✓				

29

**Massive corruptions**

Statements	SA	A	N	DA	SDA	
8. The collaboration of regulatory authorities, external auditors, and the Auditee's top management to commit massive corruption affect the implementation of audit recommendations	5	4	3	2	1	
9. The interaction between the auditee and the auditor with subjective norms and conflict of interest significantly affect the actual implementation of the audit recommendations		✓				
10. The relationship between auditors and management is appropriate, such that there is no perception that the auditors may lack, or appear to lack, the required degree of objectivity			✓			
11. External auditors or audited entities have guidance on how to react to cases when management or those charged with governance repeatedly ignore implementing audit recommendation			✓			
HR related factors						
To what extent do you agree that attitudes of staff affect implementation of Auditor general's recommendations in your district?		✓				
10. To what extent do you agree that staff beliefs affect implementation of Auditor general's recommendations in your district?		✓				
11. To what extent do you agree that skill and knowledge of staff about auditing exercise affect implementation of Auditor general's recommendations in your district?		✓				

31

Audit recommendations are not convincing						
The audit findings and audit recommendations are in align			✓			
Recommendations do not identify a course of action that will correct audit findings	✓					
Audit recommendations properly addressed the identified risk with proper control.		✓				
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The auditee staffs lack the appropriate expertise to implement audit recommendation			✓			
Auditee Staff changes due to organizational merging and restructuring do not slow down efforts to resolve audit recommendations.		✓				
Government office does not have any challenges in attracting and retaining high quality employees that leads to ineffective implementation of audit recommendation				✓		
Staffs of auditees are motivated to implement the audit recommendation	✓					
Government offices are not committed to audit recommendations				✓		
Staff in the accounting and finance department or the entire organization is competent implementation of internal audit recommendations	✓					
Employees lack the right skills so as to make the implementation of audit recommendation process simple and easy			✓			
Audit Follow up						
Statements	SA	A	N	DA	SDA	
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Management is given pressure by the auditors in the way of follow ups	✓					
The auditors and management work together and continuously follow up on the implementation process.			✓			
Report is presented on follow up audit		✓				

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**IV General Question:**

6. Do you think audit recommendation implementation is a problem in your sector office?

Yes  No 41

7. Do you feel audit recommendation quality is critical for implementation?

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27. The implementation of Auditor general's recommendations have increased accountability in the region.			✓			
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Statements	SA	A	N	DA	SDA	
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Audit recommendations are well supported by facts or criteria		✓				

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APPENDIX 1: QUESTIONNAIRE

Ethiopia, Addis Ababa University College of Business and Economics Department of Accounting and Finance

Dear respondent (s), I am a student of Ethiopia, Addis Ababa University College of Business and Economics Department of Accounting and Auditing carrying out a research on an organization of public sector university in Addis Ababa about the "Effectiveness of implementing audit recommendation". The research is purely academic being a requirement for a qualification of a master's degree in Accounting and Auditing.

The information you provide will only be used for the purpose of this study and will be treated with utmost confidentiality. Please feel free and answer all the questions truthfully. Hence your name is not required. Many thanks for your profound contribution towards this study.

Yours Sincerely

Redet Kebede

**The personal profiles:**

**General Instruction:** Please indicate your choice by putting "✓" mark in the box or supply the required information where, required, please specify and elaborate.

1. Please indicate your gender M F

2. What is your level of position title in your organization? Accountant

3. What is your highest level of completed academic education?

Diploma Bachelor's degree Masters' degree

PHD Other specify it-----

4. What is your highest level of professional certification?

CIA CPA CMA ACCA

No professional certification other specify it-----

5. How long have you worked in the organization?

Less than 2 years 3 - 5 years

6-10 years More than 10 years

28

**IV General Question:**

6. Do you think audit recommendation implementation is a problem in your sector office?

Yes No 41

7. Do you feel audit recommendation quality is critical for implementation?

Yes No

OUTCOMES						
Statements	SA	A	N	DA	SDA	
	5	4	3	2	1	
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Factors						
Audit recommendation Quality						
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10. The relationship between auditors and management is appropriate, such that there is no perception that the auditors may lack, or appear to lack, the required degree of objectivity	✓				
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HR related factors					
To what extent do you agree that attitudes of staff affect implementation of Auditor general are recommendations in your district?	✓				
To what extent do you agree that staff beliefs affect implementation of Auditor general's are recommendations in your district?			✓		
To what extent do you agree that skill and knowledge of staff about auditing exercise affect implementation of Auditor general's recommendations in your district?				✓	

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APPENDIX I: QUESTIONNAIRE

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9. The interaction between the auditee and the auditor with subjective norms and conflict of interest significantly affect the actual implementation of the audit recommendations		✓			
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HR related factors					
To what extent do you agree that attitudes of staff affect implementation of Auditor general are recommendations in your district?			✓		
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To what extent do you agree that skill and knowledge of staff about auditing exercise affect implementation of Auditor general's recommendations in your district?			✓		

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