Barriers to effective internal auditing within the South African Police Services: Case of Northern Gauteng

By

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DECLARATION

I, Fhumulani Silence Matshona, do hereby declare that this dissertation is the result of my investigation and research and has not been submitted in part or full for any degree or for any other degree to any other University.

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Fhumulani Silence Matshona   **Date**

ABSTRACT

The study examined the effectiveness of internal auditing, how it could be measured and to determine the factors that impede its effectiveness, and how such challenges could be overcome. This is on the backdrop of whether internal audits enjoy full management support. It also determined if management responds to internal audit reports timeously and if action plans or corrective actions were being implemented. This is because internal auditing is critical within an organisation, as it assists the organisation in the evaluation of the adequacy and efficacy of internal control, corporate governance, and risk management processes. It is also critical for establishing the quality and effective internal audit that could assist the organisation in improving operational and financial performance in the organisation. The researcher administered structured questionnaires to more than a hundred internal auditors, external auditors, and audit committee members. Out of 100 questionnaires distributed, 91 participants responded. Statistical Package for Social Scientists 25.0 was used to analyse descriptive data. The study results revealed that SAPS internal audit is effective, as most of the participants responded positively on this notion. There, however, are some areas of improvement that needs urgent management intervention such as ineffective risk management within SAPS, which tends to negatively affect the internal audit planning process. The study results further indicated that the SAPS internal audit function lacks management support because of a shortage of budget allocated to them and the non-implementation of corrective actions that emanate from internal audit reports. It is against the backdrop of this research to adopt agency and institutional theories in determining barriers to effective internal auditing with SAPS. The study contributes to the auditing literature by providing a rich description of the internal auditing of SAPS in South Africa that has not previously been a subject of a comprehensive study.

Key Words: Barriers, internal auditing effectiveness, SAPS, agency theory, institutional theory, internal auditing.

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DEDICATION

I dedicate this thesis to my wife, Cynthia Matshona, and children, Rokoniswa and Rotanganedzwa Matshona, for their endless support throughout my journey until I obtained my degree.

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ABBREVIATIONS AND ACRONYMS

AC   Audit Committee

ACFE   Association of Certified fraud Examiner

AGSA   Auditor General of South Africa

AO   Accounting Officer

CAE   Chief Audit Executive

CCSA   Certification in Control Self-Assessment

CEO   Chief executive officer

CFO   Chief Financial Officer

CFE   Certified Fraud Examiner

CIA   Certified Internal Auditor

CISA   Certified Information System Auditor

CPUT   Cape Peninsula University of Technology

GAS   Generalised Audit Software

IA   Internal Audit

IAs   Internal Auditors

IAC   Internal Audit Charter

IIA   Institute of Internal Auditors

IoD   Institute of Directors

ISACA   Information System Audit and Control Association

IT   Information Technology

PFMA	Public Finance Management Act
PwC	PricewaterhouseCoopers
RBCA	Risk Based & Compliance Audit
SAPS	South African Police Service

<div align="center">**CHAPTER ONE**</div>

<div align="center">**INTRODUCTION AND PROBLEM IDENTIFICATION**</div>

1.1 Background of the study

The public sector provides numerous services such as security, education, communication, and financing, which all benefit the society in general. It is financed by the government budget to deliver benefits to the citizens and enables the government to achieve their goals (Amaechi & Chinedu, 2017). Therefore, there is a need for accountability to enhance the living standard of citizens by providing quality services. This accountability is achievable when there is proper reporting, and checks and balances within the public sector. The checks and balances are derived from policies instituted to guide the functioning of the various public departments headed by the Accounting Officer (AO).

Through legislation, it is required that South African government departments establish the Internal Audit (IA) through the stewardship, direction, and control of the Audit Committee (AC), in line with the Public Finance Management Act (PFMA) Section 38 (10) (a) (II). The establishment of an audit committee is meant to enhance good governance within the organisation allowing the internal audit function to execute their duties to the highest level (Nel, 2011). Sound corporate governance requires the audit committee to advise senior management on the importance of implementing internal control systems, and recommendations made by various assurance providers to assist the organisation's operations and financial information (Osioru, Rotich & Anyango, 2017).

The Internal Audit Charter is a founding document for IA, as it defines the purpose, authority, and responsibility that is consistent with the definition of IA (Treasury Regulations, 2009). It further permits IA to have power in examining records, interviewing personnel, and the inspection of physical properties relating to assurance and consulting audit engagement. IA in the public sector is responsible for performance auditing, value for money auditing, operational audits, and financial and information technology auditing.

Auditing is critical in improving the operational and financial performance of the organisation by using auditors' skills and expertise in advising management (Onumah & Krah, 2012). It is

through audits where fraudulent activities could be detected and reported to the relevant management. Audits must be conducted by internal auditors with adequate skills and knowledge so that management is provided with useful and value-adding recommendations. Unimpaired independence contributes to stakeholders not doubting the objectivity of the auditors (Azam, Hasnah & Tajul, 2018).

The value proposition for IA is derived from evaluating and enhancing organisational systems by evaluating the effectiveness of risk assessment and strategies employed to optimise operations. This could be easily done when auditors better understand the business operations and environment. IA's must form a strategic alliance with management and prioritise the expected change within the organisation to attend to the client's needs (Motubatse, Barac & Odendaal, 2015). Halimah (2015) stated that IA enhances organisational governance, performance, and accountability and has become a management tool in improving service delivery. The value that IA adds in improving risk management, controls, and governance processes is essential in all organisations (Davidson, Goodwin-Stewart & Kent, 2005). The organisational goals set by management are easily achieved when risks are effectively managed and controls and governance processes are effective.

To provide management with confidence that actions or measures put in place are working as planned, the responsibility lies with all assurance providers, by reviewing internal controls, policies, and procedures implemented by the organisation. Reviews assist management in preventing non-compliance, waste, and loss of financial resources (Baharud, Shokiyah & Ibrahim, 2014). There, however, are many challenges that IAs experience in their working environment that hinders them from delivering quality services to the organisation.

Chambers and McDonald (2017) stated that in the current dispensation, there is more pressure and demand for IAs to spend less time and resources while adding more value to the organisation. Relaying information effectively and regularly to top executives, compliance with internal audit professional standards, competent and skilled employees, and broad and comprehensive audit universe could make the internal audit activity effective in the organisation. It is known that technical skills only makes IAs effective, and it is not known that a whole combination of technical skills and non-technical skills such as integrity, continuous training, communication, partnership and teamwork are critical for IAs to be effective. This

study aims to identify if there are barriers to effective internal auditing within South African Police Service and recommend possible measures that could be implemented to overcome such challenges that derail the effectiveness of IA.

1.2 Problem Statement

It is critical for every organisation in the public sector to use IA as a management advisory tool in strategic and operational issues within the organisation. It is critical in assisting management to prevent and detect the loss of public funds, and misuse of state resources (Rangongo, Mohlakwana & Beckmann, 2016).

The South African Police Service (SAPS) IA is allocated insufficient financial budget and in some instances, the budget is not allocated on time and it becomes exceedingly difficult for the component to conduct their mandate. A study by Adel (2011) revealed an insufficient number of internal auditors within the public sector; however, they are expected to audit huge audit universe to uncover irregularities, public funds misuse, corruption, making the IA activity ineffective. When management fails to allocate enough resources to IA, it indicates a lack of management buy-in the value preposition of IA in the organisation (Morgan, 2009).

Although there are coordination of audit activities between SAPS IA and the Auditor General of SA (AGSA), AGSA still does not rely on the work of IA. Management does not recognise audit findings raised by IAs with urgency as compared to those findings raised by AGSA; consequently, the department continues to receive qualified report from AGSA. Standard 2050 on coordination gives room for the CAE to share his or her audit plan with other assurance providers so that all critical audit areas are covered and work is not duplicated (IIA, 2017).

The SAPS is a huge organisation and the IA activity employees' complement is too small to respond to the management needs. The Human Resource (HR) department contributes to the downfall of the IA, as in some instances, vacant posts take too long to be filled and there are more pressure and demand for internal auditors to become imperatives to the entity. This could result in management losing trust in IA and not giving them the necessary support. The study by Kamere (2013) indicated that when management fails to understand the IA existence, IA receives little support and attention that affect the overall performance of the IA function.

The department of IA recruits only members with commercial field degrees, limiting them in auditing specialised areas or environments such as science laboratory and air-wings. The head of IA should recruit highly trained and skilled IAs, as a lack of understanding of the client's environment hinders the IA performance. Auditors should have skills, knowledge and competencies to deliver a quality service to the entity and they should always be abreast with changes within the environment in which the organisation operates (IIA, 2017).

The department of IA within SAPS does not receive the necessary support from the audit committee, and executives are not taking internal audit reports seriously and no action are taken against them. Audit committee members do not comprehend the critical part and authority they should play within the organisation (Paape, 2011). The study by Barac and Williams (2016) supported that effective communication among the audit committee, board, and executives could build trusted working relationships.

An organisational set up of the SAPS is semi-military in nature; consequently, command and control serve as deterrence to a fully functional IA department. The established risk management section within SAPS is not functioning effectively, resulting in IA functions not being relevant when identifying critical areas to be incorporated in their annual operational plan. The lack of information technology systems to assist the IA departments in conducting risk assessment also contributes to the section's ineffectiveness (Moorthy, Seetharaman, Gopalan & San, 2011).

1.3 Aims and Objectives of the Study

1.3.1 Aim of the study

This study aims to identify if there are barriers to effective internal auditing within the South African Police Service: Case of Northern Gauteng.

1.3.2. Research objectives

The primary objective is to explore the barriers or challenges that face IA within SAPS.

The **sub-research** objectives are:

i. to scrutinise how the effectiveness of the IA activity in SAPS could be measured;

ii. to ascertain the elements that hinder the effective functioning of SAPS IA activity;

iii. to evaluate measures that could be implemented to overcome the challenges that hinder the effective functioning of the IA department within SAPS; and

iv. to determine if SAPS IA activity enjoys management support and propose communication strategies within the SAPS.

1.4 Research Questions

The **main** research question is, what barriers do the IA within the SAPS experience?

The **sub-research** questions coined as follows:

i. How effective is the SAPS IA activity?

ii. What are the components that obstruct the effective functioning of the SAPS IA activity?

iii. What are the possible measures that could be implemented to overcome challenges that derail the effectiveness of the IA department?

iv. Do the SAPS IA enjoy management support?

1.5 Research Hypothesis

i. H_0 = There is no significant difference in the perception of the participants on the effectiveness of the SAPS IA based on (a) Gender, (b) Age, (c) Position in the organisation, (d) Workstation, and (e) Educational qualification.

ii. H_0 = There is no significant difference in the perception of the participants on the extent of management support received by the SAPS IA component based on (a) Gender, (b) Age, (c) Position in the organisation, (d) Workstation, and (e) Educational qualification.

iii. H_0 = There is no significant difference in the perception of the participants on the elements that hinder the effective functioning of the SAPS IA activity based on (a) Gender, (b) Age, (c) Position in the organisation, (d) Workstation, and (e) Educational qualification.

iv. H_0 = There is no significant difference in the perception of the participants on the framework to overcome challenges that derail the effective functioning of the SAPS IA based on (a) Gender, (b) Age, (c) Position in the organisation, (d) Workstation, and (e) Educational qualification.

1.6 Literature Review

1.6.1. Internal audit activity role within the public sector

IA serves as a foundation of clean governance in the public zone since it gives an independent and unbiased assessment on how resources that are of public nature are used in the organisation (Goodson, Mory & Lapointe, 2012). The provision of various internal audit services depends mostly on how effective IA is, as this will greatly assist the organisation to achieve good governance (IIA, 2012). An entity with good governance increases the opportunity of receiving unqualified audit reports from AGSA.

1.6.2. Effectiveness of internal audit activity

Effectiveness could be defined as the level in which the intended goal is reached (IIA, 2010). According to Onumah and Krah (2015), effectiveness is defined as the accomplishment of desired goals against factors given for measuring planned achievement. Amaechi and Chinedu (2017) emphasised that the achievement of organisational goals is reasonably attainable when an evaluation of the financial and operating system are independently reviewed by IA activity. This requires IA activity to provide management with useful recommendations for improvements, and the commitment from management to implement recommendations is also needed.

1.7 Research Paradigm, Research Methods and Methodologies

This research applied a descriptive survey research design, as it determines and reports the way things are (Khalid & Kuma, 2012). The researcher will apply the quantitative research method, as it allows quantifiable data to draw up facts and discover patterns in the study. Different variables could be examined through quantitative and qualitative research (Remler & Van Ryzin, 2011:181). When using the numerical measurement and analysis approach, the research objectives and questionnaire are addressed by empirical assessment (Zikmud, 2010:134). It involves questionnaires and interviews that could be distributed to all participants from various provinces by email.

1.8 Research Methods

In this study, the researcher will use the quantitative research method. Quantitative research can persuade and suggest in favour of the specific manners of a relationship. It is more useful, as it can make correct projections (Tweksbury, 2009:52). The researcher will use a questionnaire to collect data, and it will be distributed to all IAs in various provinces, external auditors, and audit committee members. The questionnaire will contain closed questions with no opportunity to comment and give suggestion for any improvement.

1.9 Research Design

Myers, Well and Lorch (2010) defined the research design as how gathered data are analysed to respond to the research questions. Cohen, Manion and Morrison (2011) defined research design as the procedures for gathering the required information to solve research problems. A proper research design encompasses the research method and procedure to gather and analyse data. The researcher will collect data that reflect barriers to effective IA within SAPS involving a large sample of 100 participants from the targeted population of 180. From the 100 questionnaire distributed, 91 questionnaires were completed ad returned to the researcher. The collected data will be captured in excel and then exported for analysis. Also validity and reliability analysis will be conducted to evaluate for the internal consistency of the questionnaire items. A statistical package for Social Scientists version 25.0 for windows will be used to analyse the data.

1.10. Significance of the Study

The research will enlighten SAPS executive management on how IA could be highly effective and assist them in improving the organisation's operations and achieving organisational goals. The results of the study will provide all IA functions within the public entity with guidance on how to overcome barriers faced by departments of IA. This study will educate SAPS executive management on how the efficacy of IA could be gauged. The research will contribute to the literature to be used by other researchers for future references.

1.11. Demarcation of the Study

The research was conducted within the SAPS department. The results of this research, therefore, should not be generalised to other government departments. This study was limited to SAPS IAs, external auditors (AGSA), and audit committee members. Other IA departments within the public entity, however, could use this study for benchmarking if barriers to effective IA are similar to their departments.

1.12. Limitations

The limitations experienced in this study was limited time, resulting in nine internal auditors not returning questionnaires, and there was no cooperation from the Auditor-General of South Africa, as only a few members completed and returned their questionnaires.

1.13. Chapter summary

This section explained the introduction and background of the study where the main research problem, research objectives, and questions were presented along with the significance of the study, and the background of the problem. Delimitation, limitations and research hypothesis were also explained in detail. The next section will explain the conceptual and theoretical framework and provides a literature review on past research about barriers to the effective functioning of the IA within the public sector.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

The previous chapter explained the background, introduction, and main research problem. It highlighted objectives and questions of the research aimed at defining the problem of the study. It provided methodological procedures followed in the research study. This chapter of the study analyses the literature on barriers to effective IA. It comprises the introduction, conceptual and theoretical framework, establishment of IA functions within the South African public entity, legislation guiding IA functions, the role of IA functions in the public entity, and last, the conclusion of the chapter.

2.2 Conceptual Framework

Within South Africa, there is growing demand for IA in the government departments. Resource challenges such as enough personnel and financial budget, however, result in this study trying to find out the efficacy of the SAPS IA function in South Africa. The literature results in the following definition of internal auditing:

> *...an independent objective assurance and consulting activity designed to add value and improve organisation operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.* (IIA, 2016)

The above definition outlines the significance of IA to its stakeholders, especially the management of the organisation. As part of fulfilling their responsibilities, IA must evaluate the effectiveness of actions or any measures that management has implemented to improve risk management and governance processes. It is evident that IA is a valuable resource of executive management and governing bodies, as they rely on them to obtain unbiased assessment of the status of internal controls in the organisation. The definition of IA, therefore, is important, as it explains what IA is, and what it does in the organisation.

2.2.1 The evolution of internal auditing

The audit profession associated with the IIA was founded in 1941, 78 years ago in the United States of America (US). It was founded to respond to the need of independent verification of information within public and private institutions to lessen record-keeping mistakes, asset misappropriation, and fraud within the organisation (Ramamoorti, 2003). Victor Brink and Lawrence Sawyer are the most powerful humans in the IIA history, as they developed and introduced the Statement of Responsibilities of the Internal Auditor in 1947 (IIA, 2003). It focuses mainly on finance and accounting-related issues; however, issues relating to the operations also fall within their scope. It, therefore, is vital that IAs consider or include matters relating to the operations in their scope of work.

In 1957, the Statement of Responsibilities of Internal Auditing was revised and broadened to incorporate other issues such as ascertaining the reliability of accounting and other data developed within the organisation, and appraising the quality of performance in conducting assigned responsibilities. It was further revised in 1976, 1981, and 1990 to reflect the continuing and rapid evolution of the IA profession (Sawyers & Sumners, 1973:5).

In 1970, the IIA adopted a framework for the effectiveness of IA used world-wide called International Professional Practices Framework (IPPF). This framework is critical because it effectively supports and guides the audit profession. To assist in communicating scope, performance, and objectives of IA, the standards for the professional practice of IA was established and approved in 1978. It is the same standards that are used to unify IA throughout the world, encourage improved IA, and establish the basis for consistent measurement and evaluation of IA operations (Fulop & Szekely, 2017).

It is in the same IPPF where mandatory implementation and supplemental guidance were explained. The mandatory guidance explained the core principles for the profession practice of IA, code of ethics, definition of IA, and IIA standards (IIA, 1999).

2.2.2 Core principles

According to IIA (2017), the ten principles for IA effectiveness are as follows:

2.2.2.1 Integrity

IAs must establish a solid reputation by delivering on their promises. That means that they must take responsibility to respect clients, stay focused, and surround themselves with honest people.

2.2.2.2 Competence and due professional care

The auditing engagements must be carefully planned and audit results must be communicated professionally, effectively, and timely. Due professionalism is exercised when IAs consider the size of work to fulfil the audit objectives, likelihood of crucial mistakes, any irregularities, and the cost of assurance associated with potential benefits.

2.2.2.3 Quality and continuous improvement

Internal auditors must always strive for quality and continuous improvement by implementing change. Such change could be introduced on a small scale and data are used to analyse the outcome of such change. If change brings satisfactory results, then implementation can be done on a wider scale and continue to evaluate the benefits.

2.2.2.4 Objectivity and free from undue influence

IAs must be objective on all duties they perform by avoiding conflict of interest and unbiased judgement.

2.2.2.5 Risks, objectives and alignment of strategies

IA strategy must be consistent with organisation strategy, risks and objectives to provide true benefits to the entity. For IA to be relevant and exceed management expectations, more resources, therefore, should be directed to high risk that might hinder the entity from achieving its goals.

2.2.2.6 Adequately resourced and position of internal auditing

The IIA standards require the CAE to report to the highest level in the organisation, allowing them to be free from management interference. The CAE annually is compelled to confirm the independence of the IA function to the audit committee. The IA department can easily meet its

targets and maintain status of independence when enough resources are in place. These include competencies such as skills and experience needed to execute audit engagements.

2.2.2.7 Effective communication

IIA standards require IAs to communicate engagement objectives, scope and results. The audit scope, objectives and timing of the audit should be discussed with clients before the audit commences. When results are communicated, conclusions, recommendations and action plans should also be incorporated in the audit report.

2.2.2.8 Risk-based assurance provision

IA must be relevant, effective and safeguard the value of the organisation by providing a risk-based audit approach on all assurance and consulting audit services. This approach provides an optimal level of assurance, supporting the achievement of organisational objectives and enhances the priority ratings of findings and recommendations. It also benefits management regarding enhancing risk mitigation and achieving business objectives.

2.2.2.9 Proactive, insightful, and future focused

Forward-thinking auditors apply digital technology on their work and anticipate issues and risks associated with those technologies. This requires auditors to move from traditional ways of doing auditing and start using technologies (IIA, 2018).

2.2.2.10   Improvement of organisational promotion

IA is the most suitable department to provide assurance and advice when resources, competence and structures are aligned with organisational strategies, risk management and when it complies with IIA standards. This could be easily done when IA is free from undue influence and perform its assessment objectively. The section, therefore, should be able to provide management with an assessment of status of controls surrounding risk management and governance processes (IIA, 2018).

2.3 Establishment of Internal Audit in the Public Sector

The department of internal auditing must be measured based on the non-interference of senior management and not being involved in the operational activities (Bou-Raad, 2000). The

literature supports the idea of the IA function to be positioned properly so that it can function effectively within the organisation.

IIA (2017) alluded that the independence of the head of IA contributes immensely to the efficacy of the IA function. When auditors conduct their work without interference, it gives management confidence to rely on their work. It is easily fulfilled when the IA head reports functionally to the audit committee and administratively to the director general or accounting officer (IIA, 2017). Kadondi (2012) emphasised that quality audit work or service is delivered by independent auditors, and where auditors lack independence, they do not perform up to the standards expected by the organisation.

The IA within SAPS has a head office in Pretoria and is decentralised to all nine provinces. There are four sections in head office led by Directors (Section Heads) namely Performance Audit, Forensic Audit, Information Technology Audit, and Risk-based and Compliance Audit. In each province, there is a Provincial Head leading the Risk-based and Compliance Audit Section at the level of Director. All Provincial and Sectional Heads report to the Chief Audit Executive at head office who then reports functionally to the audit committee and administratively to the accounting officer.

2.3.1 Internal auditing's code of ethics

The IA profession developed the IIA code of ethics to enhance and encourage good ethical behaviour and further explain behaviour standards expected from internal auditors (IPPF, 2015). All internal auditors around the world must register with the IIA professional body and must always apply and uphold the principles of the IIA code of ethics (Dubihlela & Nqala, 2017). Trust and basis for reliance on their judgement are built when auditors demonstrate integrity. It, therefore, is imperatives to execute duties with honesty and trustworthy. When gathering, evaluating and communicating audit information, the highest level of professional objectivity should be demonstrated. IAs, therefore, should not be influenced by own interests, as they are anticipated to give unbiased assessment on areas examined (IIA, 2012).

In line with the principles of the code of ethics, auditors must keep information safe and confidential and not disclose such information without the necessary authority to do so. The

last principle is competency, where IAs must apply their full potential regarding skills, knowledge and experience needed when conducting an IA assignment (IIA, 2012).

Dittenhofer (2001) argued that the department of IA contributes to the efficacy and efficiency of entity operations when it maintains its quality. A study by Belay (2007), however, stated that IA quality is determined by organisational independence, knowledge and experience, professional regulatory authority, and support they receive from executives. Management aid is crucial for the effectiveness of audit activity when performing audit duties. Seif and Hussein's (2012) study revealed that there is a positive working relationship between the department of IA and full support from management. Management, however, employs IAs, and this puts IAs in a difficult position that could compromise their independence. IAs must remain independent; however, it is upon management to allow the department of IA to operate independent and effective.

2.3.2 Internal audit functions' roles within the public sector

Auditing serves as a foundation of clean public entity governance by giving independent and unbiased assessment on how state resources are used in the organisation (Goodson et al., 2012). A provision of quality services is dependent mostly on the effectiveness of the IA function, as this will greatly assist the organisation to achieve good governance (IIA, 2012). An organisation with good governance, could increase opportunities of receiving unqualified audit reports from AGSA.

For an organisation to accomplish its objectives, they must have assurance providers that apply consistent and disciplined methods for measuring and adding value that enhance organisational controls (IIA, 2017). This promotes governance and enhances accountability and transparency in the organisation, and advises management on how to manage organisational risks and improve internal controls (Khalid, Haron & Masron, 2018).

IA performs certain functions in line with the organisation's policies and procedures to detect fraudulent activities, disclose hidden transactions and information, ensuring the safety of the organisation's assets (Amaechi & Chinedu, 2017).

2.3.2.1 Risk management

IIA (2013) defined risk management "as a process to identify, assess, manage and control potential events to provide reasonable assurance regarding the achievement of the organisation's goals". The standards for IA provide guidance for the auditors to determine the effectiveness of risk management by assessing whether:

3   the organisational objectives support and align with the organisational mission;

4   strategic and operational risks are identified and assessed;

5   appropriate risk responses are selected that align risks with the organisation's risk appetite; and

6   risk information is documented and communicated across the organisation, enabling employees, management, and the board to conduct their responsibilities.

Management must know the risks that threatens the achievement of organisational goals so that controls could be designed and implemented to minimise the effect and likelihood of such risks, and these responsibilities lies with the accounting officer. (COSO, 2004). Coetzee and Lubbe (2011) conducted a study that revealed that corporate governance legislations and guidance enforces the IA function to participate in risk management.

Effective risk management provides reasonable assurance to management regarding the attainment of the organisational goals and assists the entity to achieve financial and operational targets (Mohammed & Knapkova, 2016). The study further revealed that a value-add audit plan is developed based on the results of risk management processes.

An organisation with no risk management could experience employee turnover, client dissatisfaction, missed opportunities, damaged reputation, and loss of shareholders. Where there are strategies to reduce risks within the organisation, opportunities of maximising profits are high. To avoid organisational surprises and loss, effective risk management should be implemented (Hoyt & Liebenberg, 2008).

A study by Ernst and Young (2007) revealed that most organisations have problems of ineffective planning of audit activities and non-completion of the audit plan due to a shortage of employees. Mohammed and Knapkova (2016) indicated that an effective risk management system enhances the organisation's performance, even though it needs huge resources

mobilisation. This includes capacitating the risk management section by appointing enough members with risk management skills and experience. IT risk management systems are also procured and used to facilitate the risk management process across the organisation. Their study further revealed that strong and effective risk management enhances the performance of the entity. Performance, financial and operational information of the entity, therefore, can be relied on and used to make key decisions.

2.3.2.2 Control

The glossary of the IIA (2013:42) defines control as any actions or measures that management put in place to mitigate risk and increase the likelihood of attaining organisational goals. In any institution, it is management responsibilities to plan, organise and control activities to ensure the fulfilment of organisational goals. IAs, therefore, play a role of evaluating the adequacy and efficacy of internal controls within an organisation. The changes of internal controls also affect IA functions. For example, changing from a manual system to a computerise system requires expertise to conduct such audit.

2.3.2.3 Governance

Several organisations strengthen their corporate governance due to financial reporting scandals from various organisations (Gramling et al., 2004). In line with the definition of IA, IA should evaluate controls surrounding governance processes and recommend improvements (Bailey et al., 2003). The IIA also responded by including corporate governance as part of the scope of IA functions.

2.4 Effectiveness of Internal Audit Activity

Effectiveness is described as the level at which the intended goal is reached (IIA, 2010). According to Onumah and Krah (2015), effectiveness is defined as the accomplishment of desired goals against factors given for measuring planned achievement. Amaechi and Chinedu (2017) emphasised that the achievement of organisational goals is reasonably attainable when an evaluation of financial and operating systems is independently reviewed by the IA department. Value-add recommendations from auditors and commitment from management to implement recommendations, therefore, is also needed. Every public sector must have an

independent assurance provider that provide value-add service to the entity and that quality services rendered to the citizens (IIA, 2012).

Van Gansberghe (2005), however, argued that in the public entity, effectiveness of the IA could be gauged by the degree in which the organisation renders its service to the public. IA is regarded as fully functional when client needs are addressed regarding quality, quantity and timely (Frigo, 2002). Mihret and Yismaw (2007) believed that the effectiveness of the IA function could be measured by the knowledge and experience in various field including auditing, allocation of enough resources on each audit assignment, proper fieldwork/execution, and timeously communication of audit results. Arena and Azzone (2009) stated that the correct method for measuring the effectiveness of IA is by counting clients' recommendation percentage.

An effective internal audit reinforces governance by giving citizens power to hold their public entity accountable. IAs perform some critical functions regarding governance to promote credibility, equity and good conduct by government officials and reduce corruption within the public sector (Dubihlela & Ezeonwuka, 2018). Brierley, El-Nafabi and Gwilliam (2001) revealed the lack of training and required expertise, low market-related salaries, and limitation of audit scope as factors that render the IA function ineffective.

The ineffective performance of IA caused by insufficient staffing results in mismanagement, error and abuse of resources (Ministry of Finance and Economic Development, 2004). Hailemariam (2014) cited the importance of having enough auditors consisting of experienced and skilled supervisors to ensure the smooth running of the unit. IIA (2012) alluded that effective IA has dimensions such as, planning, management of resources, coordination, policies and procedures, communication, approval, and reporting to the board and senior management. Figure 1 indicates the typical factors in the effectiveness of IA.
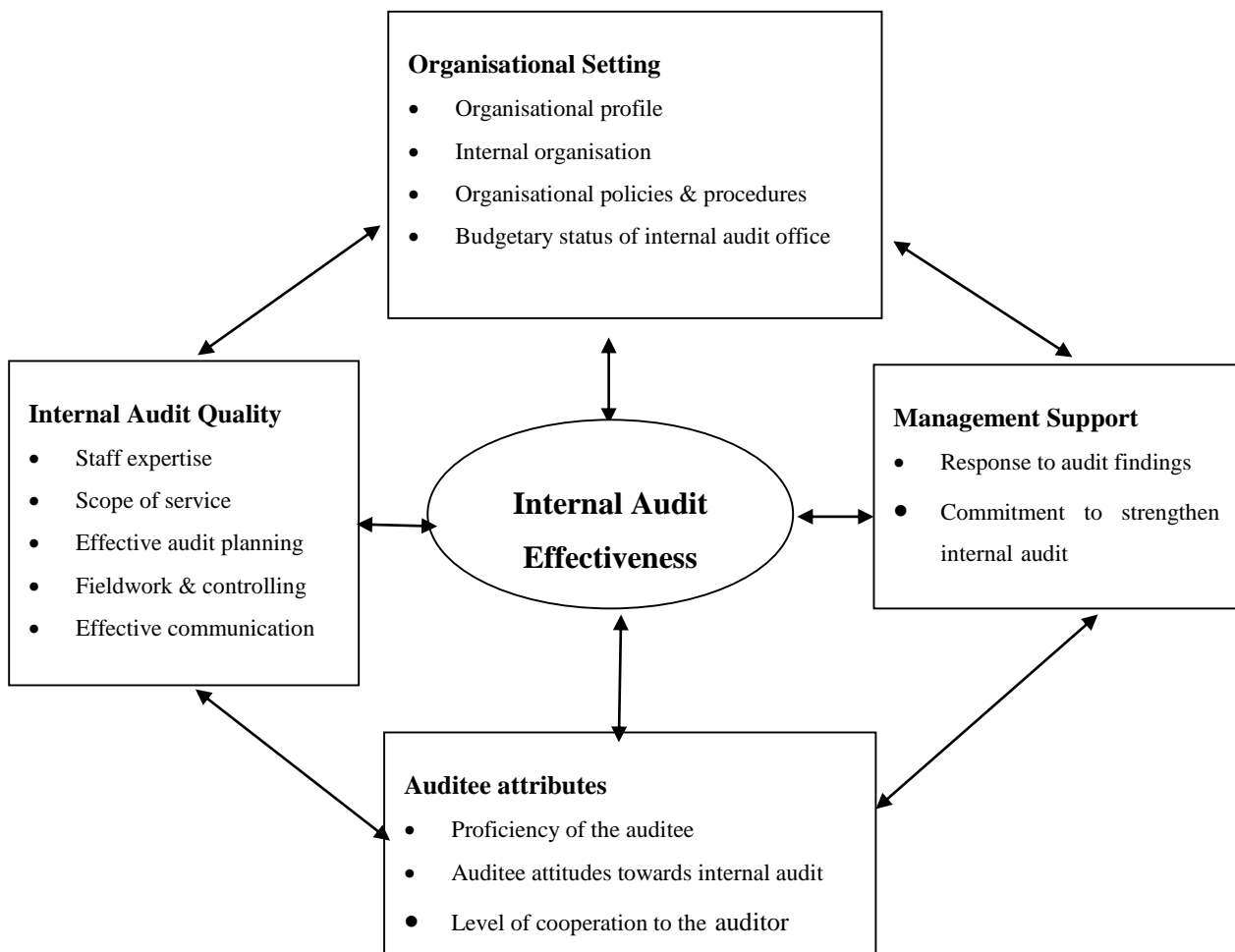
Figure 1: Factors influencing internal audit effectiveness

Source: Mihret and Yismaw (2007)

2.4.1 Organisational setting and profile

An organisational setting was highlighted as an element that could assist the IA activity to be effective in the organisation. It entails various institutions such as large, small, profit, non-profit, public and private institutions. The study by Belay (2007) asserted that it requires a well-established organisational set up that includes organisational structure, policies and procedures, and sufficient budget for the IA activity to be more effective. This could also be done by giving IA an elevated status in the organisational structure that enables them to exercise independence. Organisational independence is vital, as it builds trust and confidence with clients and shareholders.

Dawuda (2017) stated that the proper set up of the organisation makes things easier for auditors to execute their duties with no difficulties and interference, increasing the possibility of clients to rely on the auditors' work. It, therefore, is critical that IA enjoys management support in the organisation. An organisation's set up will never be proper without a fully functional audit committee, and the work of the IA will never be augmented.

All national departments in South Africa are placed under the Director-General's Office and in this arrangement, auditors remain employees of the department and do not enjoy a high level of independence. Each department has its IA as mandated by legislations. The advantage of having in-house auditors is that they are familiar with the business process, making it easier to guide clients regarding how systems and processes should be improved. The oversight bodies, however, must protect the independence of the department of IA in the organisation so that management refrain from interference.

It is different in the provincial departments, as audit functions are centralised at the provincial treasury and placed under the Director-General's office. This arrangement gives audit functions a required status of independence. Auditors, however, might lack knowledge of the business, resulting in them being unable to improve operational efficiencies, identifying potential risk, and making the organisation a better organisation. These arrangements allow IAs to execute their duties with no fear and favour. When auditors lack business knowledge, the CAE should ensure that overview meetings are held with clients before the commencement of the audit. This will enhance auditors' knowledge on the areas to be audited and will produce great audit results.

2.4.1.1 Internal organisation

SAPS has 13 divisions and 8 components placed at head office in Pretoria under the leadership of the Minister of Police. Each division is led by a Divisional Commissioner (Lieutenant Generals) at the level of Deputy Director General and components led by Major Generals at the level of Chief Director. There are four Deputy National Commissioners at the level of Deputy Director General who reports directly to the National Commissioner (Director-General). The Divisional Commissioners report to the Deputy National Commissioners according to their portfolio. There are SAPS provincial offices in all nine provinces led by Provincial Commissioners at the level of Deputy Director Generals who directly reports to the

National Commissioner. Each Provincial Commissioner is responsible to direct, manage and control its province in fighting crime. The SAPS structure permits the IA head to report administratively to the National Commissioner (Director General), who gives the IA power to access each environment within the department and execute their duties with no fear and favour (IIA, 2017).

The department established an audit committee that consists of four members from outside the organisation, as required by legislations, and roles and responsibilities of such committee are well explained in the audit committee charter. All four committee members have accounting and auditing qualifications and experience and are entitled to attend a minimum of four meetings per year.

In this area, the literature review does not address the necessity of having a mix of skills among audit committee members. It becomes a challenge for SAPS management when they need advice on legal, operational and other technical matters. It, therefore, is critical for the national commissioner to consider the mix of skills in future when a new committee is appointed or established.

2.4.1.2 Organisational policies and procedures

The organisation must have clear policies and procedures, rules and regulations that can be used to measure the success of the organisational practices (Enofe, Osa-Erhabor & Ehiorobo, 2013). In SAPS, each division and component develops its policies and procedures to guide employees when executing their daily duties. The department implemented control mechanisms regarding newly developed polices and policies that require amendment or additions.

The national commissioner saw the necessity of establishing a policy committee chaired by Divisional Commissioner Legal Services and the terms of the reference of the policy is to review all newly developed policies, those that require amendment, and then recommend all policies that are ready for implementation to the national commissioner for approval. No policies, therefore, are approved and implemented without being looked at by the SAPS policy committee. Policies are then sent or circulated to all employees for implementation and compliance.

Each manager in the organisation must ensure or enforce adherence to the set policies and procedures. IAs should familiarise themselves with policies and procedures so that they are in advantageous position to highlight gaps, non-compliance and provide value-add advise to management. Regarding the audit department, the authority lies with the IA head to establish policies and procedures. The policies should specify the IA's responsibilities and how reports should be presented and distributed to top and other management.

Such policies, therefore, should be complied with, as non-compliance could render the IA activity ineffective. It is necessary to establish a quality assurance and improvement programme to ensure full adherence with standards, and manual. This could be achieved by conducting internal assessments on all audits conducted within a financial year. The CAE must also have external assessment done every five years (IIA, 2017).

2.4.1.3 Budgetary status of internal audit office

Sufficient funding is one of the critical elements that could make the IA effective, as it could facilitate the proper execution of auditor's roles and responsibilities. Dawuda (2017) stated that adequate resources result in an effective IA, and where there are inadequate resources, there would be limitation of audit scope. It, therefore, is vital to consider the size of the audit when preparing budget needs.

Onumah and Krah (2015) stated that in the Ghanaian public sector, IA departments are always allocated inadequate budget, and most of the planned activities had to be abandoned due to a shortage of funds and other required resources. To have a strong assurance provider, IA must be capacitated with high quality auditors, provision of training, and enough resources such as vehicles and computers (Cohen & Sayag, 2010).

To ensure proper planning, the required resources should be determined at the time of developing the IA plan and be part of the budget of the whole entity. That gives the department an opportunity to identify any outside expertise and required resources such as funds and physical resources needed to execute the audit work. It, therefore, is critical to capacitate IA with physical and financial resources. IA as a tool of advising management should serve as an example regarding the proper usage of state funds; therefore, underspending and overspending

should be avoided. A strict control mechanism must be in place so that value is derived for any cent spent.

2.4.2 Management support

It is critical to assess the level at which IA activity can assist the entity to attain its desired objectives. For IA to be fully functional and efficient, it requires the undivided support from executives (Dawuda, 2017). Support from the executive was also identified by Mihret and Yismaw (2007) as one of the factors that could improve the effectiveness of the IA function. One of the barriers to effective IA, therefore, could be a lack of executive support.

Some organisations in public institution receive insufficient training and operational budget. This sabotages the IA, as they could not deliver what is expected from them. The provision of enough budget and filling vacant posts timeously could assist IA to discharge their responsibilities freely.

2.4.2.1 Response to audit findings and commitment to strengthen internal audit

Top management could show support to IA activity in several ways by, for instance, responding to queries or audit findings on time, emphasising the value of IA independence, objectivity, and providing implementable action/corrective plans. This is properly done when the role of IA activity is well understood by all members within the entity. Management must ensure that auditors are treated with respect, and requested information is made available to the auditors on time.

The study by Adulaziz and Nedal (2013) revealed that IAs do not enjoy support from top executives. This is supported by reports that were issued with critical findings that management does not implement corrective actions, influenced mainly by political reasons and corrupt management. This reduces IA effectiveness and serve as evidence of undermining IA function (Gray & Manson, 2000).

Mihret and Yismaw's (2016) study revealed that critical findings and value-add recommendations would not assist the institution unless management is committed to implement them. The results of their study revealed that when management implements recommendations, IAs continue to display elevated levels of professionalism when executing

their duties, and other people find IA profession attractive. The study conducted by Onumah and Krah (2015) in the Ghanaian public sector revealed that in most organisations, management does not implement recommendations from the IAs. Consequently, IAs' attitude towards improving audit quality is severely affected.

One of the director general's roles in the public sector, therefore, is to educate his or her management on the benefits derived from having a good working relationship with various assurance providers. The CAE must properly market his department within the organisation so that management buy-in could be obtained.

2.4.3 Auditee attributes

It is not solely responsibilities of the auditors to prevent or reduce barriers to effective IA, auditees also contribute to the IA effectiveness. Auditees should possess several attributes to contribute to the effectiveness of IA, and in the absence of those attributes, the audit activity will never be effective.

2.4.3.1 Proficiency of the auditee

An organisation must be more vigilant when recruiting members, especially for critical positions such as Chief Financial Officer (CFO) and Chief Executive Officer (CEO). The integrity of the candidates should also be considered during the hiring process, as it requires confidence and honest members (Chambers & McDonald (2017). Careful consideration in screening and vetting of members, therefore, should also be considered when hiring members. In most instances, organisations receive qualified and disclaimer audit reports from AGSA because critical posts are filled by incompetent and corrupt members.

Non-adherence to policies and procedures are often highlighted as the main contributing factor for many organisations to receive disclaimer and qualified reports. Choosing the right candidate, therefore, is necessary for any organisation to avoid a damaging organisation reputation and goodwill. This barrier could also be prevented by ensuring that all members are vetted before the appointment process is finalised.

2.4.3.2 Auditee negative attitudes towards internal audit

In many organisations, auditees often treat or regard auditors as fault-finders and do not give auditors the necessary respect and appreciation they deserve (Onumah & Krah, 2015). To eliminate this challenge, the auditors must properly market themselves within the organisation so that all members understand the role and responsibilities of the auditors. Auditees should be made aware that where fraud red flags are identified, IA activity is mandatory to report such or initiate an investigation process.

The findings of the study conducted by Onumah and Krah (2015) in the Ghanaian Public Sector identified that there is no good cooperation among auditee and IAs, and this means that IAs are not given the necessary respect and appreciation they deserve. The study further alluded that this might be caused by the conduct that auditors display within the entity. To eliminate this barrier, the CAE should continue to educate IAs about the importance of being professional on and off duty.

2.4.3.3 Level of cooperation or non-cooperation of auditees

It is vital to communicate IA methodology with auditees so that they acquaint themselves with the audit process and what is expected from them. Auditors must comply or work according to their methodology because non-compliance could cause the auditee not to cooperate throughout the audit process. The study by Onumah and Krah (2015) indicated that auditors who fail to explain themselves to the client or auditee, do not understand the business, and fail to articulate issues normally receive less attention or cooperation from the client.

The study by Motubatse, Barac and Odendaal (2015), however, indicated that auditees will have confidence in auditors who understand the business process well, and who can articulate strategic and operational issues with client. The ICA (2002) states that auditors must act in the interest of the client and proper management of client relationship.

2.4.4 Internal audit quality

The ICA (2002) emphasised that audit quality is not defined in law, auditing standards, or regulations. It further highlights that auditing standards guides on what must be performed for audits to be at a satisfactory quality. It also indicated that compliance with the standards serves

as enough evidence that a quality audit was conducted. Mihret and Yismaw's (2007) study identified the quality of IA function as one of the components that could considerably influence the IA activity efficacy.

Where proper supervision is not conducted, result in audit objectives not being achieved and errors in the audit work. To eliminate errors and sub-standard work, managers must provide close supervision on all audit assignments, from the planning to reporting phase of the audit process.

2.4.4.1 Employee expertise

The IIA standard on auditors' proficiency requires IAs to have a sound expertise required in executing their audit duties (IIA, 2012). Auditors' proficiency can be demonstrated by attaining professional certifications and qualifications such as Certified Internal Auditors (CIA), Certified Fraud Examiner (CFE), Certification in Control Self-Assessment (CCSA), and Certified Information System Audit (CISA) and other professional bodies such as the IIA, Association of Certified Fraud Examiners (ACFE), and Information System Audit and Control Association (ISACA).

The study by Mihret and Yismaw (2007) revealed that most public institutions do not give the IA department's enough employees, and there is great challenge of retention of members with high technical audit expertise. This result in a high employee turnover within the public sector IA functions. The above study, however, also revealed that the continuous upgrading of skills and paying member market-related salaries is critical for all auditors.

There is need for the provision of short-term training for all auditors to upgrade their technical competence and this training should be based on individual training needs. This will result in auditors having a high technical proficiency that will assist them to perform up to the expectations of their clients. Reward structures should be in place to ensure that the best people are attracted and retained within the audit profession and this should include rewards for quality work (ICA, 2002).

The IA must have a strong human resource that is competent and credible to ascertain the success of the department (Shafii et al., 2010). Audit experience and various training and experience acquired by auditors when executing their duties augment efficacy of the IA activity

(Mihret & Yismaw, 2007). According to Shaffii et al. (2014), the effectiveness of Shariah auditors rely on their quality, training and experience, and therefore, all organisations must act to provide the necessary experience, training and continuous professional education to ensure IA success.

The study by Rahman (2011) stated that auditors should possess adequate auditing knowledge, skills and competencies regarding the proficiency in applying IA standards, proficiency in accounting principles and techniques, understanding of management principles, and appreciation of accounting. The study further highlighted that a better understanding of economics, commercial law, taxation, finance, quantitative methods, and information technology (IT) could serve as an advantage to the auditors. According to the IA profession survey conducted by PricewaterhouseCoopers (PWC) (2014), a small number of IAs use technology optimally when executing audit work. IA is enhanced when capacitating IAs with knowledge of technology (Abu-Musa, 2008).

The other critical skills that auditors should possess are skills in dealing with people and oral and written communication. Lin (2010) supported the argument by stating that auditors must have expertise to understand areas or environments that are being audited. Where auditors have insufficient knowledge and experience, there is little possibility of adding value to the organisation (Paape, 2011).

2.4.4.2 Scope of auditing services

The development of the audit universe is critical for IA activity to determine the proper scope of work that is based on understanding the business objectives, risks and strategies (Coderre, 2010). The process requires the gathering of business knowledge first and then the audit universe is documented (IIA, 2008). The audit universe is defined as the auditable areas within the organisation, including units, sections and divisions. It, therefore, should be used as the bases or source of the IA plan (ISACA, 2016). This audit universe among others should embed the information technology audit universe.

Upon completion of the audit universe, risk assessment should be conducted on all departments within the institution by considering risks rating and assessing the impact and likelihood of the

risks (IIA, 2008). Once risk assessment is done, IA should develop an IA plan with areas that could add more value to the executives and institution.

IA renders assurance and consulting activities within an organisation and should be done with freedom from interference. For IA to develop a proper scope of work, various stakeholders should be consulted so that their inputs and requests are incorporated in the financial year audit plan. It is also legislative requirement that when an IA plan is prepared the audit committee should be consulted. IIA (2012) also states that the audit plan should follow a risk-based approach method, meaning that it should be informed by the results of the risk assessment, inputs from executives, and other stakeholders such as the Auditor-General.

Alshbail and Turki (2017) stated that organisational independence enables the audit department to perform their duties without interference. IAs must access all documentation relating to IA without any fear of being victimised, as without independence, the IA department will never be effective (Al-Twaijry, Brierley & Gwilliam, 2003). Scope limitation arises when IAs fail to obtain enough information to form an opinion. The IA's judgement in determining the audit scope, therefore, should be respected and treated as important.

The study on the quality of IA work in the public sector in Saudi Arabia conducted by Alktani and Ghareeb (2014) revealed that lacking independence in audit activities is still a main concern. The oversight body, therefore, should start enforcing the independence of IAs in the institution.

2.4.4.3 Ineffective audit planning

Proper planning is critical for the success of the audit, and where there is no proper planning, the audit produces poor results. Brylow (2018) identified inadequate planning as the main cause of unsuccessful audits, as the audit managers do not spend enough time in planning audits. Though audit planning is regarded as a complicated process, it is essentials that audit managers consider changes in the previous 12 months in the organisation and apply different approaches from the one used in the previous financial year (Morgan, 2017). He further mentioned that problems arise when IAs apply the same approach they used in the previous financial year. Ineffective audit planning, therefore, is also a barrier to effective IA function.

Brylow (2018), revealed the following five components that could assist IAs to plan their audits effectively:

2.4.4.3.1 Research the audit focus area

Before commencement of any audit assignment, auditors must familiarise themselves with the processes to be audited by reading previous audit reports. As part of the research, internal policies and procedures should be reviewed, searching the internet for resources, and accessing relevant previous audit reports. IAs should also obtain assistance from the experts in the area to be audited.

2.4.4.3.1 Maintain open communication during the planning process

It is essential to have team briefing meeting with all members that will form part of the audit team, and inputs from individual team members should be considered. The next critical step at this stage is to involve the client or auditee sooner than later so that the audit yields the desired results. This ensures that concerns or additional inputs from the auditee are considered and addressed during the audit process. Where it is impossible to communicate in person, various methods of communication such telephone and emails could be used. Regular interactions among auditors and clients built a strong working relationship and trust, facilitating a smooth running of the audit.

2.4.4.3.2 Conduct process walk-through tests

The main purposes of conducting walk-though tests is to provide auditors with a good understanding of risks and internal controls on the areas to be audited. Not conducting walk-through tests, therefore, could result in poor audit results because the auditor will not have a good basis of sample selection of transactions during fieldwork. Once IAs familiarised themselves with the business process, it is essential to perform one-on-one interviews with the auditee. This equips IAs with more information that will assist them to formulate audit objectives, and identify risks and controls to be assessed during the audit. All this information assists IAs to prepare for a formal entrance conference meeting.

2.4.4.3.3 Mapping of risks to the organisation process

In most instances, auditors spend most of their time auditing areas that are not of concern to the management due to a lack of understanding the business environment, resulting in fruitless and wasteful expenditure. The mapping of risks to the organisation process is an essential stage in ensuring the quality of the audit results. IAs should find out the burning issues from the client or issues that give clients sleepless nights so that they will be addressed in the audit process. The proper way of gathering this information is by face-to-face interviews so that clarity questions could be asked and responses be obtained. All this information is helpful regarding risk identification and controls implemented to mitigate those risks. The identified risks should be assessed and rated with the client regarding likelihood and impact. IAs then identify the gaps on the implemented controls and ineffective controls, and value-add recommendations are given to address or minimise the weaknesses identified.

2.4.4.3.4 Obtain data before fieldwork

The required data or information should be requested in the initial requests for information, as some data will be vital for analysis before fieldwork commence. Weaknesses identified will assist in identifying sample selections. Failure to obtain the necessary data before execution causes delays in audit projects, and in some instances, reports are issued after such a long time, resulting in clients losing trust in the auditors. Some audits produce poor audit results because managers do not balance and consider skills and experience during the team composition.

Brylow (2018) emphasised that any engagement that follows the above elements of effective key elements yields positive results by improving credibility and relationships with stakeholders. Complying with the elements of effective audit planning and considering components of the audit process, therefore, brings quality audit results. According to Morgan (2017), three key mechanisms of a successful audit are time, risk assessment and team composition. It is critical to determine when the audit will start and end, as well as the availability of the auditee because no audit could be successful without the involvement of the auditee. When reviewing risk assessment, IAs look at the auditee environment and risks that could prevent auditee to achieve its objectives.

Team composition is also a critical component, as it focuses on the individual expertise that team members possess. The roles and responsibilities are assigned during the formulation or establishment of the audit team. When the audit assignment is conducted by the right auditors, with the right competencies and expertise, success of the audit is guaranteed.

2.4.4.4 Fieldwork and controlling

At this audit stage, evidence gathered are analysed as per a developed and approved audit programme. The main purpose of this audit stage is to collect relevant, enough, useful and reliable audit evidence to reach a conclusion (IIA, 2017). The collected audit evidence could either be oral, written or physical evidence and should support the conclusion reached by auditors.

Failure to control and review the audit work during fieldwork could result in audit objectives not met, and this could be a barrier to a successful IA. Some audit procedures might not be performed or properly performed, which could result in audit objectives not met (IIA, 2009). This barrier also tarnishes the image of IA when findings are not supported by enough, relevant, reliable and useful audit evidence, and can be disputed in the closing conference meeting.

This barrier, however, could be prevented by conducting quality reviews during the audit, as it is essential for every audit engagement to be appropriately reviewed to ensure the attainment of objectives, guarantee quality on the work, and proper development of employees. This includes the review of working papers to ensure engagement communications are supported and all the necessary audit procedures are performed (IIA, 2009).

2.4.4.5 Effective communication of internal auditing

Auditors' work cannot be taken seriously if it is not communicated effectively. Management of IAs, therefore, must realise the importance of establishing and maintaining effective communication protocols with various stakeholders in the organisation (Williams, 2017). Ineffective communication could be regarded as barriers to effective IA because when there is no effective communication, there are many conflicts and disagreements among audit committee members, CAEs and executives or clients.

Chambers and McDonald (2017) stated that communication skills are one of the five most skills sought from IAs by global recruiters, and this includes presentation, negotiation, persuasion and developing board committee relations. This barrier, however, could be resolved if IAs communicate their work effectively, and resistance will be reduced during the audit process. Effective communication could serve as the basis of a fruitful relationship, while ineffective communication could destroy and tarnish the image of the IA department. Effective communication could build a strong relationship, trust and confidence between IAs and the audit committee (William, 2017).

Karen (2011) emphasised that interpersonal skills are vital, as it enables IAs to communicate their audit work throughout the organisation. The study by Mihret and Yismaw (2007) revealed effective communication as the strongest factor affecting the efficiency of the IA activity. This could be done when the CAE attends audit committee meetings regularly, building successful relationship and trust with audit committee members and executives.

2.5 Legislative requirements for internal auditing in the public sector

Section 38 of the Public Finance Management Act requires the establishment of an active IA function within the public sector. According to the Act, the internal audit functions are critical components of internal control, risk management and corporate governance, and provide the necessary assurance and advisory services to the organisation. The IA function is viewed as one of the most important management tools and value-adding services to any organisation.

When objectively and well resourced, an IA function should be able to provide management with the assurance it requires regarding the effectiveness of their systems of internal control, risk management and governance processes. The internal audit function must be well planned, organised, staffed, and well trained. According to the IIA standards, internal audits must be conducted as per the IIA standards and practice advisories.

2.6 Challenges of Internal Audit in the Public Sector

Several challenges in the public institutions must be overcome for the IA function to operate efficiently and effectively. The reporting lines in most institutions are not consistent with IIA standards and best practice. Most of the IA functions report to the accounting officers and not

to the audit committee, as required by IIA standards. This limits the IAs independence and effectiveness (Mbogella, 2011). The challenges identified by Mihrent and Yismaw (2007) are the allocation of insufficient budgets, lack of business knowledge, and late communication of audit results. Brierley, El-Nafabi and Gwilliam, (2001) revealed the following challenges that most audit departments experienced in the public entity: lack of training, low market-related salaries, limitation of scope, and no cooperation between IA and various assurance providers.

The study conducted by Belay (2007) revealed the following challenges: lack of proper organisational structure, insufficient budget, lack of policies and procedures, and insufficient personnel. All these challenges as highlighted by various researchers contribute to the IA function being ineffective.

2.7 Theoretical Framework of the Study

The suggested theories for this research are agency and institutional theories. These theories speak to the thrust of effective IA activities and factors that impede its effectiveness and management influence. These theories will be presented in a summary and the empirical investigations related to this study will follow.

2.7.1 The agency theory

Jensen and Meckling (1976) established a lens of the agency theory that talks about the principal (manager in the case of audit and board of directors in the case of the organisation) who hires the second party's efforts (IA in the case of audit and the manager in the case of organisations) to perform tasks for the benefit of the principal and on his behalf. When applying this theory, IA effectiveness is when IA conducts tasks for the benefit of the manager. Shamki and Alhajri (2017) asserted that the agency theory is applied when IA achieves its goals, and brings a disciplined and systematic approach to enhance and assess the effectiveness of organisation risk management, control and governance processes.

Agency relationship is described as an agreement between the institution owner and its top executives (Endaya & Hanefah, 2013). In this agency theory, owners delegate authorities for making decisions to the managers, and managers perform certain tasks as agents on behalf of the owner. Managers, however, could misuse those authorities to fulfil their personal interests. Adams (1994) stated that in an effective audit committee, internal and external auditors assist

in enhancing organisational performance, so that management executes tasks as per the organisational policies and procedures. IAs, therefore, are regarded as agents that monitor the performance of the following stakeholders: executives, the board, and audit committee. Agency problems arise where the audit committee is inefficient and management are so powerful and can influence the IA.

At SAPS, auditors are appointed by executives and operate as audit committee representatives, and, therefore, are expected to assess the work of the executives. Hidden information, and conflicting goals and actions are some of the behaviours that could affect IA effectiveness at SAPS, negatively or positively (outcome uncertainty), depending on the portion of risk received from the regulator, the principle (risk sharing), and random exogenous effects.

When IAs operate as agents and perform their work professionally and perfectly, trust and confidence from the oversight body increases (Endaya & Hanefah, 2013). It, therefore, is important that IAs as agents do their work in line with the required standards, rules and regulations. The existence of an effective oversight body is critical in enhancing the IA function independently to prevent interferences from senior management and scope limitation. The theory explained above depicts that agency theory is useful and relevant in this study.

2.7.2 Institutional theory

Under the regulative pillar of institutions, Scott posited that legitimacy is based on conforming to rules. For him, it is complying with the legal or quasi-legal requirements that confer legitimacy to an organisation. This legitimacy must be observable to outsiders and convene by cultural or political authority (Scott, 2001).

The lens of profession and institutional theory was established by Andrew Abbott (Abbott, 1988). Winters (2009) believed that profession must be improved first for IAs to achieve their full potential. So, in this profession theory, it was done to promote or support the profession to be better. In the case of institutional theory, the organisation establishes itself in the same way as other organisations in the same environment (DiMaggio & Powell, 1983). This refers to institutional pressures, when one organisation establishes IA because other organisations have the same department (Al-Twaijry et al., 2003).

The institutional theory proposes that society in every country greatly influences the organisation; therefore, the organisation should be designed in such a way that it meets public expectations (DiMaggio & Powell, 1983). It further indicates that mutual relations define the behaviour of the organisation. Mihret et al. (2010) revealed that innovative ideas are brought by normative pressures, internal and external factors shaped by the organisational structures and practices.

A research conducted by Arena and Azzone (2007) stated that organisations that experience the same challenges might demonstrate similar conduct. This theory provides several ways of developing IA activity in developed countries. Arena and Azzon'se (2007) study revealed that external forces such as laws and regulations, choices of various institutions, and professional bodies affect both individuals and organisations. In most countries, IA departments were established to meet government rules without capacitating IA departments by providing the necessary resources such as training, education and independence.

Al-Twaijry et al (2003) and Arena et al. (2006) used institutional theory to support their studies to adopt and develop the IA function. Christopher et al. (2009), however, applied both institutional and agency theories to assess the independence of the IA function regarding the oversight bodies and top management. The study results revealed several weaknesses regarding the IA functions and top management.

Audit departments are ineffective in many organisations because organisations prioritise compliance with rules instead of working towards the improvement of their work (Dubihlela & Park, 2016; Dessalegn et al., 2012). A good organisational structure in an organisation serves as a sign of conformity and social accountability; therefore, the organisation with appropriate structures avoid investigations by external parties (Meyer & Rowan, 1977). The organisation with the right structure avoids too much scrutiny by outsiders and helps the organisation to succeed in resolving external challenges (Zamzulaila, Zarina & Dalila, 2010). The organisation with internal operating processes tends to function effectively, even though the processes are invisible to external parties.

Changes in organisational structure, culture, goals or objectives involve adequate auditing practices that relies on audit independence, employee competence, composition of the audit team, and the availability of the necessary resources, and all these improve organisational

performance. Al-Twaijry et al. (2003) applied the institutional theory in assessing the establishment and efficacy of the IA function in the Saudi Arabian business sector. The study results revealed that most departments operate with inadequate resources, there is lack of management support and lack of qualified employees. Their study further revealed that IA activity do not focus on performance audit, performance information, and information technology audits; instead, more effort is put on compliance audit and, consequently, auditors are not receiving the respect and recognition they deserve.

Based on the above theoretical framework discussion, it is critical to apply institutional theory, as it is relevant and useful in this research.

2.8 Resistance to Change

For an institution to survive and succeed in this extremely modern business world, management of change is vital. It, therefore, is important for an organisation to know where it must be in future, how to get there, and what changes are needed to get there (Dubihlela & Sandada, 2014). The study by By (2005) further mentioned that resistance to change is mainly caused by a lack of awareness of why change was made, impact on current job role, the organisation's past performance with change, lack of support and commitment from senior managers, and fear of job loss. The study by Karabal (2012) revealed that if changes are not implemented properly, major problems could arise, and it is important to prevent conflicts from taking over organisational interests. The resistance to change that happens in the organisation is seen as a barrier to IA efficacy in the sense that IAs might also be afraid of losing their jobs, as they will not know what the future holds for them.

When employees are uncertain about their future, there will be no cooperation between institution employees and auditors, which could render the audit department ineffective. Such a barrier, however, could be prevented and corrected by applying effective change management before the project commence. To prevent resistance to change from occurring, the organisation should communicate the need for change, the effect on employees, and the benefits to them. The application of sound and solid change management practices and principles, therefore, could facilitate a successful process of change.

Bradford and Henderson (2018) mentioned that in most institutions, there is resistance towards using of technology. Their study further mentioned that auditors are intimidated by GAS tools and do not encourage each other to use the system. The results of the study further mentioned that GAS is fully used in the banking and finance environments. The response from most of the financial auditors revealed that the system is difficult to use, users do not know how much the system can do for them, and lack of training. The other financial auditors had views that GAS is too expensive and time-consuming to train all employees. GAS, however, is well received by IT auditors, as they seem to be more comfortable in using the system (Cenfetelli & Schwarz, 2011).

This barrier, however, could be addressed or corrected by incorporating education, training, and communication when implementing GAS. When members are professionally trained, it could address negative perceptions that members have towards technology. Education also plays a key role in adopting modern technology, as it will outline how useful software will be in the organisation.

Management should ensure that essential information is communicated to the members regarding how this software could make the IA activity effective and useful to the organisation. This could be done by allowing members to express their concerns first about the software and its use, and then all concerns should be addressed.

2.9 Chapter summary

Chapter Two provided a theoretical literature insight on the barriers to effective IA within South Africa. As per the literature analysed, there are enough evidence that IA departments in the public entity are functioning ineffectively. These were supported by various challenges revealed in the studies conducted by various researchers. There is a need that the oversight body, the board, and executives should start taking the audit department seriously by providing the necessary support and resources required to make IAs work effectively. Most of the literature reviewed in this study did not indicate effective risk management as a tool to enable the audit function to be highly effective. The results of this study, however, reveal that a well facilitated risk assessment could assist the audit department to develop a plan that focuses on the most problematic areas in the organisation.

The studies reviewed highlighted limited resources, ineffective communication, and not enjoying management support as the main causes of having an ineffective IA. The researcher agrees with the literature; however, more elements could prevent the effective functioning of the department such as taking long to fill vacant posts, non-implementation of corrective actions, non-completion of audit plans, and restriction of access to records and personnel relating to audit engagements. The following chapter will focus at the research methodology of the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

This research aims to explore the barriers that IA faces within SAPS, the case of Northern Gauteng. This chapter describes the research methodology used in this research to respond to the research questions presented in Chapter 1, Section 1.4. The chapter continues to Section 3.2 with a discussion of the research methodology applied in this research. Section 3.3 follows with an explanation of the research design, research method, population of the study, sample, sampling method, sample size, and data collection method. Section 3.3 continues to explain the method used for data collection and questionnaire used as data collection tool are explained in detail. The data collection procedures together with the data analysis and techniques are dealt with.

Section 3.4 outlines the pilot study conducted before fieldwork to identify any errors in the questionnaire before the questionnaire was administered. Ethical considerations that guided the researcher in conducting this study were discussed in detailed in Section 3.5, and the conclusion is well explained in Section 3.6.

3.2 Research Methodology

Leedy and Ormond (2010:14) defined research methodology as "the general method used to carry out the research project". Creswell (2013) explained that quantitative research includes the collection of data that is quantified and statistically treated to reach conclusions. In the research industry, quantitative research is dominated as a method that creates meaning and knowledge (Creswell, 2013). According to Leedy and Ormond (2010), the quantitative research method is most useful, as it involves a statistical approach to the research design. In this quantitative method, the researcher and research are independent of each other and that the data generated are used to determine reality without bias.

3.3 Research Design

Myers, Well and Lorch (2010) defined research design as how the data is gathered and analysed to respond to the research questions. The research design is defined as the procedure for gathering the required information to solve research problems (Cohen, Manion & Morrison, 2011). A proper research design encompasses a research method, data collection procedure, and data analysis.

3.3.1 Research methods

Quantitative research uses methods of enquiry such as experimental research and surveys (Creswell, 2013). Questionnaires are the most suitable or relevant examples of predetermined instruments used to collect statistical data.

The researcher used the quantitative research method, as it allows quantifiable data to draw up facts and discover patterns in the study. Different variables can be examined through quantitative and qualitative research (Remler & Van Ryzin, 2011:181). When using a numerical measurement and analysis approach, the research objectives and questionnaire were addressed through empirical assessment (Zikmud, 2010:134). It involves questionnaires and interviews that could be distributed to all participants from various provinces through an email.

The researcher used the quantitative research method, as it argues and proposes in support of specific manners of relations. It is more useful, as it can predict correct results (Daniel, 2012:69). The researcher used a questionnaire to collect data and it was distributed to all IAs, external auditors, and audit committee members in SAPS at various provinces. The distributed questionnaire contained closed questions and was easier for the researcher to analyse data.

Furthermore, the survey method was chosen, as it was inexpensive and easier to gather data within a short time (Dubihlela & Sandada, 2014). The researcher managed to collect information that reflected the barriers to effective IA with SAPS involving a large sample of 100 targeted participants.

3.3.2 Population of the study

The population of a study is defined as a set of components to which the researchers relate the findings of the research (Daniel, 2012:9). He mentioned that a sample is drawn from the content

of the population; therefore, it affects the sampling choices. Daniel (2012:11) defined population as the total number of people or a collection of the total number of items under scrutiny or examination in a study. It, therefore, is critical that the researcher should know the population size before sample selection. When it is easier to access the population, it is also easier to implement a chosen or selected sample (Dubihlela & Sandata, 2014). The actual population of auditors at SAPS is 160.

The research targeted population of 180 consisted of 160 SAPS IAs, 16 external auditors (AGSA), and 4 external members (audit committee members). The population comprised individuals, both male and female. The participants comprised internal auditors, external auditors, and audit committee members, as they have or knows more information about SAPS IA.

3.3.3 Sample and sampling technique

Sampling is defined as the selection of some or few transactions or individuals from the total number of the population (transactions/individuals) to include in the research (Daniel, 2012:10). Furthermore, he emphasises that a proper selection of sample, saves time, money and efforts. Two sampling techniques that researcher mostly use probability and non-probability sampling (Saunders, Lewis & Thornhill, 2012:261). This research focuses only on probability sampling since it is scientific and provides unbiased result. A list that has names of all SAPS auditors was requested and received. Participants were randomly selected from the list that has auditor's names.

3.3.3.1. Probability sampling

In this sampling method, each transaction has an equal chance of being selected. This method makes things easier for research questions and research objectives to be answered (Saunders et al., 2012:262). Daniel (2012:66), however, defined probability sampling as a technique that afford each component in the population a known chance of being chosen. Researchers should consider the strengths and weaknesses of both techniques before selection is made (Daniel, 2012:66). For conclusive research with description, prediction, explanation and evaluation purposes, probability sampling was mentioned as the most suitable choice.

3.3.3.2 Sample size

This research applied a descriptive survey research design, as it determines and reports the way things are (Khalid & Kuma, 2012). The targeted population of 180 comprised of 160 SAPS auditors, 16 external auditors, and 4 audit committee members. This study adopted a simple random sampling in selecting 80 SAPS IA members, 16 external auditors (AGSA), and 4 external members (audit committee members). The previous research studies by Lynn, Lipp, Akgun and Coertze (2002:36), Kaynak et al. (2003:324), and Becherer, Halstead and Haynes (2003:13) on internal control activities, a sample size of 100 is considered sufficient. The researcher also anticipated non-response from SAPS auditors based at other Provinces outside Gauteng. Therefore, a sample of 80 auditors was considered to be sufficient.

3.3.4. Data collection

Creswell (2013) defined data collection as a process of gathering and assessing information on variables of interest in an established systematic manner that enables the research questions to be answered and evaluate the outcomes. Cooper and Schindler (2014) explained various techniques of data collection such as interviews, questionnaires, observation, focus groups, tests and inspection of documents and records. An electronic questionnaire was sent to the 100 respondents selected from the list of names via an email. The researcher got the email addresses of SAPS participants from the SAPS global address database. The researcher also requested or received email addresses of the 16 external auditors and 4 audit committee members via telephone. A random sampling method was applied as data collection was facilitated in short duration of time. The researcher adopted a cross-sectional survey as the study is conducted relatively faster and are in expensive.

This study used a questionnaire to gather data from the participants and the researcher could retrieve 91 questionnaires for data capturing and analysis. The source of the data collected is mainly primary, as the researcher collected a filled questionnaire by himself via the email responses of the participants.

3.3.4.1. Primary data

Primary data are defined as the first-hand data collected by researchers for their study (Remler & van Ryzin 2011:181). The study relied on primary sources that were collected from SAPS

IAs, external auditors, and audit committee members using a structured questionnaire with closed-ended questions.

3.3.4.2 Questionnaire

A questionnaire is defined as a set of systematically structured questions used by a researcher to elicit information needed from participants for study (Welman, Kruger & Mitchell, 2012). Wilson (2013), however, defined a questionnaire as a data collection tool that requires participants to respond to associated questions in a pre-set order.

A similar study was conducted in 2012 by Onumah Onumah to determine barriers and catalysts to effective internal audit activity in the Ghanaian Public Sector. The researcher, therefore, adapted Professor Joseph Onumah's questionnaire and modified it to suit this study. The researcher addressed all the shortcomings and proceeded to evaluate the questionnaire by administering it to ten members from the strategic management section within SAPS. The ten participants were selected because they were easy to be accessed, had knowledge of audit issues, and were willing to cooperate.

For the data collection procedure, the researcher used primary data using a structured questionnaire. Remler and van Ryzin (2011:212) stated that the right time to develop a questionnaire is when a researcher understands the research topic well and that the right questions are developed to respond to the research questions and objectives. A questionnaire is good to gather data, as it does not waste the researcher's time and costs and give participants enough chance to go through each question before answering. It also has benefits of reaching employees who are stationed far without any costs. Myers et al. (2010) endorsed the use of a questionnaire, as it is easier to analyse the data collected from close-ended questions than open-ended questions. It therefore, is much easier to code and statistically analyse data from questionnaires than from interviews.

To acquire a better insight, 100 questionnaires were distributed as follows, 80 to SAPS IAs, 16 to external auditors (AGSA), and 4 to audit committee members. The researcher delivered the questionnaire personally to all participants based in Pretoria, and for participants based outside Pretoria, the researcher distributed questionnaire via email.

SAPS internal auditors were chosen to participate in the study because they have a position of authority in providing value-add recommendations to the management, and external auditors conducts audits within the organisation and were in better position to share light on the challenges they faced when carrying out their audit assignments. Audit committee members regularly interacts with SAPS top management, chief audit executives and IA senior managers so they are in a better position to understand the barriers experienced by SAPS IA and progress made towards IA plans; therefore, their views were considered in this study.

From the 100 questionnaires distributed, participants were expected to email their completed questionnaires straight to the researcher. The researcher received 91 (91%) completed responses and a reminder was sent to the remaining 9 participants; therefore, the participants' response rate was quite high and satisfactory.

3.3.4.3 Questionnaire design

When a questionnaire is designed, the type of data to be generated by the questions and the statistical tool to be used to analyse the data should be considered (Welman et al., 2012). It, therefore, is important for the questionnaire to be professionally designed, as it is not easy to withdraw the questionnaire for corrections. The research questions and objectives were considered when the questionnaire (Appendix B) for this research was developed. The research questionnaire has four pages, including the introductory letter.

Introductory information on the first page of the questionnaire was to encourage participants to read, complete, and return the questionnaire to the researcher as quick as possible. The same letter clarified to participants that the researcher was granted permission by the National Commissioner to conduct this study within SAPS. It also clarified that all information supplied to the researcher by participants would be kept strictly confidential, and that the participants would remain anonymous.

In the same letter, respondents were informed that should they wish to withdraw from participating in this study, they could do so without any penalty or punishment. The questionnaire used close-ended questions and participants have an option of selecting one out of five choices. The questionnaire has five sections or categories, and in the first section or Section A, respondents were requested to indicate gender, age, position in the organisation,

workstation, and academic qualifications. In Section B, respondents were requested to answer questions relating to the efficacy of IA activity within SAPS and how effectiveness could be measured. There were thirteen questions in this section to which participants had to respond. The participants were required to indicate on a scale of 1 to 5 (1 = Strongly disagree, 2 = Disagree, 3 = Neither agree/nor disagree, 4 = Agree, 5 = Strongly agree).

Section C consist of eight questions aimed to establish if SAPS IA receives enough support and cooperation from SAPS management. The participants were required to indicate on a scale of 1 to 5 (1 = Strongly disagree, 2 = Disagree, 3 = Neither agree/nor Disagree, 4 = Agree, 5 = Strongly agree). Section D also has eight questions meant to establish factors that impede the effective functioning of the SAPS IA activity. The participants were required to indicate on a scale of 1 to 5 (1 = Strongly disagree, 2 = Disagree, 3 = Neither agree/nor Disagree, 4 = Agree, 5 = Strongly agree). The last section was Section E with nine questions that relates to the challenges that impede the effective functioning of SAPS IA. The questions were aimed to establish those challenges and how SAPS IA could overcome them to be effective in the organisation. The participants were required to indicate on a scale of 1 to 5 (1 = Strongly disagree, 2 = Disagree, 3 = Neither agree/nor disagree, 4 = Agree, 5 = Strongly agree).

3.3.4.4 Questionnaire administration

The researcher commenced with the data collection process immediately after receipt of the ethical clearance certificate (Appendix A) from CPUT Research Ethics Committee (REC). The researcher delivered the questionnaire personally to all participants based in Pretoria. This method was useful, as the researcher could meet with participants, and the objectives of the study were explained to all participants. A brief explanation on how the questionnaire should be completed were also done, and clarity seeking questions were dealt with in the meeting. This method resulted in a high response rate, as all the personally delivered questionnaires were returned to the researcher on time.

To those participants based outside Pretoria, the researcher distributed the questionnaire via email communication. A brief explanation of the study objective and how the questionnaire should be completed was done via telephone conversations. This method was also beneficial to the researcher, as it saved time and costs. Although response rate was also high, nine respondents did not complete and return the questionnaires to the researcher. The researcher

made follow-ups on the nine outstanding questionnaires to check if participants had completed them, and unfortunately, participants seemed uninterested in completing and returning those questionnaires.

3.3.4.5 Challenges faced in the data collection process

Although there were no major challenges experienced during the data collection process, the researcher experienced challenges on the completion of the nine questionnaires from the participants based at the provinces. Several follow ups were made telephonically and bared no fruit. A few participants took long to return the completed questionnaires. Consequently, the researcher received those questionnaires after he made follow-up phone calls, which was bit costly.

3.3.4.6 Data coding analysis

Creswell (2013) defined data analysis as the process of evaluating raw data to conclude about that information. The information obtained is used to answer the research questions.

Data analysis started with descriptive statistics, which was used to assess the structure of the sample and profiling of the respondents. Given the sample size and the reasonable assumptions about the sample, a normal distribution was appropriate to use inferential statistical tools. Babbie (2013:550) explained that raw data could be standardised by applying coding process; therefore, the starting point was to code the data.

Data coding started with the reviews of responses received from various participants. The collected data for this study was captured in Excel and then exported for analysis. Also, validity and reliability analysis were conducted to evaluate for the internal consistency of the questionnaire items. Also, items of the questionnaire went through content validity. This was done by the experts in the field and through scientific verification using normality tests, skewness, and kurtosis of the factors. The Cronbach Alpha test revealed a high level of internal consistency as the values ranges between 0.7 and 0.83. See the next chapter for the details of the reliability and validity test. Furthermore, the Statistical Package for Social Scientists (SPSS) version 25.0 for windows was used to analyse the data.

3.4 Pilot Study

The pilot study is described as the pre-testing of research instruments and questionnaires and is used to prepare researchers for a full study. After a questionnaire was designed, it was sent to academics at CPUT for review. The questionnaire was thoroughly reviewed and few shortcomings such as the phrasing of questions were revealed. The researcher addressed all the shortcomings and proceeded to evaluate the questionnaire by administering it to ten members from the strategic management section within SAPS. The ten participants were selected because they were easy to be accessed, had knowledge of audit issues, and were willing to cooperate. The ten participants participated in the pilot study were excluded in the main survey.

The aim was to evaluate the questionnaire's reliability, timeframes and to establish if the questionnaire could be used for data collection in this study. The results of the pilot study were satisfactory, as the questionnaire was clear, concise and relevant for data collection in this research. Although the results of the pilot study were good and no flaws were discovered before the main study was conducted, the researcher had to wait for the ethical clearance certificate (Appendix A) before issuing the questionnaire to the participants. A similar study was conducted in 2012 by Onumah Onumah to determine barriers and catalysts to effective internal audit activity in the Ghanaian Public Sector. The researcher, therefore, adapted Professor Joseph Onumah's questionnaire and modified it to suit this study.

3.5 Ethical Considerations

Ethical issues are values and rules that explain the circumstances under which the research is conducted (Oates, Kwiatkowski & Coulthard, 2010:4). The researcher guaranteed to maintain anonymity and confidentiality of the participants, and participants were not required to sign their names and surnames or province in which they are based on the questionnaire. All participants were told that participation in the research was voluntary. Participants were also told that their identification details will not be disclosed. Before distributing the questionnaire, the researcher briefed participants on the intended research objectives for them to freely decide to partake or refrain. Professional competence in data collection and analysis was maintained throughout the study.

Participants were told that should they wish not to continue participating in the research, they could do so at any time without any penalty or punishment. The research started immediately after approval was granted by the SAPS National Commissioner. The researcher obtained an ethical clearance certificate (FOBREC 661) from CPUT ethical committee before the distribution of the questionnaire. The university requires all researchers to comply with its ethical procedures before and throughout the research process.

3   Registration of topic for research with Higher Degree Committee

The approved topic of this research is "Barriers to effective internal auditing within SAPS, Case of Northern Gauteng. The researcher registered this topic with the Higher Degree Committee for approval. The topic of the study was approved by the Higher Degree Committee. The researcher and the supervisor then signed a memorandum of understanding (MoU).

4   Registration of the research proposal

A REC 5 form was completed to request an ethical clearance certificate, as it was a requirement to obtain ethical clearance before the registration of the proposal. The necessary documentation such as research proposal, questionnaire, and letters of consent from participants were attached to the REC 5 form and submitted to the ethics committee for approval. The ethics committee approved, and the researcher was issued with an ethical clearance certificate. Once the researcher obtained the ethical clearance, the process of collecting data commenced.

3.6 Chapter summary

This chapter explained the research methodology adopted for this research to successfully achieve the research objectives. It also explained the research design used throughout the research process. The data collection method and techniques employed for this study were also explained. The research methodology followed was the quantitative approach and the layout of the questionnaire used to collect data was also discussed in this section. The research design selected for this study is the survey research and the research methodology chosen is the quantitative approach. The researcher sampled 100 participants based at head office and in all provinces. A questionnaire was designed and used to source information from participants. In Chapter 4, the researcher will apply tables to present an analysis of the research results.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

4.1 Introduction

This section includes a presentation of the results collected from the fieldwork. This study aimed to explore the barriers to effective IA within SAPS, the case of Northern Gauteng. The study specifically sought to examine the effectiveness of SAPS IA, the level of support received from management by the SAPS IA department, factors impeding the effective functioning of SAPS IA, structural framework to achieve optimal functioning of the SAPS IA activity. The theory exposition in the literature revealed some standard measurement for IA effectiveness and the yardstick that must be in place for optimal functioning. This study examines the degree of effectiveness and barriers as perceived by the participants. This includes the IAs' team, external auditors and management board/audit committee. The outcomes of the study are presented in three parts. The initial part comprises the summary of the participants' demographic characteristics, the second part covers the answer to the research questions, and a third part reveals a statistical analyses of the hypotheses posited in this study.

A structured questionnaire was used to collect quantitative data for analysis through descriptive statistics in the form of proportions, frequencies, means and standard deviations, independent t-tests and paired t-tests to compare the differences between two groups, correlation, analysis of variance (ANOVA). ANOVA was used to evaluate the postulate of perception discrepancies within and between respondents' feedback. The results obtained in this study are presented and discussed below. The structure of the presentation and analyses of the results are consistent with the research questions raised in the study.

4.1.1 Demographic analysis

The respondents were more male (52.2%) between the ages of 30 and 39 years old (69.3%), 23.9% between 40 and 49 years old, 4.5% under 30 years, and 2.3% between 50 and over. Additionally, among the two categories of academic qualification (graduate and postgraduate), respondents are of equal proportion of 50%. More so, 88% of the respondents indicate their workstations as IAs, 6% are SAPS IA senior managers, 5% are external auditors, while 1% as

other. The distribution of the position in the organisation, as covered by the research includes 40.4% junior managers, 28.1% middle managers, 18% lower-level employees, 9% top managers, and 4.5% of the respondents are SAPS board members.

The demographic analysis of the sample is summarised in Table 1 and followed by Figures 2 and 3. All missing values were ignored on the analysis, as some respondents were not willing to disclose their age, academic qualification, workstation, and positions.

Table 1: Demographic Analysis

Demographic Characteristics		Analysis		
				Frequency (%)
Gender	Male		47	52.20
	Female		43	47.80
Age	Under 30 years		4	4.5
	30-39 years		61	69.3
	40-49 years		21	23.9
	50 and over years		2	2.3
Academic Qualification	Undergraduate degree		44	50.0
	Postgraduate		44	50.0
Workstation	Internal Auditor		76	88.40
	External Auditor		4	4.70
	SAPS Senior M		5	5.80
	Any Other		1	1.20
Position in SAPS	Board Member		4	4.5
	Top Manager		8	9.0
	Middle Manager		25	28.1
	Junior Manager		36	40.4
	Lower level Employee		16	18

Source: Survey data 2020

Figure 2 presents the position of respondents in SAPS as a percentage.

POSITION OF THE RESPONDENTS IN SAPS

- Board Member 5%
- Top Manager 9%
- Middle Manager 28%
- Junior Manager 40%
- Lower level Employee 18%
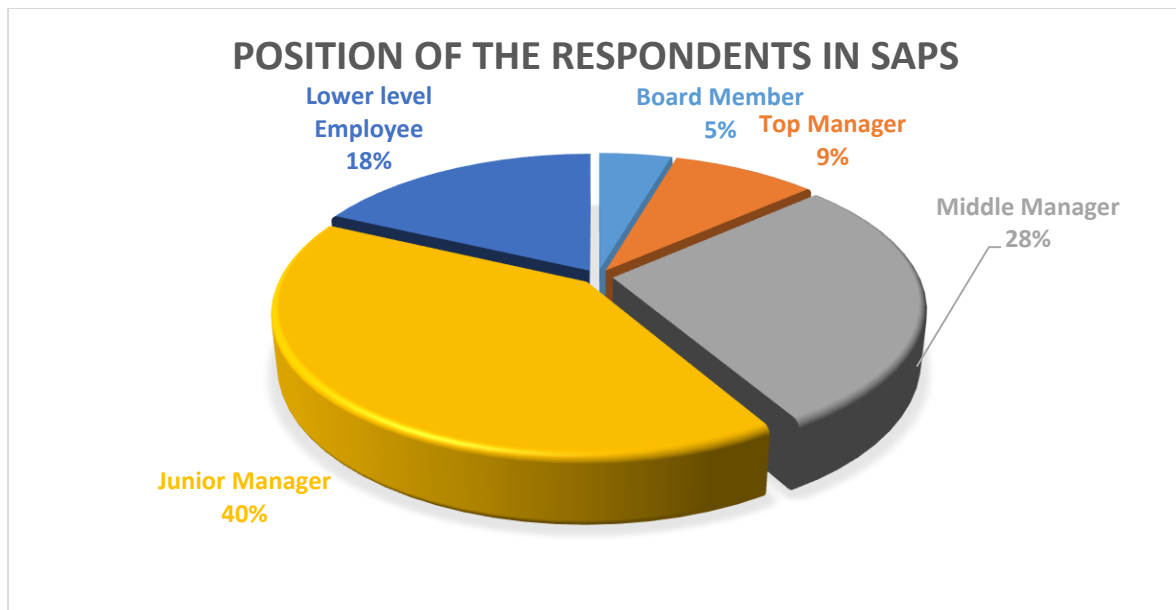
Figure 2: Position of the Respondents in SAPS

Figure 3 presents gender, academic qualification, workstation and age of respondents in SAPS in percentage.
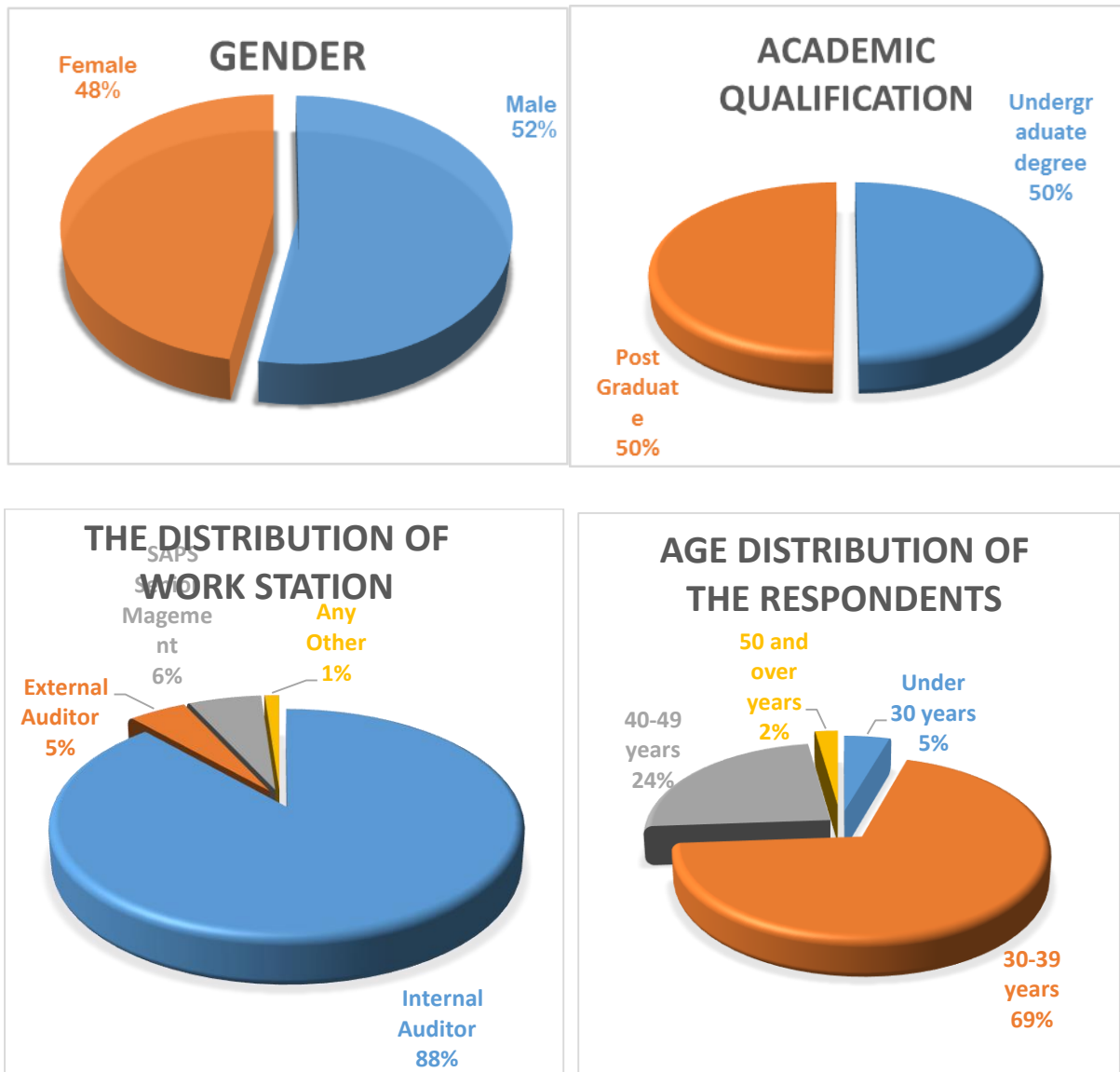
Figure 3: Gender, Academic Qualification, Workstation, and Age of the Respondents

Findings and Discussion

4.1.2 Normality test

A normality test was also included in the assumption of the correlational analysis. From the descriptive statistics, the skewness and kurtosis values were attained, which indicates whether

the data are normally distributed or not. According to Hair et. al. (2006), normal distribution is acceptable when the skewness and kurtosis values are in the range of $+/-3$. Based on the test and, as shown in Table 2, the data, therefore, were determined as normally distributed since the values of skewness and kurtosis were in the range of $+/-3$ for each variable. Table 2 illustrates the normality results of skewness and normality values.

Table 2. Normality Analysis

Variables			Normality Analysis	
	Obs	Items	Pr(skewness)	Pr(Kurtosis)
Examine the Effectiveness of Internal audit activity	91	8	0.0066	0.0056
Management support for SAPS internal audit	91	8	0.0072	0.0021
Factors impede effective functioning of SAPS internal audit activity	91	8	0.0142	0.0000
Overcoming the challenges impede effective functioning of SAPS internal audit activity	91	9	0.0015	0.0340

4.1.3 Reliability Tests

Table 3: Cronbach's Alpha Reliability Test

Variables	Cronbach Alpha
Examine the Effectiveness of Internal audit activity	0.838
Management support for SAPS internal audit	0.805
Factors impede effective functioning of SAPS internal audit activity	0.709
Overcoming the challenges impede effective functioning of SAPS internal audit activity	0.823

To evaluate reliability and accuracy of measuring instrument, Cronbach's alpha coefficient's were calculated and coefficients of 0.70 (Hair et al., 2014:123) or higher were considered to provide enough evidence of reliable scales. While researchers generally consider coefficients above 0.7 as satisfactory (Mustakallio, Autio & Zahra, 2002:212; Bryman, 2012:170; Hair et al., 2014:114), in social sciences, however, values as low as 0.5 are reported as acceptable (Loewenthal, 2004; Jha, 2011). According to Streiner (2003), larger scales above 20 items tend to have satisfactory values of alpha even though they might have orthogonal dimensions. In this study, the number of items for the constructs under investigation varies between 8 and 9 per scale. Thus, achieving higher or reasonable alpha values, therefore, is not a given (Messner, 2013:84). Satisfactory evidence of validity and reliability for scales measuring the independent and dependent variables in this study is thus provided (see Table 3).

In accessing the data from the four research objectives summed to determine the barrier to effective IA within SAPS factors scores formed a reliable scale. Thus, the reliability test using the Cronbach alpha values was conducted before further analysis. The alpha values for the variables indicate that the items formed a scale of reasonable internal consistencies in its reliability. The correlation for each item with at least one item in the constructs was between the value of 0.7 and 0.83. Most of the items, therefore, correlate adequately in the constructs, confirming the theoretical and empirical evidence of the items from the literature.

4.2 Analysis of Respondents to the Research Objectives

This research raised four distinct research objectives, which covers the internal effectiveness, degree of management support, factors impeding external functionality of the internal audit activity, and structural framework inadequacy to address research problem.

The sample data (see Tables 4 to 8) was summarised by calculating descriptive statistics. The mean, standard deviation, and frequency distributions were calculated to describe the sample. To summarise the sample in the study, response categories on the 5-point Likert scale for both the dependent and independent variables were categorised as follows: responses from $1 \leq \bar{x} < 2.5$ were categorised as disagree; $2.5 \leq \bar{x} < 3.5$ categorised as neutral; and $3.5 \leq \bar{x} \leq 5$ were categorised as agree.

Table 4 presents 13 items raised to provide answers to research objective on examining the effectiveness of SAPS internal audit.

Table 4: The Analysis of the Extent of SAPS Internal Audit Effectiveness

	Strongly disagree	Disagree	Neither agree nor Disagree	Agree	Strongly Agree	Total	Mean	Decision
SAPS internal audit does not complete all audits in the audit plan	18	33	11	17	11	90	2.67	Disagree
	20.0%	36.7%	12.2%	18.9%	12.2%	100.0%		
SAPS internal audit has approved audit manual, methodology, AC & IA charter	3	3	9	29	46	90	4.24	Agree
	3.3%	3.3%	10.0%	32.2%	51.1%	100.0%		
SAPS internal audit is represented in the executive meetings	2	4	15	40	29	90	4.00	Agree
	2.2%	4.4%	16.7%	44.4%	32.2%	100.0%		
Internal audit has qualified staff	1	1	12	42	35	91	4.20	Agree
	1.1%	1.1%	13.2%	46.2%	38.5%	100.0%		
Internal audit has experienced staff	3	1	11	48	27	90	4.06	Agree
	3.3%	1.1%	12.2%	53.3%	30.0%	100.0%		
Internal auditors have no sufficient and sound knowledge of the business	20	33	20	12	6	91	2.46	Disagree
	22.0%	36.3%	22.0%	13.2%	6.6%	100.0%		
Internal audit considers management inputs when developing internal audit plan and 3 year rolling plan	1	2	14	43	31	91	4.11	Agree
	1.1%	2.2%	15.4%	47.3%	34.1%	100.0%		
Internal audit considers all stakeholders' inputs when developing internal audit plan and 3year rolling plan	3	6	20	43	19	91	3.76	Agree
	3.3%	6.6%	22.0%	47.3%	20.9%	100.0%		
Internal audit considers risk assessment when developing internal audit plan and 3 year rolling plan	3	5	22	39	22	91	3.79	Agree
	3.3%	5.5%	24.2%	42.9%	24.2%	100.0%		
Internal audit plan includes assurance audit engagements	3	1	1	46	40	91	4.31	Agree
	3.3%	1.1%	1.1%	50.5%	44.0%	100.0%		
Internal audit plan includes consulting audit engagements	4	4	12	43	28	91	3.96	Agree
	4.4%	4.4%	13.2%	47.3%	30.8%	100.0%		
Internal audit complies with IIA standards when conducting audits.	4	6	16	37	28	91	3.87	Agree
	4.4%	6.6%	17.6%	40.7%	30.8%	100.0%		
Audit reports are issued with no value-add recommendations.	29	37	14	9	2	91	2.10	Disagree
	31.9%	40.7%	15.4%	9.9%	2.2%	100.0%		
Total	94	136	177	448	324	1179	3.65	Agree
	8.0%	11.5%	15.0%	38.0%	27.5%	100.0%		

The response to first item of non-completion of the audit plan was rejected, as the respondents disagree to notion of non-completion of audit plan, which implies completion and compliance

to the audit plan by SAPS IA. The second issue is about the confirmation if the SAPS IA possesses an approved audit manual, methodology, audit committee charter, and IA charter. The responses strongly agree with an average response of 4.36, which shows respondents' positive notion to the issue. The next item was to find out about the representation of IA in the SAPS executive meetings. The mean response of 4.00 indicated an agreement to the statement.

The quality (qualification and experience) of employees, consideration of management and all stakeholders' inputs in three year rolling plans, assurance engagement, consideration of risk management, consulting engagement, and internal effectiveness qualities were identified as full in consideration when rolling out both short and long-term plans in the SAPS IA department.

On the issue regarding IAs not having enough and sound knowledge of the business, the respondents disagree with the notion. This implies that respondents believe that IAs within SAPS have sound and sufficient knowledge of the business. The overall average of 3.65 confirms the agreement of the respondents on the internal effectiveness of SAPS IA.

Table 5 presents eight items to provide answers to research objective on support that SAPS IA receive from management.

Table 5: Analysis of Whether SAPS Internal Audit Enjoys Management Support

	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Mean	
SAPS management respond to audit findings within a set timeframe	14	28	31	15	2	90	2.59	Disagree
	15.6%	31.1%	34.4%	16.7%	2.2%	100.0%		
Sufficient budget for training and development is provided to internal audit	16	20	30	19	6	91	2.77	Disagree
	17.6%	22.0%	33.0%	20.9%	6.6%	100.0%		
SAPS internal audit is allocated sufficient budget to cover all areas in the audit plan	6	11	26	38	10	91	3.38	
	6.6%	12.1%	28.6%	41.8%	11.0%	100.0%		Agree
SAPS internal audit is allocated sufficient staff to cover all areas in the audit plan	19	18	28	24	2	91	2.69	Disagree
	20.9%	19.8%	30.8%	26.4%	2.2%	100.0%		
Vacant posts within internal audit are filled timely	19	24	28	19	1	91	2.55	Disagree
	20.9%	26.4%	30.8%	20.9%	1.1%	100.0%		
Internal audit has full access to the records relating to the audit engagements	5	11	18	48	9	91	3.49	Agree
	5.5%	12.1%	19.8%	52.7%	9.9%	100.0%		
Internal audit has full access to the personnel relating to the audit engagements	5	10	17	47	12	91	3.56	Agree
	5.5%	11.0%	18.7%	51.6%	13.2%	100.0%		
Management communicates with internal auditors in a professional manner	9	10	25	41	6	91	3.27	Agree
	9.9%	11.0%	27.5%	45.1%	6.6%	100.0%		
Total	93	132	203	251	48	727	3.04	Neutral
	12.8%	18.2%	27.9%	34.5%	6.6%	100.0%		

The response to first item on management's response to audit findings within a set timeframe was rejected, as the respondents disagree to the notion of responding to audit findings with the set timeframes. This response implies that SAPS management takes long to respond to audit findings. The second item is about sufficient budget for training and development that is provided to IA. The respondents disagree with an average response of 2.77, which shows that the budget for training and development given to IA is not enough.

The respondents agreed with the notion that IA has full access to the personnel and records, and management communicates with IAs professionally. The respondents disagree that SAPS IA has enough employees to cover all areas in the audit plan and that vacant posts are filled on time. This response shows that vacant posts within IA take long to be filled and that the budget allocated to IA to cover all areas in the audit plan is insufficient. The respondents were neutral on whether SAPS IA enjoys management support with an average mean of 3.04.

Table 6 presents nine items to provide answers to research objective on the factors that impede the effective functioning of SAPS IA activity.

Table 6: Analysis of Factors that Impede Effective Functioning of SAPS Internal Audit Activity

	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Mean	
Audits are not carefully planned	14	31	22	19	4	90	2.64	Disagree
	15.6%	34.4%	24.4%	21.1%	4.4%	100.0%		
Audits resources are appropriately spread across all phases of the audit process	9	6	21	46	8	90	3.42	Agree
	10.0%	6.7%	23.3%	51.1%	8.9%	100.0%		
Adequate supervisions are done by senior officials on all audits	7	15	22	42	5	91	3.25	Agree
	7.7%	16.5%	24.2%	46.2%	5.5%	100.0%		
Audit reports are not clear	24	41	18	7	1	91	2.12	Disagree
	26.4%	45.1%	19.8%	7.7%	1.1%	100.0%		
Audit reports are not concise	22	40	22	7	0	91	2.15	Disagree
	24.2%	44.0%	24.2%	7.7%	0.0%	100.0%		
Audit reports are not issued within agreed timeframes	22	29	27	10	2	90	2.34	Disagree
	24.4%	32.2%	30.0%	11.1%	2.2%	100.0%		
SAPS audit committee is not consisting of members with mixed skills and experience such as finance, auditing, legal and policing.	9	24	43	12	3	91	2.74	
	9.9%	26.4%	47.3%	13.2%	3.3%	100.0%		Disagree
SAPS internal audit reports functionally to the audit committee	7	3	12	43	25	90	3.84	Agree
	7.8%	3.3%	13.3%	47.8%	27.8%	100.0%		
Total	114	189	187	186	48	724	2.81	Disagree
	15.7%	26.1%	25.8%	25.7%	6.6%	100.0%		

The respondents strongly disagree with the notion that audits are not carefully planned, reports are unclear, concise and not issued within the agreed timeframes. The results of the respondents reveal that audits within SAPS IA are well planned and reports prepared are concise, clear and issued within the agreed timeframes.

The respondents also agree on the notion that senior officials provide adequate supervision on all audits. The respondents agree that IA reports functionally to the audit committee and resources are spread appropriately across all phases of the audit process. The respondents disagree that the SAPS audit committee does not consist of members with mixed skills and experience. The overall average of 2.81 confirms that respondents are neutral on the factors that impede the effective functioning of SAPS internal audit activity.

Table 7 presents nine items to provide answers to research objective on measures that could be implemented to overcome challenges that impede the effective functioning of SAPS IA.

Table 7: Overcoming Challenges that Impede Effective Functioning of SAPS Internal Audit Activity

	Strongly disagree	Disagree	Neither agree nor Disagree	Agree	Strongly Agree	Total	Mean	
SAPS management are held accountable for non-implementation of corrective actions	23	26	20	14	5	88	2.45	Disagree
	26.1%	29.5%	22.7%	15.9%	5.7%	100.0%		
Internal Audit affiliates to the professional bodies such as IIA, ISACA & ACFE	0	2	7	39	43	91	4.35	Agree
	0.0%	2.2%	7.7%	42.9%	47.3%	100.0%		
SAPS internal audit has auditors with various background	0	6	14	55	16	91	4.35	Agree
	0.0%	6.6%	15.4%	60.4%	17.6%	100.0%		
SAPS internal audit has auditors with various skills	0	6	18	54	13	91	3.89	Agree
	0.0%	6.6%	19.8%	59.3%	14.3%	100.0%		
SAPS internal audit has auditors with various experience	0	6	10	60	15	91	3.81	Agree
	0.0%	6.6%	11.0%	65.9%	16.5%	100.0%		
SAPS environment is conducive for internal auditors to execute their duties	7	22	22	36	4	91	3.92	Agree
	7.7%	24.2%	24.2%	39.6%	4.4%	100.0%		
SAPS has effective risk management section	23	28	21	16	3	91	3.09	Disagree
	25.3%	30.8%	23.1%	17.6%	3.3%	100.0%		
SAPS has well resource risk management section	29	25	26	9	2	91	2.43	Disagree
	31.9%	27.5%	28.6%	9.9%	2.2%	100.0%		
SAPS has effective information technology system to assist in conducting risk assessment	17	28	27	14	5	91	2.23	Disagree
	18.7%	30.8%	29.7%	15.4%	5.5%	100.0%		
Total	99	149	165	297	106	816	3.20	Agree
	12.1%	18.3%	20.2%	36.4%	13.0%	100.0%		

The responses to the first item on management being held accountable for the non-implementation of corrective actions were rejected, as respondents disagree with the question. The responses imply no action is taken against management for the non-implementation of corrective action.

The questions regarding affiliation of IAs with professional bodies and having various backgrounds, shows, with the mean of 4.35, that respondents agree with the notion that SAPS IAs are members of various professional bodies such as ACFE, ISACA and IIA. The next items ask about IAs' skills, experience and conducive environment in which auditors operate. The means of 3.89, 3.81, and 3.92 show respondents' positive node to the items.

Regarding the question about the effectiveness of risk management, the respondents disagree with that notion, implying that the risk management section within SAPS is ineffective. The

risk management section plays a key role in the effectiveness of IA in the organisation. Furthermore, the respondents were asked if the risk management section is well resourced, and the survey results revealed that risk management section does not have enough resources, as respondents strongly disagree with this notion. The survey results are strongly supported by a mean of 2.23. The last question was about the effective risk management system, and the respondents disagree with the question, as it shows that SAPS does not have an effective IT risk management system to conduct risk assessment. The overall average of 3.20 confirms that respondents are neutral in overcoming challenges that impede the effective functioning of SAPS IA activity.

Table 8: Shows the Analysis of Research Objectives. One-Sample Test (Test Value=3)

	N	Mean	Std. Deviation	t-statistics	Sig(2-tailed)
Examine the effectiveness of internal audit activity	1179	3.65	1.219	18.444	0.000***
SAPS internal audit enjoys management support	727	3.04	1.141	.942	0.346
Factors that impede effective functioning of SAPS internal audit activity	724	2.81	1.175	-4.271	0.000***
Overcoming challenges that impede effective functioning of SAPS internal audit activity	816	3.20	1.230	4.609	0.000***

***, **, * *on the p-value represent 1%, 5%, 10% respectively.*

Table 8 illustrates the significant level of the response of the respondents as it relates to their average decision on the effectiveness, extent of support from the management, factors impeding internal functionality of IA activity in SAPS. It also includes the framework to overcome the challenges. The results revealed that the average of the respondents agree on the effectiveness of the SAPS IA department. Many of the yardsticks to measure internal effectiveness of the department were adequately in place in the department.

Conversely, the results indicate inadequacy in external support ranges from management cooperation, effective risk management section, and effective information communication system. All these factors contribute to the conduciveness of the environment for IA to perform optimally that it was not adequately positioned and available for external effectiveness and impeded the maximisation of IA potential in SAPS.

4.3 Research Hypothesis Testing

Table 9: Hypotheses Evaluated

Hypothesis 1	H$_0$:	There is no significant difference in the perception of the respondents on the effectiveness of IA in SAPS based on (a) Gender (b) Age (c) Position in the organisation (d) Workstation (e) Educational qualification.
Hypothesis 2	H$_0$:	There is no significant difference in the perception of the respondents on the extent of management support received by SAPS IA department based on (a) Gender (b) Age (c) Position in the organisation (d) Workstation (e) Educational qualification.
Hypothesis 3	H$_0$:	There is no significant difference in the perception of the respondents on the factors that impede effective functioning of SAPS IA activity based on (a) Gender (b) Age (c) Position in the organisation (d) Workstation (e) Educational qualification.
Hypothesis 4	H$_0$:	There is no significant difference in the perception of the respondents on the framework to overcome challenges that impede effective functioning of SAPS IA activity based on (a) Gender (b) Age (c) Position in the organisation (d) Workstation (e) Educational qualification.

4.3.1 Research hypothesis one: On whether there is no significant difference in the perception of the respondents on the effectiveness of internal auditing

H$_0$ = There is no significant difference in the perception of the respondents on the effectiveness of internal auditing in SAPS based on (a) Gender (b) Age (c) Position in the organisation (d) Workstation (e) Educational qualification.

Table 10 presents the analysis of variance in the responses of the respondents as they observed and perceived the extent of effectiveness of the IA department in SAPS. The hypothesis was raised and evaluated on 95% confidence interval with a *p*-value at the last column of the table indicating the significant level of each subsection "a to e" of the hypothesis. Since none of the *p*-values are less than 5%, the researcher does not reject the null hypothesis of non-statistically material difference in the degree of effectiveness of SAPS IA department as perceived and observed by the respondents regarding response to all item questions raised in Table 4 based

on gender, age, position in the organisation, workstation in the organisation, and educational level.

Table 10: ANOVA in Evaluation of Degree of Effectiveness of SAPS Internal Audit Department

Examine the effectiveness of internal audit activity		Sum of Squares	Df	Mean Square	F	Sig.
Gender	Between Groups	.091	1	.091	.438	.510
	Within Groups	17.926	86	.208		
	Total	18.017	87			
Age	Between Groups	.287	4	.072	.331	.856
	Within Groups	17.326	80	.217		
	Total	17.613	84			
Position in the Organization	Between Groups	1.619	4	.405	2.057	.094
	Within Groups	15.935	81	.197		
	Total	17.553	85			
Workstation in the Organization	Between Groups	1.076	3	.359	1.721	.169
	Within Groups	16.463	79	.208		
	Total	17.539	82			
Educational Level	Between Groups	.008	1	.008	.035	.851
	Within Groups	17.785	83	.214		
	Total	17.793	84			

***, **, on the p-value represent 1% and 5% respectively.

4.3.2 Research hypothesis two: On whether there is no significant difference in the perception of the respondents on the extent of management support received by SAPS internal auditing

H_0 = There is no significant difference in the perception of the respondents on the extent of management support received by SAPS internal auditing department based on (a) Gender (b) Age (c) Position in the organisation (d) Workstation (e) Educational qualification.

Table 11 presents the analysis of variance in the responses of respondents as they observed and perceived the degree of management support received by the IA department in SAPS. The hypothesis was raised and evaluated on 95% confidence interval with a *p*-value at the last column of the table indicating the significant level of each subsection "a to e" of the hypothesis. Since none of the *p*-values are less than 5%, except the workstation. The researcher, therefore,

does not reject the null hypothesis of no statistically significant difference in the degree of management support received by SAPS IA department as perceived and observed by the respondents regarding responses to all item questions raised in Table 5 based on gender, age, position in the organisation and educational level. Conversely, the researcher rejected the null hypothesis and conclude that there is a statistically significant difference in the perception and observation of the degree of management support enjoys by SAPS IA department based on workstation. Figure 2 indicates the sources of variation and significance of the hypothesis.

Table 11: ANOVA in Evaluation of Extent of Management Support Enjoys by SAPS Internal Audit Department

		Sum of Squares	Df	Mean Square	F	Sig.
Gender	Between Groups	.514	1	.514	1.969	.164
	Within Groups	22.991	88	.261		
	Total	23.505	89			
Age	Between Groups	2.262	4	.565	2.212	.075
	Within Groups	20.961	82	.256		
	Total	23.222	86			
Position in the Organization	Between Groups	.726	4	.181	.685	.604
	Within Groups	21.962	83	.265		
	Total	22.687	87			
Workstation in the Organization	Between Groups	2.112	3	.704	2.820	.044**
	Within Groups	20.215	81	.250		
	Total	22.326	84			
Educational Level	Between Groups	.042	1	.042	.161	.689
	Within Groups	22.465	85	.264		
	Total	22.508	86			

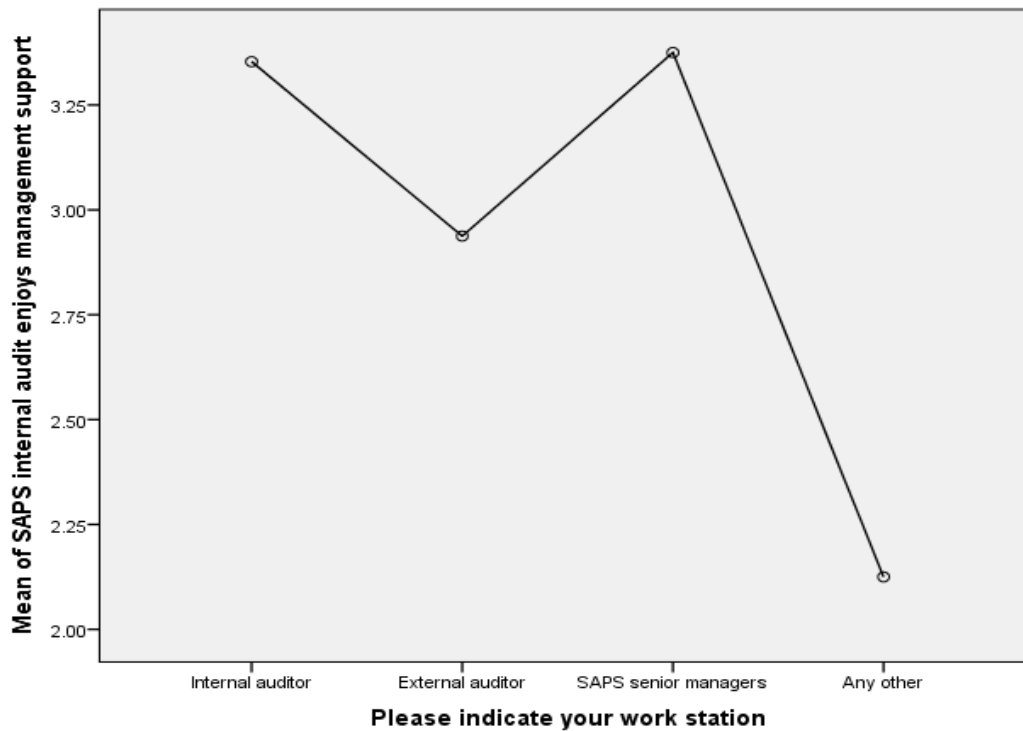****, **, on the p-value represent 1%, and 5%, respectively.*

Figure 4: Mean of SAPS Enjoys Management Support

4.3.3 Research hypothesis three: On whether there is no significant difference in the perceptions of the respondents on the factors that impede effective functioning of SAPS internal auditing

H_0 = There is no significant difference in the perception of the respondents on the factors that impede effective functioning of SAPS IA activity based on (a) Gender (b) Age (c) Position in the organisation (d) Workstation (e) Educational qualification .

Table 12 presents the analysis of variance in the responses of respondents as they observed and perceived the extent of effectiveness of the IA department in SAPS. The hypothesis was raised and evaluated on 95% confidence interval with a *p*-value at the last column of the table indicating the significant level of each subsection "a to e" of the hypothesis. Since none of the *p*-value are less than 5%, the researcher does not reject the null hypothesis of no statistically significant difference in the perception of respondents about factors impeding internal functionality of SAPS internal audit department as perceived and observed by the respondents regarding response to all item questions raised in Table 6 based on gender, age, position in the organisation, workstation in the organisation, and educational level.

Table 12: ANOVA in Evaluation of Factors Impeding Internal Functionality of SAPS Internal Audit Department

		Sum of Squares	Df	Mean Square	F	Sig.
Gender	Between Groups	.029	1	.029	.106	.745
	Within Groups	23.355	87	.268		
	Total	23.384	88			
Age	Between Groups	1.383	4	.346	1.299	.277
	Within Groups	21.835	82	.266		
	Total	23.218	86			
Position in the Organization	Between Groups	1.437	4	.359	1.384	.247
	Within Groups	21.538	83	.259		
	Total	22.974	87			
Workstation in the Organization	Between Groups	.366	3	.122	.467	.706
	Within Groups	21.168	81	.261		
	Total	21.534	84			
Educational Level	Between Groups	.480	1	.480	1.822	.181
	Within Groups	22.379	85	.263		
	Total	22.859	86			

***, **, on the p-value represent 1%, and 5% respectively.

4.3.4 Research Hypothesis Four: On whether there is no significant difference in the perception of the respondents on the framework to overcome challenges that impede effective functioning of SAPS internal audit

H_0 = There is no significant difference in the perception of the respondents on the framework to overcome challenges that impede effective functioning of SAPS internal audit activity based on (a) Gender (b) Age (c) Position in the Organisation (d) Workstation (e) Educational qualification.

Table 13 presents the analysis of variance in the response of respondents as they observed and perceived the extent of effectiveness of the IA department in SAPS. The hypothesis was raised and evaluated on 95% confidence interval with a *p*-value at the last column of the table indicating the significant level of each subsection "a to e" of the hypothesis. None of the *p*-value are less than 5% with an exception of gender and workstation. The researcher, therefore, does not reject the null hypothesis of no statistically significant difference on the lacking structural framework to overcome challenges impeding external functionality of SAPS IA department as perceived and observed by the respondents regarding response to all items or questions raised in Table 8 based on age, position in the organisation, and educational level.

Conversely, the researcher rejected the null hypothesis and conclude that there is a statistically significant difference in the perception and observation of the respondents based on gender and workstation in the organisation. Figures 3 and 4 give graphical clarity of the variation.

Table 13: ANOVA in Evaluation of Degree of Effectiveness of SAPS Internal Audit Department

		Sum of Squares	df	Mean Square	F	Sig.
Gender	Between Groups	.702	1	.702	8.101	.006**
	Within Groups	7.190	83	.087		
	Total	7.892	84			
Age	Between Groups	.149	4	.037	.388	.817
	Within Groups	7.465	78	.096		
	Total	7.613	82			
Position in the Organization	Between Groups	.296	4	.074	.778	.543
	Within Groups	7.519	79	.095		
	Total	7.815	83			
Workstation in the Organization	Between Groups	1.010	3	.337	4.054	.010**
	Within Groups	6.392	77	.083		
	Total	7.402	80			
Educational Level	Between Groups	.069	1	.069	.723	.398
	Within Groups	7.718	81	.095		
	Total	7.787	82			

***, **, on the p-value represent 1%, and 5% respectively.
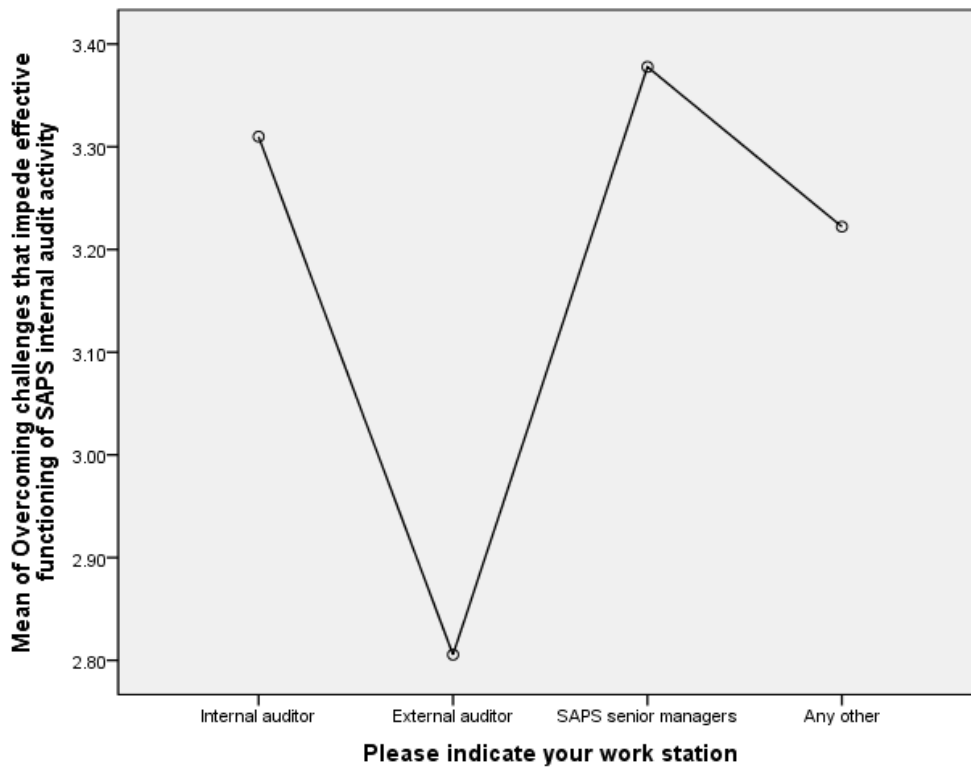

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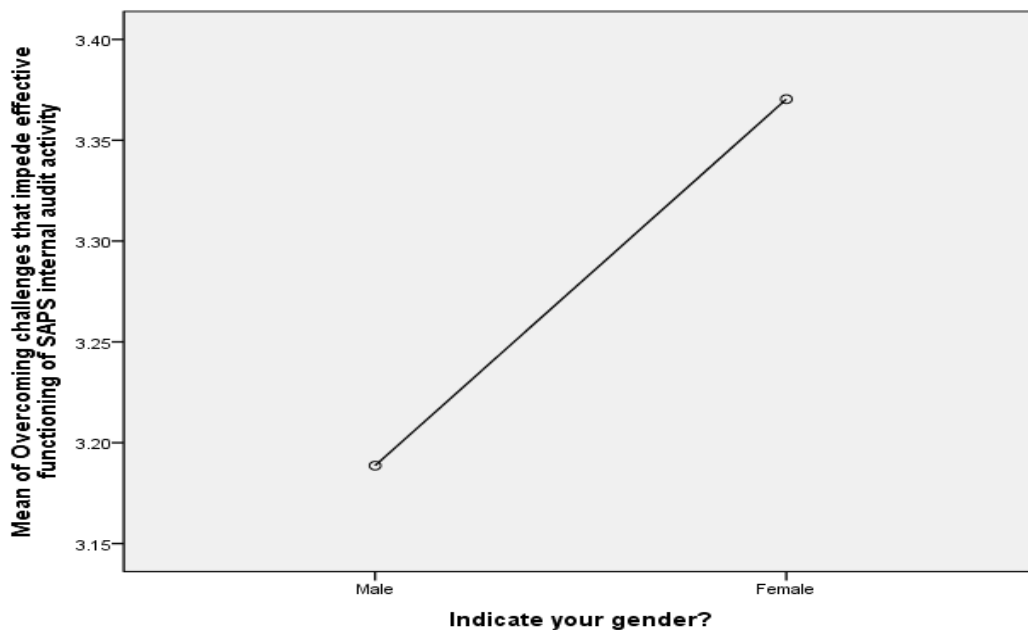
Figure 6: Mean Plot of Variation in Response on Overcoming Challenges Based on Workstation

4.4 Discussion of Findings According to the Research Objectives

The findings discussed in detailed below are aligned with the research questions and objectives.

4.4.1 Discussion on the effectiveness of internal audit activity

To determine how effective the SAPS IA is, the overall study results revealed that SAPS IA activity is effective. This is supported by the responses received from various respondents.

Non-completion of audit plans: 56.7% of the respondents indicated that IA activity completes all audits in the audit plan; 31.1% of respondents implies that not all audits are completed at end of the financial year, while 12.2% of the respondents remain neutral. There seems to be a challenge regarding this as some of the participants chose to be neutral, and significant

improvement is needed in this regard. The results of this study, therefore, is consistent with the results of the study conducted by Onumah and Krah (2015) that revealed that most of the IA departments in the Ghanaian public sector do not complete their planned audit activities at the end of the financial year due to shortage of resources.

Approved IA methodology, manual, AC and IA charter: most of the participants (83.4%) reveal that SAPS IA activity has an approved IA methodology, manual, audit committee and IA charter compared to 10% of the respondents that remain neutral, and a minority of 6.6% that disagree with the question. The results of the study conducted by Enofe et al. (2013) supported the results of this study, as it states that for IA to be effective, there should be clear policies and procedures in place. The results of the study are also consistent with the requirements of the IIA standards that requires IA activity to have an approved methodology, manual, audit committee charter and IA charter.

Representation of SAPS IA in the executive meetings: the study reveals that SAPS IA is well represented in the executive meetings with 76.6% of the participants responded positively. Only 6.6% of the participants indicate that SAPS IA is not represented in the executive meetings, and 16.8% participants reserved their responses, as they chose to be neutral. The results of the study conducted by Mihret and Yismaw (2007) revealed that the representation of IA in the executive meetings is one of the strongest factors that could influence the effectiveness of IA; therefore, their findings are consistent with the findings of this study.

Internal audit qualifications, experience and knowledge of the business: only 2.2% and 4.4% of the participants revealed that IA has no qualified and experienced employees, respectively, while 13.2% and 12.2%, respectively, chose to remain neutral. Of the respondents, 19.8% indicated that IAs do not have sufficient and sound knowledge of the business. The study reveals that IA has qualified and experienced employees and this was supported by 84.7% and 83.3% of the participants, respectively. On the notion of IAs not having sufficient and sound knowledge, 58.3% responded negatively with 22% remaining neutral. A study conducted by Shafii et al. (2010) is consistent with the results of this study, as it states that having experienced and skilled IAs result in IA effectiveness. The results are also supported by the results of the study conducted by Mihret and Yismaw (2007) by revealing that experience and knowledge of the business are critical to make IA effective.

Considerations of risk assessment, management and all stakeholders' inputs when developing IA plan and three-year rolling plan: the study reveals that SAPS IA considers risk assessment, management and all stakeholders' inputs, as required by IIA standards when developing IA plans and a three-year rolling plan. It is supported by the following responses from participants 81.4%, 68.2%, and 67.1%, respectively. Of the respondents, 15.4%, 22.5%, and 24.2% of the participants chose to remain neutral, while 3.3%, 9.9%, and 8.8% of the participants, respectively, indicated that stakeholder's inputs and risk assessment are not considered. This, therefore, is in line with IIA standards as IAs are required to follow a risk-based approach method. The results of the study conducted by Mohammed and Knapkova (2016) revealed that it is critical to consider inputs of all stakeholders when developing IA plans; therefore, the results of these two studies are consistent.

Assurance and consulting audit engagements: most of the participants (94.5% and 78.1, respectively) supported that IA plans include assurance and consulting audits whereas 1.1% and 13.2%, respectively, remain neutral. Only 4.4% and 8.8% of the participants responded negatively to this question. The results of this study are consistent with the requirements of the IIA standards (2012) that states that the provision of assurance and consulting services makes IA effective and greatly assist the organisation to achieve good governance.

Compliance with IIA standards: Of the respondents, 71.8% indicated that SAPS IA complies with IIA standards when performing their audits assignments, while 17.6 % chose to be neutral, 11% has different views or responded negatively to this question.

Audit reports with no value-add recommendations: Of the respondents, 72.6% voted against this question, and this implies that reports are prepared and issued with value-add recommendations. While 15.4% remained neutral, 12.1% supported the idea that reports prepared are not assisting management, as they are issued with no value-add recommendations. The results of this study are consistent with the results of the studies conducted by Adulaziz and Nedal (2013), Josehph and Redeeemer (2015), and Mihret and Yismaw (2016), as the results of their studies revealed that IA issues audit reports with value-add recommendations.

4.4.2 Discussion on SAPS internal audit enjoying management support

To establish whether SAPS IA receives full support from management, the overall study results revealed a neutral response. This is supported by the response received from various respondents. This area seems to be one of the problematic areas and needs urgent management interventions.

Management responds to audit findings within a set timeframe: of the respondents, 46.7% responded negatively to this question and this implies that SAPS management do not take IA serious; hence, they take long to respond to the audit queries. While 18.9% responded positively, 34.4% chose to be neutral on this question. A significant improvement is needed in this regard so that IA could be taken seriously and their recommendations be implemented. The results of the study conducted by Onumah and Krah (2015) revealed that management do not take IA seriously, as they take long to respond to the audit queries. It further revealed that management do not implement audit recommendations and this notion was also supported by the study conducted by Adulaziz and Nedal (2015); therefore, the above study results correspond with each other.

Provision for enough budget for training: the study reveals that 39.6% of the participants responded negatively to this question, and 27.5% responded positively, while 33% remained neutral. Management intervention is needed in this regard because continuous training is one of the key fundamentals for IAs to be effective in the organisation. Where training is provided, employees become more efficient and productive in their work and take well-informed decisions.

The results of this study imply that IA is allocated insufficient budget for training and this is supported by the results of the study conducted by Onumah and Krah (2015) in the Ghanaian public sector. Their study revealed that planned training activities had to be abandoned due to insufficient training budget.

Enough resources (employees and funds) to cover all areas of audit plans: of the respondents, 52.8% and 28.6%, respectively, indicated that SAPS IA is provided with enough funds and personnel to cover all areas of audit plans, while 28.6% and 30.8% chose to be neutral. The results on this question further reveals that 18.7% and 40.7% implies that

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employees and funds provided to IA are not enough to perform their duties efficiently and effectively. Adequate budget, competent and skilled staff plays a key role in ensuring that quality audits are performed to assist management in achieving their organisational objectives. The results of the study conducted by Onumah and Krah (2015) supports the above study results by stating that IA departments in the public sector are allocated insufficient budget and there is also a shortage of human resources.

Filling of vacant posts timely: SAPS IA seems to have a problem with the filling of vacant posts, as 30.8% chose to be neutral, 47.3% indicated that posts are not filled timely within internal audit. Of the participants, 22% seem to be in support that vacant posts are filled on time. This area also needs management intervention as a high rate of staff turnover could render IA ineffective. It, therefore, is vital for IA activity to be full capacitated. This study results are consistent with the results of the study conducted by Hailemariam (2014), as it revealed that posts are not filled timeously.

IA having full access to records and personnel relating to audit engagements: of the respondents, 62.6% and 64.8%, respectively, indicated that IAs enjoys full access of records and personnel when conducting their duties. While 17.6% and 16.5% of the participants implied that there is a limitation of scope as IAs do not have full access to records and personnel. The study reveals that 19.8% and 18.7% of the participants do not know if IAs have full access to records and personnel, respectively. A slight improvement, therefore, is needed in this area so that full access to records and personnel is obtained. This study results are consistent with the study results conducted by Onumah and Krah (2015) that revealed that auditee's attitude and cooperation towards IAs are not good.

Management communication with IAs in a professional manner: the results of the study reveals that 51.7% of the participants believe that management shows professionalism when communicating with IAs. While 27.9% of the participants chose to be neutral on this matter, 20.9% of the participants indicated that management does not show professionalism towards IAs. The results of the study conducted by Motubatse et al. (2015) revealed that management has confidence and communicates professionally with auditors who knows and understand the business very well. The results of this study, therefore, are contrary to the results of the study conducted by Motubatse et al. (2015).

4.4.3 Discussion on the factors that impede effective functioning of SAPS IA

The question was aimed to establish several factors that impede SAPS IA activity, and the overall results reveal that factors highlighted below are not impeding the effective functioning of SAPS IAs.

Audits not carefully planned: the majority of the participants (50%) indicated that all audits are properly planned, while 24.4% remain neutral, and 25.5% of the participants are in agreement that auditors are not putting enough effort during planning phase of the audits. For IA activity to be fully functional and effective, there is a need for improvement by IA in this regard. This is not in agreement with the findings of the study conducted by Brylow (2018) as it revealed that audits in most departments are not carefully planned.

Adequate supervisions done on all audits: of the respondents, 51.6% believed that senior managers provide adequate supervision throughout the audit process, whereas 24.2% have different views in this regard. The study further reveals that 24.2% opted to remain neutral. The results of this study are consistent with the requirements of the IIA that requires audit work to be carefully reviewed to ensure that objectives are achieved and quality is ensured.

Audit reports that are not clear, concise and not issued within the agreed timeframes: most of the participants responded positively, as they do not agree that reports issued are not clear, concise not issued within the agreed timeframes. This is supported by the study results of 71.5%, 68.2%, and 56.6%, respectively. Of the respondent, 19.8%, 24.2%, and 30%, respectively, are indecisive. Improvement, therefore, is needed in this area, as some of the participants do not agree nor disagree with the questions. A minority of the participants believed that reports are not clear (8.8%), concise (7.7%) and issued within the set timeframes (13.3%). Mihret and Yismaw's (2007) study results revealed that effective communication is one of the strongest factors that could influence IA as highly effective; therefore, the results of their study and this study are consistent.

Composition of audit committee with mixed skills and experience: SAPS needs improvement when appointing oversight board structures such audit committee members, as the study results reveal that 47.3% of the participants opted to be neutral, with 36.3% in agreement that the composition of the audit committee is well balanced. However, 16.5% of

the participants indicated that the audit committee is not well balances, as it does not have members with mixed skills and experience.

IA reports functionally to the audit committee: most of the participants (75.6%) agree that SAPS IA is independent, as it reports functionally to the audit committee, as stated and required by IIA standards. Though 13.3% chose to be neutral, 11.1% of the participants believed that SAPS IA's independence is compromised. This study results are supported by the results of the study conducted by Dawuda (2007) that revealed that a well-established organisational setting allows IA to perform their duties without any difficulty and interference. The results of the study conducted by Dawuda (2007), therefore, is consistent with the results of this study.

4.4.4 Discussion on how to overcome challenges that impede the effective functioning of SAPS IA activity

On this research objective, questions were aimed to establish strategies to overcome challenges that impede effective functioning of the SAPS IA activity. The overall results agree that the strategies below could effectively address those challenges.

SAPS management are held accountable for non-implementation of corrective actions: while 38.6% of the participants opted to be neutral, 55.6% shows that actions are not taken against management for non-implementation of corrective actions. The minority of 21.6% indicated that actions are taken for non-implementation of the agreed action plans. This is the area that needs a serious management intervention, as it could be an obstacle for IA to be effective in the organisation. Adulaziz and Nedal's (2013) study revealed that management do not implement corrective actions and no action is taken against them; therefore, their finding is consistent with the finding raised in this study.

Affiliation of IAs with professional bodies: of the respondents, 90.2% indicated that auditors are members of various professional bodies such as IIA, ISACA and ACFE, with 7.7% chose to be neutral, and 2.1% of the participants responded negatively. This is contrary to the results of the study conducted by Onumah and Krah (2015) in the Ghanaian public sector that revealed that all internal auditors do not belong to the IIA.

Auditors with various background, skills and experience: of the respondents, 78% showed that SAPS IA has auditors with various background, while 73.6% and 82% of the participants,

respectively, agree that auditors has vast skills and experience. Of the respondents, 15.4%, 19.8% and 11% chose to be neutral, and 6.6% of the participants believe that SAPS auditors do not have various background, skills and experience. Most of the participants, therefore, seem comfortable with the level of skills and experience of IA activity staff.

SAPS environment is conducive for IA to execute their duties: Of the respondents, 44% indicated that the SAPS environment is conducive for auditors to perform their duties with no difficulties, and 31.9% have different views, as they indicated that the environment is not user-friendly. Only 24.2% of the participants chose to be neutral. This is another area that needs serious management attention so that IA operates efficiently and effectively.

SAPS has effective and well resource risk management: these areas seem to be problematic areas as most of the participants (56.8% and 59.4%, respectively) indicated that SAPS has no effective and well-resourced risk management. While 23.1% and 28.6% chose to be neutral, 20.9% and 12.1%, respectively, believed that the SAPS risk management section is effective and well-resourced. Serious attention as a matter of urgency is needed in this regard, as IA is facing the risk of giving assurance on areas that are not of concern to management. The results of this study are consistent with the results of the study conducted by Ernst and Young (2007) that revealed that most organisations have a shortage of employees within risk management sections.

SAPS has an effective IT risk assessment system: of the respondents, 49.5% revealed that there is no IT risk assessment system in SAPS, and 20.9% indicated that there is an effective risk assessment system, while 29.7% opted to be neutral. This is another area that as a matter of urgency. Where IT systems are not used to support the facilitation of risk assessment, the reliability and integrity of risk management documents are questionable. This is supported by the results of the study conducted by Mohammed and Knapkova (2016) that revealed that organisations with risk management systems enhance their financial and operational performance.

4.5 Chapter summary

The chapter outlined the analysis, discussion and interpretation of the empirical findings. The analysed and presented data were collected using questionnaires distributed to the IAs, external

auditors, and audit committee members within SAPS. The data were analysed and summarised using tables, figure, *t*-tests and ANOVA.

The data analysed in this chapter revealed that most of the participants agree that the SAPS IA is effective, with some areas of improvement for the department to be highly effective. It further revealed that SAPS IA operates without support from management. Factors that impede the effective functioning of IA were also analysed together with strategies to overcome the challenges that impede effective functioning of SAPS internal audit. The next chapter will provide a summary, conclusions, and recommendations.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

The analysis, discussion and interpretation of empirical findings were presented in the previous chapter. The analysed and presented data were collected using a questionnaire distributed to the IAs, external auditors and audit committee members within SAPS. The data were analysed and summarised using tables, figure, t-tests and ANOVA. This chapter provides discussions, a summary of key findings, conclusions and recommendations about the barriers to effective functioning of IA activity. It concludes with the benefits and suggestions for future research.

5.2 Summary of the Research

The researcher explored barriers or challenges that face SAPS IA using the following research objectives:

- to scrutinise how the effectiveness of IA activity in SAPS can be measured;
- to ascertain the elements that hinder the effective functioning of SAPS IA activity;
- to evaluate measures that could be implemented to overcome the challenges that hinder the effective functioning of the IA department within SAPS; and
- to determine if SAPS IA activity enjoys management support and propose communication strategies within the SAPS.

The research questions aligned with research objectives in this study were:

- How effective is SAPS IA activity?
- What are the components that obstruct the effective functioning of SAPS IA activity?
- What possible measures could be implemented to overcome challenges that impede the efficacy of IA activity?
- Do SAPS IA enjoys management support?

The findings discussed below, therefore, are aligned with the research objectives and research questions.

5.3 Findings from the Study

The findings of the research study are discussed under two headings, namely findings from the literature review and findings from the primary research.

5.3.1 Findings from the literature review

In South Africa, IA was established in the public sector to serve as the foundation of clean public sector governance by providing independent and objective assessments on how public funds should be spent (Goodson et al., 2012). This is in line with legislation that requires the accounting officer of each government department to establish IA under the control and direction of the audit committee (PFMA Act Section 38 (10) (a) (II)). The accounting officer must appoint audit committee members to enhance good governance in the public sector, allowing IAs to execute their duties at the highest level (Nel, 2011). The existence of an audit committee, therefore, also assists IA where there are scope limitations and negative interference from senior management (Endaya & Hanefah, 2013).

Some IA theories were established to predict and explain the effectiveness of IA in the organisation. The first theory is the agency theory that was established by Jensen and Meckling (1976). This theory talks to the manager who hires IAs to perform the tasks for the benefit of the principal and on his behalf. IA, therefore, is regarded as effective when IAs conduct tasks for the benefit of the manager. The second theory is the profession and institutional theory established by Abbott (1988). This theory emphasised that IAs must improve their professionalism first for them to achieve their full potential (Winters, 2009). In the case of institutional theory, one organisation establishes an IA on the basis that another organisation has IA (Al-Twaijry et al., 2003)

Chambers and McDonald (2017) stated that effective communication and good interpersonal relationship between managers and employees guarantees productivity and profitability in the organisation. It, therefore, is vital for IAs to have good verbal and oral communication to communicate their work to clients effectively. The study conducted by Hahn (2008) revealed effective communication as the main factor for enhancing IA effectiveness.

The study conducted by Chinedu (2017) revealed that the organisational goals are reasonably achieved when financial and operating systems are independently reviewed by IA. This

requires IA to provide management with useful recommendations for improvements and commitment from management to implement recommendations as required. In most organisations, management, however, do not implement IA recommendations as required. This reduces IA effectiveness and serve as evidence of undermining IA functions (Gray & Manson, 2000).

In the public sector, IA effectiveness is measured by the degree to which the organisation renders its service to the public (Van Gansbergehe, 2005). This is contrary to the results of the study conducted by Figo (2002) that revealed that IA is regarded as effective when it can respond to the client's needs regarding quality, quantity and timely.

Mihrent and Yismaw (2007) argued that IA effectiveness is measured by the auditor's knowledge, experience, and allocation of enough resources on each audit assignment. The study further revealed that management support also influences the effectiveness of the IA. This is also consistent with the results of the study conducted by Adulaziz and Nedal (2013). Onumah and Krah's (2015) study indicated that IA receives less support from management and because of that, their recommendations are not fully implemented. The study further revealed that auditees' attitude and level of cooperation towards IAs are not good.

IA is more effective when it operates in a well-established organisational set up that includes organisational structure, policies and procedures and enough resources (Belay, 2007). A well-established organisation allows IA activity to have a high-level status in the institution that enables them to exercise their independence when performing their duties. Clear policies and procedures are used as measuring tools for the effectiveness of IA activity.

The literature revealed a strong relationship between IA activity and risk management; therefore, risk management should be used to develop an IA activity plan. Effective risk management enhances opportunities of achieving organisational goals (Mohammed & Knapkova, 2016). Most organisations are facing challenges of ineffective planning of audits due to unreliable risk management documents. A study conducted by Mohammed and Knapkova (2016) showed that a proper risk management system enhances the financial and operational performance of the institution.

5.3.2 Findings from the primary study

5.3.2.1 Effectiveness of SAPS internal audit

The study reveals that SAPS IA is effective, as it has approved audit manuals, methodology and audit charters to comply with and that all audits are completed on the audit plan. Most of the participants indicated that all audits are completed within the financial year, and IA activity has an approved methodology, manual, oversight committee and IA activity charters. Participants further stated that SAPS IAs have relevant qualifications, experience and knowledge of the business that assist them when performing their duties. Study results also show that SAPS IA activity provides assurance and consulting audit engagements and that compliance with IIA standards is a priority.

The participants also supported the effectiveness of IA by revealing that risk assessment, management and stakeholder's inputs are considered when developing an IA plan and three-year rolling plan. The participants imply that SAPS IA is well represented in the executive meetings and that all audit reports are issued with value-add recommendations.

5.3.2.2 SAPS internal audit enjoys management support

The study results revealed a neutral response on whether the SAPS IA enjoys management support. The minority, however, indicated that SAPS IAs enjoys management support. This implies that there is no full support given to IA activity from management. It is supported by responses from most of the participants who indicated that IA activity is allocated insufficient training and operational budget, management do not respond to audit findings on time, and vacant posts are not filled timely. The responses further revealed that management do not professionally communicate with IAs. The above study results, therefore, substantiate that IA does not receive enough support.

5.3.2.3 Factors impeding effective functioning of SAPS

The results of the study revealed that factors that impede the effective functioning of most IA functions in the organisation are not necessary impeding the effective functioning of SAPS IA. This was supported by responses from most of the participants who indicated that audits are

carefully planned, adequate supervision is done on all phases of the audits, and reports that are clear and concise are issued within the agreed timeframe.

Most of the participants further indicated that SAPS IA functions are effective, as it reports functionally to the audit committee. What seems to be a challenge is the composition of the of the audit committee, as it is dominated with members who have financial and auditing background.

5.3.2.4 Overcoming challenges that impede effective functioning of SAPS internal audit

The results of the study revealed that strategies such as holding management accountable for the non-implementation of corrective actions could effectively address challenges, resulting in IA to be highly effective. Most of the participants also indicated that affiliation of IA with professional bodies having auditors with various skills and experience, creation of conducive environment for auditors, and a well resource risk management could make SAPS IA highly effective.

5.4 Chapter summary

The overall results are in line with most of the literature reviewed, as it was revealed that management support is essential for quality and effective IA. The results of the study revealed that SAPS management do not respond to the audit findings within a set timeframe, vacant posts are not filled timely, and that budget allocated to internal audit is insufficient. Management do not professionally communicate with IAs, and all this implies that the IA department does not enjoy management support, making the IA department not highly effective.

The responses of the participants implied that SAPS IA is effective, as they have approved IA manual, methodology and audit charters with which to comply, and all audits in the audit plan are completed every financial year. IA provides consulting and assurance services to the clients, and risk assessments and inputs from various stakeholders are considered when developing audit plans, implying that IA is effective. It is also supported by the responses from participants that revealed that IA complies with IIA standards and reports are issued with value-add recommendations.

Responses from the participants implies that audits are carefully planned, adequate supervisions are done on all phases of the audit, and reports are clear, concise and issued within the agreed timeframe. SAPS IA activity accounts functionally to the audit committee and administratively to the accounting officer, as required by the IIA, and this enhances the level of independence in the organisation.

SAPS management are not being held accountable for not implementing corrective actions and this remains an obstacle for IA to be highly effective. Although IAs have various skills and experience affiliated with professional bodies, the SAPS environment is non-conducive for auditors to execute their duties with no difficulties. The responses from participants implies that the risk management section is not fully capacitated with resources such as human and risk management system.

5.5 Recommendations

- To improve effectiveness, the national commissioner and chief financial officer of the SAPS should ensure that the budgetary status (operational budget) of IA is enhanced so that it can discharge its duties efficiently and effectively and audits planned are completed timely. IA management should ensure that a proper method of budget allocation per audit engagement is applied.
- The IA department should plan its audits based on the available resources; therefore, the number of employees and available hours should be considered during the compilation of the audit plan. Where members have resigned, management of IA should consider co-sourcing and out-sourcing to ensure the completion of audit plans.
- To improve effectiveness, it is advisable that the national commissioner must work with IA in developing a timeframe of at least two or three weeks for management to respond to the audit findings. The national commissioner should take action against managers who do not adhere to the set timeframe.
- To improve effectiveness, the national commissioner should educate management about the importance and benefits of working with IA activity so that IA reports are treated seriously. This could be shown by implementing corrective actions, and harsh punishment should be taken for the non-implementation of corrective actions.

- The CFO must provide enough budget allocation for the training of IAs to be more efficient and productive.

- It is recommended that the head human resource management prioritise IA activity in filling vacant posts within the section and all vacant posts should be filled within a period of three months.

- It is also recommended that IA management be involved or provide supervision from the planning until reporting phase of the audit. This will ensure that errors and mistakes are identified and corrected on time, audit objectives are met, and quality of the work is ensured.

- The national commissioner should ensure that, in future, the audit committee is composed of members with various skills, knowledge and experience such as policing, legal, financial, and auditing background. Advice given during audit committee meetings, therefore, will be useful and decision taken will be well-informed decisions.

- To improve effectiveness, there is a need for urgent procurement of a risk management system that could be used to assist the department in the facilitation of risk assessment. The national commissioner should consider restructuring the risk management section and the appointment of additional members to capacitate the section.

- To improve effectiveness, it is also recommended that enough budget should be made available for the risk management section so that risk assessment could be conducted in all divisions, components, sections, and stations within SAPS.

5.6 Benefits and Suggestions for Future Research

The effectiveness of IA in the public sector still lags compared to the private sector, mostly in developed countries. This study sought to explore barriers to the effective functioning of SAPS IA. The findings and recommendations made in this study will assist SAPS to develop strategies to address all barriers causing IA activity to not function highly effective.

The results of this study will be used by other researchers for references and will assist other government departments for benchmarking, as well as in improving their operations and effectiveness. The study has generated information using a quantitative research method to identify and assess barriers to the effective functioning of IA.

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Appendix A: Survey Questionnaire

QUESTIONNAIRE SURVEY ON THE BARRIERS TO EFFECTIVE INTERNAL AUDIT
WITHIN SOUTH AFRICAN POLICE SERVICE

PURPOSE

The purpose of this questionnaire is to provide you an opportunity to give us your views on the barriers to effective internal audit within the South African Police Service, Case of Northern Gauteng.

Data collected will only be used for the purpose of the study on the barriers to effective internal audit and for the completion of MTECH Internal Auditing study.

Your cooperation and objectivity in completing this questionnaire is highly appreciated.

CONFIDENTIALITY

Your answers to the questions and all other information you give to us will be treated in highest confidentiality. Permission to conduct the study with SAPS was granted by national commissioner, and should participants wish to withdraw from participating in this study, they could do so without any punishment.

INSTRUCTIONS

This questionnaire consists of five sections. In the first section you will tell us about your information. The second section asks about how you feel about the effectiveness of internal audit activity. The third section asks about how you feel about management supporting internal audit activity. The fourth and fifth sections ask about how you feel about factors that impede effective functioning of internal audit and how to overcome those challenges. In all instances there are no right or wrong answers.

SECTION A DEMOGRAPHIC DETAILS

In this section we would like to find out a little more about you. Please place a cross (X) in the appropriate block.

A1 **Please indicate your gender?** Male ❏1 Female ❏2

A2 **Please indicate your age category?** Under 30 years ❏1
30-39 years ❏2

40-49 years ❏3

50-59 years ❏4

60 and over ❏5

A2 **Please indicate your position in the organisation** Board member ❏1

Top manager ❏2

Middle manager ❏3

Junior manager ❏4

Lower level employee ❏5

A2 **Please indicate your workstation** Internal auditor ❏1

External auditor	❏2	
SAPS senior managers	❏3	
Audit committee	❏4	
Any other	❏5	
Specify ………………………………		

A3　**What is your highest level of education?**

No formal education	❏1
Primary school education	❏2
High School education (Grade 12)	❏3
Trade certificate	❏4
Undergraduate or equivalent degree	❏5
Postgraduate or equivalent degree	❏6

SECTION B: Examine the effectiveness of internal audit activity

Kindly rate the following statements in relation to organisational profile, organisational policies and procedures, internal organisation and budgetary status of internal audit at the SAPS office with which you are involved with: Please mark the appropriate answer with an X. Please indicate the extent to which you agree or disagree with the statements. Strongly agree = 5, Agree = 4, Neither agree nor Disagree = 3, Disagree = 2 and Strongly disagree = 1.

1.　SAPS internal audit does not complete all audits in the audit plan.	1	2	3	4	5
2.　SAPS internal audit has approved audit manual, methodology, AC & IA charter	1	2	3	4	5
3.　SAPS internal audit is represented in the executive meetings.	1	2	3	4	5
4.　Internal audit has qualified staff.	1	2	3	4	5
5.　Internal audit has experienced staff.	1	2	3	4	5
6.　Internal auditors have no sufficient and sound knowledge of the business.	1	2	3	4	5
7.　Internal audit considers management inputs when developing internal audit plan and 3 year rolling plan.	1	2	3	4	5

	1	2	3	4	5
8. Internal audit considers all stakeholders' inputs when developing internal audit plan and 3 year rolling plan	1	2	3	4	5
9. Internal audit considers risk assessment when developing internal audit plan and 3 year rolling plan	1	2	3	4	5
10. Internal audit plan includes assurance audit engagements.	1	2	3	4	5
11. Internal audit plan includes consulting audit engagements.	1	2	3	4	5
12. Internal audit complies with IIA standards when conducting audits.	1	2	3	4	5
13. Audit reports are issued with no value-add recommendations.	1	2	3	4	5

SECTION C: SAPS internal audit enjoys management support

Kindly rate the following statements in relation to management support to internal audit at SAPS: Please mark the appropriate answer with an X. Please indicate the extent to which you agree or disagree with the statements. Strongly agree = 5, Agree = 4, Neither agree nor Disagree = 3, Disagree = 2 and Strongly disagree = 1

		1	2	3	4	5
1	SAPS management respond to audit findings within a set timeframe.	1	2	3	4	5
2	Enough budget for training and development is provided to internal audit.	1	2	3	4	5
3	SAPS internal audit is allocated enough budget to cover all areas in the audit plan.	1	2	3	4	5
4	SAPS internal audit is allocated enough staff to cover all areas in the audit plan.	1	2	3	4	5
5	Vacant posts within internal audit are filled timely.	1	2	3	4	5
6	Internal audit has full access to the records relating to the audit engagements.	1	2	3	4	5
7	Internal audit has full access to the personnel relating to the audit engagements	1	2	3	4	5
8	Management communicates with internal auditors in a professional manner.	1	2	3	4	5

SECTION D: Factors that impede effective functioning of SAPS internal audit activity

Kindly rate the following statements in relation to Auditee Attributes at SAPS: Please mark the appropriate answer with an X. Please indicate the extent to which you agree or disagree with the statements. Strongly agree = 5, Agree = 4, Neither agree nor Disagree = 3, Disagree = 2 and Strongly disagree = 1					
1. Audits are not carefully planned.	1	2	3	4	5
2. Audits resources are appropriately spread across all phases of the audit process.	1	2	3	4	5
3. Adequate supervisions are done by senior officials on all audits.	1	2	3	4	5
4. Audit reports are not clear.	1	2	3	4	5
5. Audit reports are not concise.	1	2	3	4	5
6. Audit reports are not issued within agreed timeframes.	1	2	3	4	5
7. SAPS audit committee is not consisting of members with mixed skills and experience such as finance, auditing, legal and policing.	1	2	3	4	5
8. SAPS internal audit reports functionally to the audit committee	1	2	3	4	5

SECTION E: Overcoming challenges that impede effective functioning of SAPS internal audit activity

Kindly rate the following statements in relation to internal audit quality at SAPS: Please mark the appropriate answer with an X. Please indicate the extent to which you agree or disagree with the statements. Strongly agree = 5, Agree = 4, Neither agree nor Disagree = 3, Disagree = 2 and Strongly disagree = 1					
1. SAPS management are held accountable for non-implementation of corrective actions.	1	2	3	4	5
2. Internal Audit affiliates to the professional bodies such as IIA, ISACA & ACFE.	1	2	3	4	5
3. SAPS internal audit has auditors with various background.	1	2	3	4	5
4. SAPS internal audit has auditors with various skills.	1	2	3	4	5
5. SAPS internal audit has auditors with various experience.	1	2	3	4	5
6. SAPS environment is conducive for internal auditors to execute their duties.	1	2	3	4	5
7. SAPS has effective risk management section.	1	2	3	4	5

8. SAPS has well resource risk management section.					
9. SAPS has effective information technology system to assist in conducting risk assessment.	1	2	3	4	5

Appendix B

Cape Peninsula
University of Technology

P.O. Box 1906 • Bellville 7535 South Africa •Tel: +27 21 4603291 • Email: fbmsethics@cput.ac.za
Symphony Road Bellville 7535

Office of the Chairperson Research Ethics Committee	Faculty: **BUSINESS AND MANAGEMENT SCIENCES**

At a meeting of the Faculty's Research Ethics Committee on **11 June 2019**, Ethics **Approval** was granted to **Fhumulani S. Matshona (217304478)** for research activities of **Master of Internal Auditing** at Cape Peninsula University of Technology.

Title of dissertation/thesis/project:	BARRIERS TO EFFECTIVE INTERNAL AUDITING WITHIN SOUTH AFRICAN POLICE SERVICES, CASE OF NORTHERN GAUTENG Lead Researcher/Supervisor: Profs J Dubihlela/L Obokoh

Comments:

Decision: Approved

	12 June 2019
Signed: Chairperson: Research Ethics Committee	**Date**

Clearance Certificate No | FOBREC661

Appendix C

South African Police Service

Suid-Afrikaanse Polisiediens

Privaatsak	Pretoria	Faks No.	
Private Bag X94	0001	Fax No.	(012) 393 2128

Your reference/U verwysing:

My reference/My verwysing: **3/34/2**

THE DIVISIONAL COMMISSIONER: RESEARCH
SOUTH AFRICAN POLICE SERVICE
PRETORIA
0001

Enquiries/Navrae: Lt Col Joubert
AC Thenga
Tel: (012) 393 3118
Email: JoubertG@saps.gov.za

Mr FS Matshona
CAPE PENINSULA UNIVERSITY OF TECHNOLOGY

RE: PERMISSION TO CONDUCT RESEARCH IN SAPS: BARRIERS TO EFFECTIVE INTERNAL AUDITING WITHIN SOUTH AFRICAN POLICE SERVICE (SAPS): CAPE PENINSULA UNIVERSITY OF TECHNOLOGY: MASTERS DEGREE: RESEARCHER: FS MATSHONA

The above subject matter refers.

You are hereby granted approval for your research study on the above mentioned topic in terms of National Instruction 1 of 2006.

Further arrangements regarding the research study may be made with the following office:

The Head: Internal Audit:

- **Contact Person:** Maj Gen DT Nkosi
- **Contact Details:** (012) 393 3457
- **Email Address:** Nkosid@saps.gov.za

Kindly adhere to paragraph 6 of our Attached letter signed on the 2018-12-12 with the same above reference number.

MAJOR GENERAL
ACTING DIVISIONAL COMMISSIONER: RESEARCH
DR PR VUMA

DATE: 2019 -01- 0 9

1

Appendix D

Barriers to effective internal auditing within the South African Police Services: Case of Northern Gauteng

ORIGINALITY REPORT

13%	6%	2%	5%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

creativecommons.org Internet Source	2%
2 Submitted to Mancosa Student Paper	1%
3 Submitted to Institute of Graduate Studies, UiTM Student Paper	1%
Submitted to Polytechnic University of the Philippines - Sta. Mesa Student Paper	1%
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