



INTERNAL AUDIT FUNCTION, AUDIT COMMITTEES' EFFECTIVENESS AND ACCOUNTABILITY IN THE UGANDAN STATUTORY CORPORATIONS

ABSTRACT

The purpose of this dissertation is to report the results of the study carried out in statutory corporations on internal audit function, audit committees' effectiveness and accountability. Specifically, the study investigated the internal audit functions, audit committee roles and accountability. The study further investigated whether internal audit function and audit committees' effectiveness have an upshot on accountability.

This study is cross sectional. Data were collected through a questionnaire survey of 73 statutory corporations from which 52 responded and the questionnaire was designed on a 6 point Likert scale. The study's unit of analysis was a statutory corporation. Chief Internal Auditors, Chief Finance Officers and other senior staff in the finance or internal audit departments were the

study's unit of inquiry. Data were analyzed through correlation coefficients and linear regression using Statistical Package for Social Sciences.

The results suggest that internal audit function has a significant effect on accountability and overall findings indicate that internal audit function and audit committees' effectiveness explain 35.1% of accountability in statutory corporations. The findings further indicate that audit committees' effectiveness is not a significant predictor of accountability in statutory corporations once there is a functioning internal audit and this calls for additional research in both the private sector and other sections of the public sector. The results are important for policy makers for example, the audit committees in the public sector are redundant and they can be given other assignments or their appointment authority be improved since they report to the line minister (appointing authority) who is audited by the Auditor General. Further, both the audit committees and the internal audit function are supervised by the Internal Auditor General.