



**Internal audit practitioners' perspectives on corporate
governance compliance at Namibian Regional Councils**

BY

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ABSTRACT

Internal audit practices improve the quality and importance of the management system, thereby increasing the efficiency and efficiency of the organization. The evaluation of internal auditing is self-motivated, particularly in increasing attention to the contribution of Corporate Governance. This study evaluated internal audit practitioners' perspectives on corporate governance compliance at Namibian Regional Councils.

The study used mixed methods of data collection. The population of the study were internal auditors from the eight Regional Councils of Harpdap, Omaheke, Otjozondjupa, Erongo, Kavango east, Zambezi, Oshikoto and Khomas Regional Councils, and the Ministry Urban and Rural Development. Convenience sampling technique was used to select twenty-four internal audit practitioners in selected Regional Councils, while purposive sampling was used to select eight officials from the Ministry of Urban and Rural Development. Quantitative data was collected through questionnaires and qualitative data was collected through interview guide. SPSS V.21 analyzed quantitative data and results were presented in tables and figures for easy interpretation. Content analysis was used to analyze qualitative data. In-depth interviews and questionnaires were related to the research objectives. Ethical principles were adhered to by obtaining approval letters, informed consent, principle of fair treatment, anonymity and autonomy, confidentiality and privacy, good faith and non-maliciousness, and principles of justice.

Results showed that Corporate Governance principles, good leadership in internal audit practitioners, commitment of corporate discipline, independence of internal audit practitioners, corporate insurance, timely and accurate disclosure of financial performance, effective internal audit functions were complying with relevant laws and effective internal control systems were effective. However, the decision-making process was poor; internal auditors did not have any authority related to the activities they were auditing. Ineffective communication, limited balance of power and authority, poor management of Regional Councils, absences of audit and risk committee, as well as an insufficient number of staff made compliance of internal auditing ineffective. The Namibia Regional Council's internal audit practitioners have a negative impact on compliance with Corporate Governance

principles because the internal audit department of RC is small compared to the amount of work involved. This issue may not result into corporate assurance, timely disclosure and accurate disclosure of performances of financial positions.

The reasonable conclusion of the study is that most of the Regional Councils in Namibia have not clearly followed the corporate governance principles of internal audit practitioners and cannot be effectively implemented. There was a serious mismatch between the principles of corporate governance in the structural arrangements of important institutional capabilities that support performance work. The study puts forward some recommendations that the compliance of internal audit practitioners in the Namibia Regional Council must exercise good leadership and integrity in judgment when guiding them to comply with corporate governance principles. In order for the Namibia Regional Councils to create value for their growth, it is necessary to improve timely information disclosure mainly in financial aspects. Poor disclosure of internal audit information can breed corruption and undermine accountability. The Government of Namibia should prioritize the implementation of the proposed incentivized performance monitoring and evaluation system for all RCs (CRO, Internal Auditors and audit committee), as this will ensure accountability, encourage hard work and competitiveness among RCs while also rewarding hardworking.

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Appreciations to Namibia Regional Councils specifically Harpdap, Omaheke, Otjozondjupa, Erongo, and Khomas Regional Councils that participated in the study. Also, the Ministry of Urban and Rural Development (MURD) where the Regional Councils' report. I highly appreciate your information sharing, without your support, this study would not be at this level.

To all my relatives who helped me in diverse ways to produce this research report, I would like to wholeheartedly thank them for their support and guidance during my busy and difficult time while pursuing this study.

Despite the various contributions from different people, I am personally responsible for the study contents and facts.

Thank you very much, may the Almighty God bless you all.

DEDICATION

This research report is dedicated to my family. I also dedicate it to my colleagues. Let this accomplishment be a source of encouragement for my siblings' future studies.

PREFACE

Chapter one: Introduction. This chapter introduced and gave background information about the research, presented a statement of the problem, and then the research problem. The contributions of the research were discussed, and the purpose and objectives of the research were given.

Chapter Two: Literature review. It deals with research articles. The chapter gives the introduction of the literature in the chapter in relation to the objectives of the study. Literature review discussed the concept of Corporate Governance, Internal Auditing, effectiveness of internal control system and the effectiveness of internal audit. The chapter further presented the empirical reviews. Key terms were defined in this chapter. It gave the gaps in the research and the summary of the literature reviewed.

Chapter Three: Research paradigm, methods and methodology. In this chapter, the mixed (qualitative and quantitative) research approaches were described and a phenomenological case study design was also defined. The research used most hybrid methods and some philosophical assumptions, which use post-positivist knowledge claims and closed-ended questions, predetermined methods and numerical data. The chapter further described the research methods, design, population of the study and the sampling strategy. The data collection tools and data collection procedures were given. Data analysis was defined and ethical considerations given.

Chapter Four: Results and discussion. This chapter introduced the results and discussed them. The research results were presented in the form of quantitative and qualitative analysis. Discussion was done simultaneously.

Chapter Five: This chapter presented an overview of the study, main findings, conclusions and recommendations. The study ends with an assessment of limitations and delimitations.

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LIST OF ACRONYMS

AAA	America Accounting Association
AC	Audit Committee
AICPA	America Institute of Certified Public Accounts
CAE	Chief Audit Executive
CG	Corporate Governance
COSO	Committee of Sponsoring Organisation of the Treadway Commission
FEI	Financial Executive International
FRQ	Financial Reporting Quality IA
GRN	Republic of Namibia
IA	Internal Audit
IIA	Institute of Internal Audit
IAC	Internal Audit Committees
IAF	Internal Audit Function
IMA	Institute of Management Accountants
IFAC	International Federation of Accountants
IPPF	International Professional Practices Framework
MURD	Ministry of Urban and Rural Development
NAO	National Audit Office
RCs	Regional Councils
SOE	State-Owned Enterprise

CHAPTER ONE (1)

INTRODUCTION AND PROBLEM IDENTIFICATION

1.0 INTRODUCTION

The governance process lays the foundation for maintaining and communicating values and goals that are not limited to accountability and monitoring such goals (Institute of Internal Audit, 2011). For some internal audit functions, the implementation of 2110 governance standards are challenging and affect corporate governance. However, the most important thing is to realize that internal audit can ensure quality governance through good corporate governance so as to make a positive contribution to the organization.

Internal auditing practices can increase the quality and importance of the management systems, thereby increasing the effectiveness and efficiency of the organization (Weldu 2017). In fact, IA evaluations are self-motivating, especially in terms of increasing attention to the contribution of corporate governance

The importance of internal audit results in improved performance due to a rise in institutional asset control (Enofe, Aronwan & Abadua, 2013), verification of business processes to reflect documented policies and procedures (Morris, 2017), and a key pillar of good governance (Kreston, 2020). Kanduku (2016) found that Namibia's internal audit is a typical representative of Corporate Governance under the audit committee.

The committees make legislative directives based on King III report (Diloitte, 2016) which may lead to an increase in regulatory and guidance in improving Corporate Governance and reinforcing assurance of the investors in financial reporting (Kanduku, 2016).

The efficiency of internal audit work must be improved in order to have a positive impact on good corporate governance, which was caused by poor business and the globally financial crisis in 2008. The internal auditors have to perform organisation activities smoothly to attain economic, efficient and effective performances in internal audit activities (Clarke, 2019; Munro & Stewart, 2011).

Internal audit can achieve this goal by foreseeing potential risks, identifying and determining the hazards that hinder the entire organization (by addressing internal audit activities in corporate governance), through the organization's keeping ongoing technology and its processes (Clarke, 2019; Munro & Stewart, 2011) and having operational audits and performance audits (Clarke, 2019).

Namibia recognized Corporate Governance Code (NamCode) grounded on the King II report. The report directs enterprises in Namibia to have good cooperate governance practices. They guide the management in the right decision making for the enterprises (Deloitte, 2013). Deloitte further emphasised that NamCode guides corporate entities in Namibia (Deloitte, 2013). It is because of this that the researcher evaluated the corporate governance compliance by internal audit practitioners' perspectives at Namibia Regional Council.

1.2 Problem statement

Many governments are already very keen to implement good corporate governance principles in their organizations because this has a positive impact on performance. However, due to the lack of an effective internal audit function, many organizations still struggle to successfully implement most of the important foundations of corporate governance. Internal audit's value is in its ability to assist management in implementing these well-talked about good governance principles.

Although Corporate Governance seems to enjoy attention from the national government, there are reported incidence of large amounts of money at the Regional Council that is still unaccounted for. For example, the report of the Auditor General of Namibia lists Harpdap, Omaheke, Otjozondjupa, Erongo, Kavango East, Zambezi, Oshikoto, and Khomas Regional Councils as RCs with high uncouncted expenditures. Management deficiencies such as weak leadership, poor accounting, reporting systems, lack of risk management, and control exist, allow cash to flow out in the organization through corruption means. This renders a service delivery handicap because resources allocated for specific needs end up being used for personal gain. Due to the lack of proven, evidence-based Corporate Governance practices, ethics are eroded, resulting in fostering of corrupt behaviours.

The government of Namibia, on the one hand, invests a lot of money in the Regional Councils with the hope of making returns on investment. At the same time, most of the Regional Councils declare hugely loses uninterruptedly as they have failed to make proper accountability of large sums of money allocated to them. The present study, which, includes Internal Audit practitioners' perspectives on corporate governance, compliance at Namibian Regional Councils is motivated by the deafening silence of the internal audit practitioners while the Regional Councils are making serious deficiencies. It is due to the above facts that the internal audit practitioners in Namibia Regional Councils of Harpdap, Omaheke, Otjozondjupa, Erongo, and Khomas Regional Councils are not complying with Corporate Governance principles as dictated in the NamCode.

1.3 Rational and significance of the study

Any negative performance of the Regional Councils directly impacts on the welfare of the people living within that region. The researcher did not find any writings related to corporate governance and internal audit practices in the Namibian context. The problem of internal audit standards in the Namibia public sector has not been addressed. Thus, conducting the present study may add value to the current practices of the profession as well as to the Regional Councils in Namibia. The findings of the study may be useful to the Ministry of Urban and Rural Development (MURD) to ensure that there is compliance with internal audit practices of corporate governance. The study will assist the Regional Council's to effectively deal with challenges facing internal audit that impacts negatively on their performance. The present study may contribute to the body of knowledge related to compliance by internal audit practitioners to the Corporate Governance principles for further scholars.

1.4 Aim and objectives of the study

The main aim of this study was to evaluate internal audit practitioners' perspectives on corporate governance compliance at Namibian Regional Councils. This aim is guided by the following objectives -

- To determine how effectively internal audit practitioners in Namibia Regional Councils follow Corporate Governance principles.

- To establish if Regional Council internal audit practitioners' practices comply with principles of Corporate Governance.
- To establish the extent of quality assurance programme standard of internal auditing applied in Regional Councils.
- To establish if there are adaptable regulatory provisions in Namibia Regional Councils to control compliance by internal audit practitioners.
- To assess the regulatory provisions that are in place to guide internal audit compliance in the Namibian Regional Councils.
- To establish hindrances to implementation of internal auditing in Namibia Regional Councils.

1.5 Research questions

- How effective are internal audit practitioners in Namibia Regional Councils to Corporate Governance principles?
- How does Regional Council internal audit practitioners' practices comply with principles of Corporate Governance?
- To what extent the quality assurance programme standard of internal auditing is applied in Namibia Regional Councils?
- Are there adaptable regulatory provisions in Namibia Regional Councils to control compliance by internal audit practitioners?
- What regulatory provisions are in place to regulate the internal audit compliance in the Regional Council?
- What is hindering effective implementation of internal audit in Namibia Regional Councils and how are they addressed to improve the effectiveness and efficiency of Regional Councils?

1.6 Outline of the study

The research study is organized into five chapters. The first chapter started with a background of the problem followed by a statement of the problem. In the same chapter, the purpose of the study was outlined, followed by highlighting of research questions. The chapter continued with the significance of the study and concluded with an outline of the study. In Chapter two, the related literature was reviewed. This review was followed by chapter three that presented the research design, population, sampling and sample size, data collection methods, research

instruments, data analysis and ethical considerations among others. The instruments used in data collection and their validity and reliability issues were captured in this chapter. Chapter four, analysed and presented the findings of the research. All research findings were reported by means of both quantitative and qualitative methods of research, as well as reliability and validity tests were ensured. Key findings of the research were presented, interpreted and summarised. Literature control was done simultaneously with the data presentation. The conclusions and recommendations of the study are presented in chapter five, and are based on the study findings in chapter four. The chapter ends by suggesting areas for further research.

1.7 Conclusion

The chapter presented the background of the study followed by the statement of the problem. The chapter further gave the aim and objectives of the study and research questions. The next chapter presents a literature review.

CHAPTER TWO (2)

LITERATURE REVIEW

2.1 INTRODUCTION

The first chapter gave the introduction and study background, discussed the problem statement, rational and study significance, aims and objective, and research questions. The current chapter provides literature review focusing on internal audit practitioners' perspectives on corporate governance compliance both locally and abroad. The chapter includes a literature review on the legislation that governs Regional Council operations, public sector accountability and the theory, and practice of internal auditing from an empirical perspective within the Namibian government context. This in turn provides the reader with a general overview of the research setting and aids in understanding the primary notion of the research study.

2.2 The concept of internal auditing

An Internal Audit (IA) practices have a lasting history, but the discipline made tremendous changes over the years (Ali et al., 2007). Geir, as cited in Ali et al. (2007) noted that internal auditing emerged from the Egypt state of the Greek ruler Ptolemy Philadelphus II with about 25000 years' record of Zenon-papyri. According to Fresher and Zarzeski (2012), earlier audits involved a review of the accuracy of the accounting records and the review of repeated evaluation activities in the accounts. The objective was the improvement of control of the management of an organisation's activities. Even so, the situation changed during the 19th and efforts were put on the detection of fraud during the first half of the 20th century. This idea explains the turning point of modern auditing where there is business management enhancement from the traditional auditing that was characterized by fraud detection.

Presently, most notably in public institutions, internal auditing promotes accountability while improving on the government's performance. Many governments or countries have policies in place that fortify the functions of internal

auditing while enhancing their capacities. This enhances internal auditing strategic objectives. According to the King Report (2002 in Mubwandarikwa, 2013), Corporate Governance brings equilibrium on economic and social areas between separate and common objective, which decreases the gap between individuals' interests, organizations, and societies. The King report's definition of Corporate Governance shows that it is a framework that encourages clever use of resources and equally reports accountability of these resources to the stewards.

According to the Institute of Internal Audit -IIA (2011), internal auditing bears an important purpose and drives the setup of auditing practices. IIA further views independence in internal auditing, which uplifts the operation of the organization as it includes designed assurance objectives and activities for consultations (IAA, 2011). The mechanism of IA is designed to secure business accountability which has become a focus for government reforms (Omolaye & Jacob, 2018).

The South African Institute of Directors (2016) pointed out that management and control measures include four important elements. First-, it fosters the creation and a continual monitoring system to keep the balance of power in the company. Second, it supports the implementation of a compliance system with specific focus on legal and regulatory obligations. Third, it creates an implementation system to identify sustainability-related risks and align them with deliverables (Dubihlela & Nqala, 2017). Fourth, develops and sustains a culture of accountability and social responsibility to the community in which the organization operates. Essentially, corporate governance is related to the effective leadership of the organization (Elmghaamez & Ntim, 2016), which requires transparency and accountability of stakeholders (Abraham, 2015).

The Institute of Directors South Africa (2016) adds that leadership ethics and citizenship characterized by competence, integrity, responsibility, accountability, fairness, and transparency need to be practiced. Since the financial meltdown in the late 2000, Corporate Governance has been reinvigorated through careful selection of qualified and competent leadership that provide clear direction for the organization to maximize its potential and achieve desired results. It is imperative for every country to have a strong corporate governance structures as it helps to retain capital flow (IIA, 2009).

For example, Mubwandarikwa (2013) pointed out that if a country, especially a State-Owned Enterprise, has a weak accounting and reporting structure, capital will flow to other areas of the country, causing disastrous consequences. Worthington and Zeno (2017) viewed that it is the reason why most developing countries are struggling with money laundering due to lax accounting and reporting systems. In Namibia for instance, Mubwandarikwa (2013) found poor documentation of internal control systems, limited timely disclosure of financial performances, poor audit and risk committee weakened corporate governance.

2.3 Internal Auditing in Namibia

Namibia is of the countries in Southern Africa Developing Countries (SADAC) that gained independence in 1990 from the colonial rule of the South Africa. The economy of Namibia consists of Small and Medium Enterprises. From the regulatory viewpoint, internal audit in Namibia is an independent appraisal activity established within the Ministry of Finances (MoF) under the authority of the Accounting Officer as a service to the Ministry by examining and evaluating its activities, and the effectiveness of other controls (Ministry of Finance, 2019). The MoF is the custodian of the internal audit function in all public sectors in Namibia.

According to the Namibia Constitution and Citizenship Law Book (2013), the Republic of Namibia (GRN) as a unitary state is divided into three tiers with different spheres of responsibility, Central government (Offices, Ministries, and Agencies) and State-Owned Enterprises (SOEs); Regional Government (Regional Councils); and Local Government (Local Authorities – Municipalities and Towns Councils). Although the GRN is administratively divided into three levels, this research still focuses on the internal audit of the Regional Council (RC).

2.3.1 Role of internal auditing in Namibia setting

According to the Ministry of Finance, MoF (2019), the role of Internal Audit (IA) is to provide an assurance to the Accounting Officer on the adequacy of controls -in all financial and operating systems. That assessment is found on the risks to which the Ministry may be exposed. It provides management with relevant reliable and objective information on the effectiveness of systems and practices in place that will ensure the achievement of the operational objectives. The MoF (2019) further

indicates that the internal audit division provides four functions: (1) Fulfils the internal audit functions within the Ministry, reports administratively to the Accounting Officer (PS) and functionally to the Audit Committee. (2) Providing internal audit function as a service to the management by giving independent, management-orientated advice on the Ministry's internal control systems, operations and performance, with a view to improving accountability and performance. (3) Internal audit sets standards for the internal auditors of various ministries and commissions and monitors their compliance. These departments are also responsible for setting professional practices. (4) Undertake special investigations on behalf of Treasury and reports to Permanent Secretary, Ministry of Finance (MoF, 2019).

From the regulatory point of view, internal auditing in Namibia is under the provisions of the Code of Commerce and the Code of Commercial Companies.

For the auditing profession, external auditing is strictly controlled and regulated.

However, the IA is indirectly regulated by laws and decrees that the aim is to strengthen internal control system such as the State Finance Act of 1991, Section 14 and 15 provide for the appointment of Internal Auditors and authorizes their access to accounts, documents, and records to perform their audit duties.

Among all the government bodies in Namibia, this study puts its scope on Regional Government (Regional Councils- RC) in evaluating internal audit practitioners' compliance to corporate governance principles

2.3.2 Namibia Regional Councils

Namibia Regional Councils (NRC) were recently comparatively established in 1992 and given limited functions (Regional Councils Act, 1992 (ACT NO. 22 OF 1992)). They have been allowed restricted responsibility for carrying out their own work and controlling their own resources, much of which has in the past been done by MRLGH under agency arrangements. Regional Councils (RCs) have therefore been able to build only limited capacity. Their capacity must be maximized to cope both with their existing functions and the functions, which will be decentralized to them.

According to the Namibia Constitution and Citizenship Law Book (2013), the tier of Regional Councils is made up of Regional Councils (RCs). Each RC only runs one region, and there is a total of 14 regions including Harpdap, Omaheke, Otjozondjupa, Erongo, Kavango Zambezi, Oshikoto, Khomas, Karas, Kunene, Ohangwena, Omushati and Oshana. According to the Namibia population by region (2013) and the Institute for Public Policy Research (2013), the Fourth Delimitation Commission of Namibia in 2013 divided Kavango region into two regions of Kavango East and Kavango West for easy decentralization based on Article 102 Chapter 12 under RCs and local government making RCs to be 14 presently. Below is the map of Namibia showing all 14 regions.

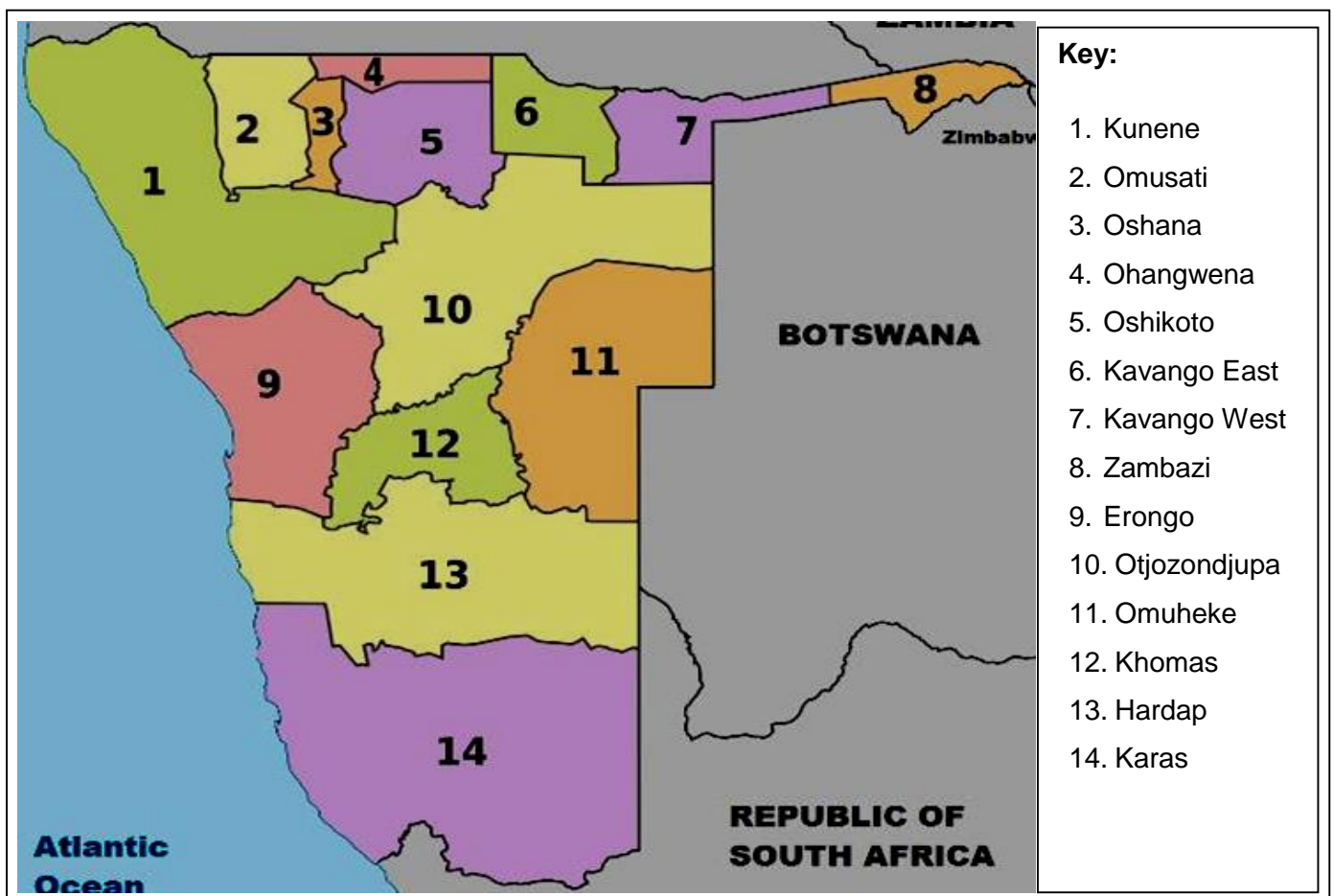


Figure 2.1: Namibia Regional councils (Source; GRN, 2017)

2.3.3 Administration of Regional Councils in Namibia

In terms of management, every RC is led and chaired by an indirectly elected chairperson (Namibia Country Profile 2017-2018). The Regional Council Act of 1992 gives RCs powers for its own administration. Among others, RCs provide advices to the Office of the President and the central government in matters relating to the region. For the purpose of elections, Regional Councils are divided into electoral constituencies. In terms of self-administration, RCs have powers and duties in administering their affairs by hold meetings (Section 11) remuneration and paying allowances to councilors (Section 15), selection of management committee by elections (Section 18) and any other related committees [Section 28 (1)(h)], regional officers and other officers and workers' appointment (Section 23), property acquisition [Section 28 (1)], income and expenditure preparation estimates (section 39). The RCs in Namibia are based on section 28(1) and have the power to do anything deemed valuable in exercising it powers.

Ministry of Regional, Local Government and Housing - MRLGH (2000) revealed that the RC administration aims at making sure that functions of the RCs are practiced lawfully and democratically in respect of ACT in effectiveness and accountable discipline. These functions include proper conveying of meetings, lawfully making and accurate recording of the council resolutions, proper and efficient execution of council decisions, full collection of the council's income, proper expenditure authorization in an accord with the statements approved, proper maintenance and application of the council assets, proper maintenance of financial and employees' records and finally, dealing with proper correspondence and any other related communications (Dubihlela & Nqala, 2017). According to Royson, Mukwena and Martin- Drake (2000), the RC administration via the regional offices offer advice and provide information to the Governor as well as the councilor to help them in conducting their duties. In general, the administration aims at ensuring smooth running of the RC's operations.

According to the regulations of the region, the Ministry of Local Government and Housing (2010), the national decentralization policy stipulates that the functions of certain central government functional ministries should be delegated to the

regional committees. Before this can be done effectively, the central government should organize various ministries on a regional basis, and must develop a clear and comprehensive coordination plan to delegate functions to the regional committees.

Over the past two decades, the Namibia Regional Committee (NRC) has made many changes that have changed the way internal audit is operated and managed. Legislation has played an important role in these changes, but other factors such as the explosion of information technology and environmental awareness have also affected the development of internal auditing. With these changes, the expectations of stakeholders (citizens) in public funds are now more obvious. In addition, politicians are always looking for new ways to obtain public funds for their own interests. This paper studies these changes and their impact on internal audit methods and methods, from the perspective of their impact and response to the internal auditors of the Namibia Regional Councils.

2.3.4 Internal audit reporting in Namibia

In Namibian Region Councils, the internal audit function and administrative report to the Chief Regional Officer. In addition, internal audit function reporting to the executive is some few cases noticed and this idea is common to government sectors such as State-Owned Enterprises. The IA functions are expected to report to the Ministry of Urban and Rural Development (MURD) where the Regional Councils fall. Nonetheless, the reporting exercise is not timely showing effectiveness of the IA functions. Generally, the role of the internal audit function in providing advice on risk management activities (Dubihlela & Ezeonwuka, 2018) and assurance provision. In the key areas of internal audit, RC's assurance activities are completely or mostly consistent with RC's strategic goals. The Insurance Regulatory Commission ranks operational risk as the highest risk, while the coverage of strategic risk guarantee is the smallest. In addition, the Internal auditing of the Regional Council in Namibia was challenged due to lack of support for internal auditors. Internal auditors are to have a close relationship with organisation's management and staff in their day-to-day activities.

At the same time, they have to be independent from management. A good support and perception from their management enhances their effectiveness and contributes highly to the achievement of their audit objectives. According to Hailemariam (2014), management supports the auditing process by providing the necessary resources, finance, transport if required, providing training, introducing auditors with new technology and procedures, budgeting funds for certification and other facilities that help the internal auditing activities. The lack of such vital support normally leads to the ineffectiveness of the internal audit function. Mafale (2014) believes that if the internal audit function is not supported by the management, then it (internal audit function) will not take effect. In order for the management to show support, the guidance of the internal auditor must be used. Mafale further stated that the allocation of sufficient resources to the internal audit function is also a sign of management support (Mafale, 2014).

Independence from the internal audit function is also a challenge for NRC. Internal audit function is independent when it renders impartial and unbiased judgment in the conduct of its engagement. Independence of the internal audit function known as the freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner. It requires integrity and objectivity approach to the audit engagement. The concept requires the auditor to carry out his or her work freely and in an objective manner. Cohen and Sayag (2010) explain that in order for the auditors to perform their duties effectively they should be independent from the auditee and its management. Correspondingly, internal audit staffs should feel free to conduct an investigation, express opinions and make recommendations without pressure from the top management (Mafale, 2014). Therefore, it is important not to intervene when performing and communicating the results of internal audit work. If the internal auditor is an employee of the entity, its independence will be significantly affected. It is however, a good practice to appoint an audit committee to enhance internal auditors' independence. The internal audit function will then report directly to the audit committee instead of reporting to the management.

The lack of legal framework is another problem within RCs. Despite the existence of the internal audit function in the Namibian public sector since 1991, the function

has been operating without a legal framework (Vilho, 2013). This legal framework is important in terms of internal audit function achieving its objectives and compliance with internal auditing standards (IIA, 2012). Internal audit legal framework is a broad system of rules that govern and regulate the internal audit function. It is a combination of auditing standards, guidelines and audit manual that are adhered to in the process of carrying out the internal audit work. The rules are regarded as the foundation of internal audit function as they set out the tone of what is expected from the auditors, regulate, and direct them in their work. The lack of legal framework can result in the internal audit function not to carry out its duties in an effective and efficient manner (Mafale, 2014). One of the key components of the legal framework is the internal audit charter. An internal audit charter is a formal written document that defines the internal audit function's purpose, authority, and responsibility. The charter should establish the internal audit function's position in the entity; authorize access to records, personnel and physical properties relevant to the performance of managements; and defined the scope of internal audit function's activities (IIA, 2001). In addition, the internal audit charter usually includes the broad responsibilities of the internal audit function, the standards followed by the internal audit function, and the relationship between the internal audit function and the audit committee.

The personal aspirations, fears, expectations of those in the front line of these changes can provide an interesting comparison with the internal audit theory and textbook ideas on the development of internal audit. On a more practical basis, the professional bodies have revamped their professional training programs, and advanced training programs have been introduced to meet the changing nature of auditing thereby equipping the auditors with the relevant tools for the workplace. RCs are also limited by the effectiveness of risk management and the limited scope of organizational governance of the audit plan.

Since the inception, the internal audit function in the Namibia Regional Councils appears not to have adequate legal backing that governs the functions and the reporting lines -in the public sector (Vilho, 2013). At the same time, the function is expected to add value to the internal controls of the entity. In the support of Vilho, Mafale (2014) determined that the ministries have set up their own internal audit

units with a separate establishment and a grading structure with the approval of the Office of the Prime Minister. The lack of uniformity in the setup of the internal audit functions in the office the Ministry of Urban and Rural Development (MURD) where the Regional Council's report can lead to inconsistency in carrying out the internal audit engagements. Mafale (2014) further agreed with Vilho, that the Ministry of Finance, which is a custodian for internal auditing in Namibia has neither set any standards for the internal audit, nor issued any guidelines to the ministries on the role and responsibilities of internal audit functions. The standards and guidelines assist in maintaining uniformity and they enable the custodian to monitor the implementation thereof.

Hence, as expected, most internal audit functions update their audit plans once or more times a year, but it seems that only a few of the internal audit functions are adopting flexible audit plans. Correspondingly, the internal audit functions seem to do annual risk assessments as well as periodic updates. However, many internal audit functions do not have a formal internal audit strategic plan, internal audit functions comply with most of the requirements of the IIA's International Professional Practices Framework (IPPF).

King report III, principles for South Africa (2009) indicate that the scope of internal auditing encompasses the examination and evaluation of the adequacy and effectiveness of the organization's system of internal control and the quality of performance in carrying out assigned responsibilities. The need for King III became essential due to the expected new company's Act and changes in international governance. The King Report recommended that all listed companies in South Africa should have an effective internal audit division at their disposal (King report III, 2009).

Finally, the promulgation of the Auditor-General Act (Act 12 of 1995) played a role in the development of the internal auditing function. Section 3(4) (a) - (d), of this act requires that the Auditor- General, who is the independent external auditor for the public sector departments to satisfy himself or herself.

2.4 Corporate Governance

Corporate governance discourse emerged as a critical interest in the early 1990s, attracting a great deal of attention from practitioners, communities of managers,

shareholders, investors, regulatory agencies, as well as in the academic research fraternity (Qurashi & Manhood, 2018). Corporate governance refers to principles by which an organisation is directed and managed (Mubwandarikwa, 2013). He further emphasized that, if executed well, it influences the manner in which objectives of the organization are set and achieved; it provides guidance in terms of risks -assessment and monitoring, and enhancement of the organizational performance.

Mubwandarikwa (2013) in his study on Corporate Governance and performance of State-Owned Enterprises (SOEs) in Namibia found that good corporate governance principles in parastatals help to create value, be accountable and transparent and have control systems in place that mitigate risk effectively. However, he found that internal control systems were ineffective (53%) which showed weak corporate governance. Internal control system in any organization is the ground for its performance and has strong effect on Corporate Governance. In a similar study, findings showed poorer measure of company's performance (73.3%) which compromises the progress of the organization. However, the study showed a disagreement with timely disclosure of financial status, above average (66.7%) and is insufficient to show the company's transparency (which may lead to corruption). Transparency is one of the foundations of corporate governance in an organization.

There is increasing evidence that corporate governance regulations are formulated while considering the private sector. However, as stated in Kukunda (2016), it is also important to consider the public sector. This idea has put emphasis in Namibia on audit committees. According to Ihuhua (2012), the Public Audit Committee of Namibia recommends all enterprises both private and public to setup audit committees that can encourage corporate governance within the organizations. Haunga and Thiruvadi (2014) found that organizations that work in poor Corporate Governance with limited corporate directors, and who are over committed tend to fall in fraudulent activities. The authors further found that the percentage of internal audit practitioners and an average number of audit committees has a negative impact related to embezzlement of assets in public organizations.

2.5 The principle of internal audit

In order to appreciate the role and responsibilities of internal auditing, it is worth noting the changes in definitions to reflect the changing role, responsibilities, and activities. According Institute of Internal Audit (IIA), internal auditing is a catalyst that is important in improving governance in organizations, risk management and management control thereby providing insights and recommendations based on analysis and data assessed and business processes (IIA, 2017). Internal audit means that the role of the internal auditor must be changed from an evaluation, monitoring and evaluating function to assurance provider, consulting, assistance and advice (Galloway 2015). In January 2000, the Institute of Internal Auditors published a new definition of internal auditing that reads: "Internal Auditing is an independent, objective, assurance and consulting activity designed to add value and improve an organisation's operations (Dubihlela & Ezeonwuka, 2018). It helps an organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance process" (IIA, 2000: 29).

According to Standard on Internal Audit (SIA) 2, the basic principles governing internal audit (IA) were originally issued by the Board in August 2017 and were recommendatory in nature. The principles were delivered as all-embracing audit documents for all standards of IA. Tysiac (2014) reported that the principles are fundamental to IA is achieving the anticipated objectives as stated in the definition of internal auditing. Institute of Chartered Accountants of India (ICAI) (2018) and IIA (2014) reported that the basic principles of IA are independence, integrity and objectivity, due professional care, confidentiality, skills and competence, risk-based audit, system and process focus, participation in decision making, sensitive to multiple stakeholder interests, finally quality and continuous improvement.

2.6 COSO internal control and integrated framework

COSO (Committee of Sponsoring Organization of the Treadway Commission) born in 1985 and was established by the American Institute of Certified Public Accountants (AICPA), the American Accounting Association (AAA), Financial Executive International (FEI), the Institute of Internal Auditors (IIA) and the

National Association of Accountants presently known as the Institute of Management Accountants (IMA) to prevent misleading financial reporting and to lead ideas through the preparation of comprehensive guidelines in the internal control, risk management, corporate governance and fraud (COSO, 2013). The report of the National Fraud Financing Report (2011) pointed out that the COSO document called the Integrated Framework for Internal Control has changed the way internal auditors view internal control. This framework has become the main guideline for the establishment of internal controls that can improve efficiency and effectiveness, minimize risks, and ensure the reliability of financial statements and operating information, as well as compliance with laws and regulations (COSO, 2013). All in all, COSO is a joint initiative to combat corporate fraud.

2.6.1 Modern Internal Audit and COSO

There is a misunderstanding that the internal control system is mainly implemented to prevent fraud and errors, which is not the case. Kaplan Knowledge Finance Bank-KKFB (2012) pointed out that the lack of internal control means that directors have failed to fulfill their obligations under corporate governance. This fact means that the risk management strategy of the business will be defective. Based on the Audit Practicing Board and COSO, internal control systems aim at ensuring the following; Orderly and efficient conduct of its business, including adherence to inter practices, safeguarding the assets of the business, provision and detection of fraud and errors, accuracy and completeness of the accounting records and the timely preparation of financial information (KKFB, 2012). KKFB further indicated that the internal control system is beneficial in effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations (KKFB, 2012).

2.6.2 Effectiveness of internal control system

The COSO framework identifies the five main elements of the internal control system, then reviews the effectiveness of the internal control system that must be implemented. It ranges from the general ideology of the board of directors setting agency in the application of internal control to the details of internal control (COSO, 2013).

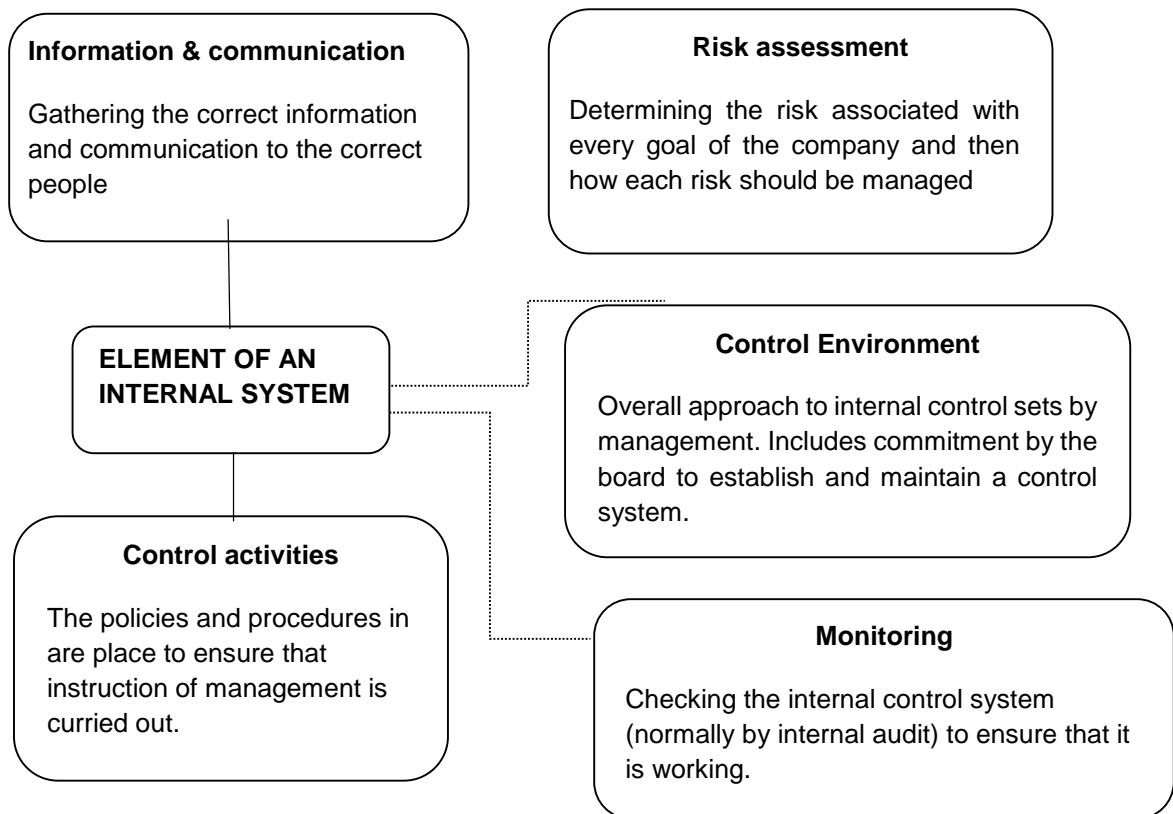


Figure 2.2: Elements of internal control system (*Kaplan Knowledge Financial Bank, 2012*)

Information and communication. Support all other control components by communicating control responsibilities to employees and by providing information in a form and period that allows people to carry out their duties. Information and communication are important to the right people in carrying out their activities. Control activities transpire at all levels within the organisation. Managers use both internal and external information in decision making. The quality of the information system is a main factor in internal control of any business.

Risk assessment. It is related to the identification and analysis of the risks associated with achieving predetermined goals by management rather than internal auditors. The risk assessment helps in determining the risk associated with every goal of the company and then how each risk should be managed. Managers need to determine the risks associated in achieving the objectives of the organization and assess them. The assessment should form the basis of deciding how risks are managed.

Control environment. This element provides the foundation for the internal control system by providing basic discipline and structure. It describes the culture and ethics of the organization, which provide a framework for the operation of all aspects of internal control. The control environment is set by the management, its ideology and management style, and the way authorized personnel are organized and developed.

Monitoring. Monitoring covers the external oversight of internal controls by management or other parties outside the process; or the application of independent methodologies, like customized procedures or standard checklists, by employees within a process. With the development of the internal audit environment, COSO pays more attention to enterprise risk management (ERM), because this has become an important factor supporting value creation, enabling management to effectively respond to future events that may bring uncertainty.

Control activities. These are the policies, procedures and practices that ensure the achievement of its management objectives and the implementation of its risk mitigation strategies. These activities are called internal control.

According to Thomas (2017), there are three enterprise risk management (ERM) components, which are essential to providing a risk management framework. It involves identifying particular events, risk and opportunities related to the organisation's objectives. The components for ERM include.

Objective setting. It is applied when the management considers the risk strategy to set the target, checks the high-risk management level and the board of directors is willing to accept the change of the target level and coordinate the risk appetite.

Event Identification. Internal and external factors work together to affect the risk profile. Distinguish between risks and opportunities. Events with positive effects indicate natural offsets, while events with negative effects indicate risks.

Risk Response Identify and evaluate the response risk, and select the response to be executed based on the assessed portfolio risk and response. When it comes to 'risk response', the Internal Audit Standards Board (IASB) (2014) emphasizes that the main aim of the enterprise risk management framework was to ensure an

entity achieved its objectives, set out in the following four categories, strategic - high level goals aligned to support its mission, operation-effectual and efficient resource utilization, reporting- reliable reporting and compliance- applicable laws and regulations

Internal Audit's role subsequently increased immensely to ensure the effective implementation of the International Standards and Practise Advisories of internal audit due to response in risks (IASB, 2014). The International Standards for the Professional Practice of Internal Auditing also requires that internal audit activities must ensure the adequacy and effectiveness of risk management and control in the organization. It also requires internal audit to help the organization understand systemic risks and provide guidance on determining appropriate internal controls to mitigate these risks. The primary responsibilities, according to King III, in terms of internal audit's role in monitoring ERM include:

1. Reviewing critical control system and risk management processes.
2. Reviewing management risk assessment and internal control.
3. Designing and improving control system, and risk mitigation strategies.
4. Implementing risk-based planning and executing the internal audit process
5. Ensuring that internal auditing resources are directed at those areas most important to the organisation.
6. Challenging management risk assessments and evaluation the adequacy and effectiveness risk treatment strategies.
7. Facilitating ERM workshop.
8. Defining risk tolerances have been identified based on internal auditing experience, judgment, and consultation with management.

Various organizations are striving to establish an internal audit function that reflects the above characteristics and functions. Ahlawat and Lowe (2014) pointed out that the two main factors causing this situation are lack of understanding of expected knowledge and lack of qualified skills. On other hand, Mccollum, as cited in Nyamwaya (2016) reported that a number of organizations have however managed successfully to implement the guidelines of COSO and transformed their traditional internal audit departments to a department with a modern approach, adding value to a well governed organization.

2.6.3 Converting COSO Theory to Practice

The organisations that successfully implement the guidelines of COSO do so by doing the following:

2.6.3.1 Understanding COSO

It is very important to have a thorough understanding of COSO and how apply to your relevant organization. It will require much research, discussions with peers and experts in the field to obtain this understanding. It is then important to convert the theoretic knowledge to practical solutions that they applied in the organisational settings. Nowadays, there is a lot of assistance in the market to help internal auditors. Organization could consider the co-sourcing opportunities with external expert parties. Co-outsourcing can define part of the internal audit duties in which external personnel perform the internal audit function of the organization.

2.6.3.2 Aligning current practices with COSO

The next step is to align all current methods and processes with COSO principles. When necessary, new methods, processes and procedures need to be developed to ensure proper consistency. It is also important that the COSO, IIA principles and standardized terminology between organizations should also avoid confusion with auditors due to changes

2.6.3.3 Developing the capabilities of audit staff

Once all processes and methods are aligned, it is important to train auditors on the new methods and ensure that they understand them. It is also important to ensure that the internal audit department is composed of competent personnel who will be able to promote these new developments. If the department's capacity is insufficient, the organization can consider outsourcing the operational aspects of internal auditing, or the opportunity for joint outsourcing. Alternatively, the organization can consider the skills required for the appointment.

2.6.3.4 Ensuring Management/Executive Buy-in

Ensuring acceptance by executive officers and management is very important to ensure the effective implementation of COSO principles. Management was largely responsible for the effective implementation of control measures and appropriate risk management. To achieve this intensive workshop meeting, the progress made will prove to be a valuable, ongoing evaluation.

2.6.3.5 Communication

Effective and continuous communication between internal audit, management and the board of directors have to maintain and ensure that the newly developed approaches are embedded as soon as possible. It can also ensure early detection of changes and timely corrections. In this process, the internal audit function should take a proactive attitude.

2.7 The effectiveness of Internal Audit (IA)

The definition of the effectiveness of internal audit is different. The typical approach is of Arena and Azzone (2009). Well-defined effectiveness is the ability to obtain results consistent with strategic objectives. According to Dittenhofer (2001) as cited in Hailemariam (2014), effectiveness is the attainment of IA goals by means of factor measures available for the determination of such factors. Mihret and Yismay (2007:46) said, "internal audit effectiveness, the extent to which an internal audit office meets its *raison d'être*, is arguably a result of the interplay among four factors: internal audit quality; management support; organizational setting; and attributes of the auditee". They further determined that the functions of internal audits give auditors ability to provide useful audit findings and recommendations that would help raise management's interest in its recommendations. According to Mihret and Yismay (2007), the management uses resources and commitment to implement the internal audit recommendations, which are essential in obtaining audit effectiveness. Similarly, the organizational environment in which the internal audit work is located, that is, the organizational state of the office, internal organization, and policies and procedures applicable to each auditee should enable the audit to proceed smoothly and obtain useful audit

results. Mihret and Yismay (2007) further opinion that the ability, attitude and degree of cooperation of the auditee also affect the effectiveness of the audit.

This relationship is further explained by the Figure 2 on the following page.

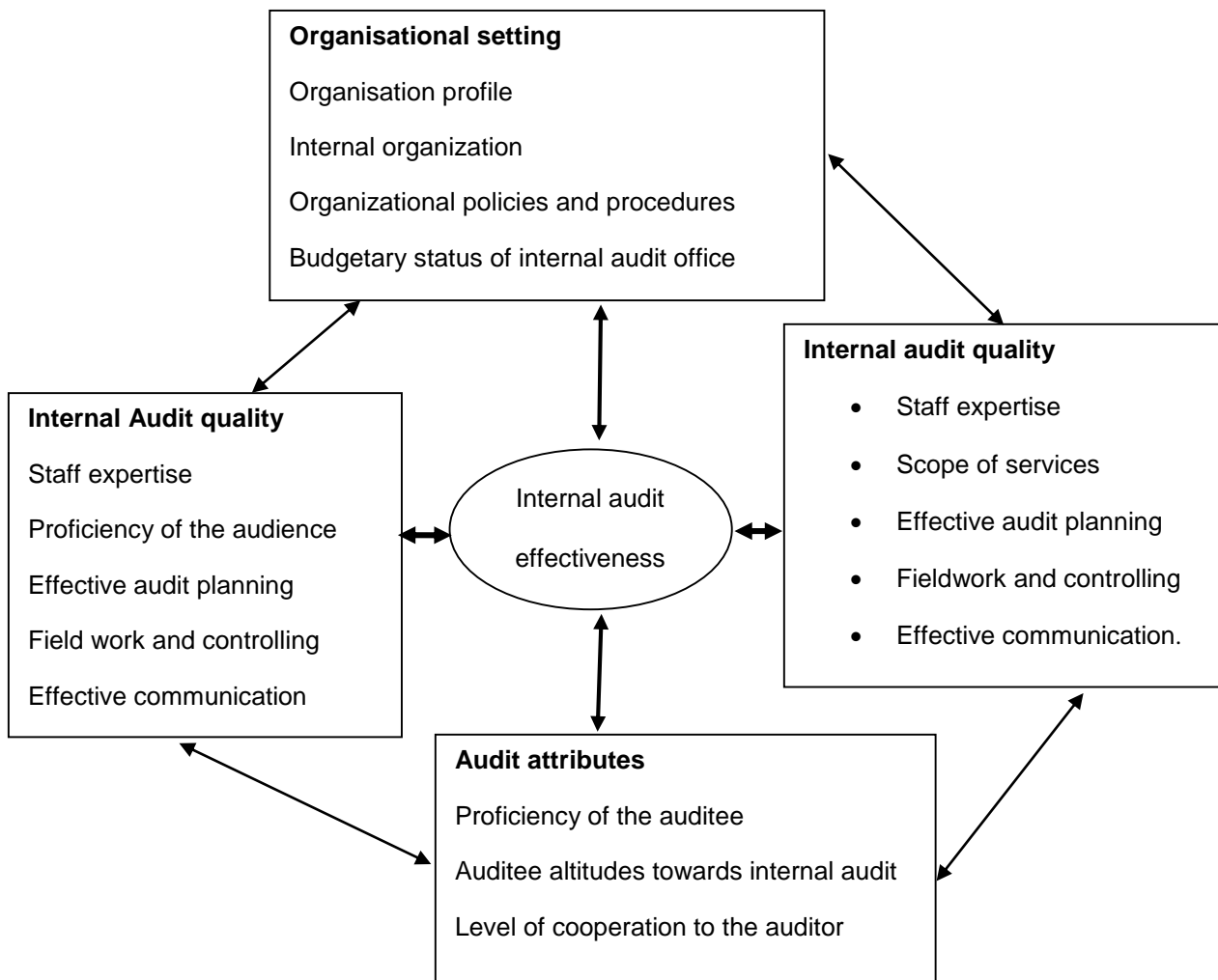


Figure 2.3: Relationships in effectiveness of internal audit,

Sourced from Mihret and Yismay (2007)

The authors provide a useful figure that is used in this study in an attempt to answer the three research objectives as mentioned in the introduction section.

2.8 Undertaking theories

This study is under the guidance of three theories of Risk-based audit theory, stewardship theory and communication theory as presented on the following page.

2.8.1 Risk-based audit theory

Risk-based audit theory argues that clients' specific experience maximizes an auditor's ability to assess client risks accurately. However, prior research in psychology suggests that people tend to overweight experience when faced with current risk cues that conflict with experience. This design examines the consequences of prior, positive client-specific experience and efficiency pressure, represented by costly risk cues, on the ability to generate an effective risk assessment. The results indicate that person's bias toward prior experience. The efficiency results show that higher prompting costs will lead to sub-optimal risk prompt selection, but will not negatively affect the effectiveness of risk assessment. Risk audit theory believes that in the audit process, the use of client-specific experience will make the auditor's assessment more effective (Bell & Solomon, 2012). Rather, there is a risk that auditors will rely on historical client-specific experience, which is backward-looking in nature, in addition to gaining this increased client-specific knowledge.

In this study, the risk-based internal audit of the theory is employed to the internal control system and risk management, requiring all Regional Councils to set up risk management awareness, identify the risk control points, risk take appropriate measures to control, and record a variety of risk control, creating a risk-based internal audit of the important sources of data (Doolin & Lawrence, 2017).

According to this theory, the responsibility for identifying and managing risks belongs to management, and one of the key functions of internal audit is to ensure that these risks are properly managed (Alexander, 2011). Professional internal audit activity can best achieve its mission as a cornerstone of governance by positioning its work in the context of the organization's risk management framework (Dubihlela & Park, 2016). This idea involves looking at the way chief Internal Auditors identify, assess, respond to and report risks, as well as how well managers monitor how responses to risks are working.

2.8.3 Stewardship Theory

The management theory of Donaldson and Davis (1991) is of great significance for explaining the internal audit in this research framework. This is because the theory is mainly concerned with identification of situations in which the interests of the principal and the steward are aligned. In fact, Ebimobowei and Binaebi (2013) noted that, auditing exists as a result of stewardship concept and stewardship accounting. Adoption of stewardship approaches within the government sectors will bring a number of changes within the sector, because stewardship theory serves as accountability mechanisms for ensuring good monitoring, good audit and reporting in order to assist in objective achievement (Cribb, 2006).

Similarly, Ebimobowei and Binaebi (2013) recommend that audits should strengthen proper management reporting. Therefore, the use of this theory in the context of management institutions will lead to the achievement of their respective goals, because the concerns of Stewardship theory may lead to organizational success. Management theorists have proposed a governance model that can improve the ability of employees to contribute to achieving strategic goals (Hernandez, 2012). Stewardship theory involves the obligation of an organization leader to ensure that this organizational activity is better than any other selfish behavior (Donaldson & Davis, 1991).

Hence, if the organization did well, its staff will also do well thereby investing their energy in their respective organization's success (Davis, Allen & Hayes, 2010). The same applicable to Regional Council context, if the RC councils do well therefore, their internal auditors will also do well toward the objective achievement of the local government. Stewardship theory has been considered as other alternative to agency theory; due to the fact that, the theory is more comprehensive and more realistic in viewing management actions and motivations than agency theory.

2.8.4 Communication theory

With respect to the needs of the IIA as the professional body that takes care of internal auditing, several studies such as Golen (2008) confirm the importance of communication within the organization and the need for effective communication

skills. For example, a study done by Smith (2015) suggests some ways to improve these communication skills. Previous studies by Hahn (2018) and Golen (2008) discussed communication barriers and how they can be overcoming. At the same time, several previous studies have dedicated their work to communication in organizations. These studies evidenced that, effective communication and interpersonal relationships between managers and staff have a strong contribution to improve profitability, and productivity; and it leads to higher quality of services and products, and reduction in costs (Clampitt & Downs, 2013).

According to IIA standards, effective communication must be carried out in internal audit. Therefore, this research considered the realization of communication theory. According to Davidson (1991 as cited in Endaya & Mohd-Hanefa, 2013), all auditors can benefit from knowledge of current communication concepts, and even those who believe they are good communicators need to work consciously on assessing, improving, and applying their skills. Davidson's communication theory is grounded on three basic truths about communication. They are: (1) It is impossible not to communicate; (2) communication is a multi-level phenomenon, and (3) the sent message is not always equal to the received message. Miscommunication in NRC's internal audit practice can lead to poor performance.

If the Line Ministry cannot effectively communicate to the regional committee, and vice versa, it cannot submit the inter-report review in time. This fact confirms the study by Hahn (2018) who reported that much information is as bad as little information because it reduces the receiver's ability to concentrate effectively on the most significant messages. In such an environment, internal audit users may have new concerns about their trust for internal auditors' performance. Therefore, effective communication becomes a necessary condition for solving this problem. Hahn (2018) argues that parties of the communication process need to focus and offer only the necessary information by easy ways, provide meaning to the information rather than just pass on the message, and keep the information clear and simple to understand and finally ask for feedback.

2.9 Empirical reviews on internal auditing

Leung and Cooper (2009) carried out a study looking at an aspect IA, they provided an overview of the profile of an internal audit in five Asia-Pacific countries

and investigated the use and compliance with the Institute of Internal Auditors (IIA), International Standards for the Professional Practices of Internal Auditing (Standards) by organizations' internal audit activities (IAAs). Their research shows the differences between Australia, China, Japan, New Zealand and Taiwan. This document reports the results of a questionnaire survey on various aspects of internal audit practice sent to IIA's global members in September 2006 (Leung & Cooper, 2009). The results of the study showed that respondents in New Zealand, Japan, Taiwan, China, and Australia all reported that they used the standard to a high degree.

The profile of internal audit differs amongst the countries with much older organizations exist in Australia, Japan and New Zealand. However, Australia had the highest number of respondents who reported that they were in full compliance of the Standards (Leung & Cooper, 2009). In a similar study by Leung & Cooper (2009), regarding seniority, age, and seniority, the following conclusions are reached: Internal auditors holding senior positions in Australia, New Zealand and Japan are higher than those in Mainland China and Taiwan. The age distribution of internal auditors in Australia, New Zealand and Taiwan is wider, while internal auditors in Japan are relatively older, while those in China are younger. Most Internal Auditors hold a bachelor or diploma in business, while more Internal Auditors in Australia and Chinese Taiwan hold masters or undergraduate degree, most Internal Auditors in Australia and New Zealand hold a professional qualification in accounting but this is not the case in China, Taiwan and Japan and finally, while a higher percentage of respondent organizations in China and Taiwan were younger organizations, most IIAs had existed for less than ten years.

Ali *et al.* (2007), conducted a study in Malaysia on Internal Audit in state and local government bodies, results indicated that the internal audit helped members of the organisations in providing the effectiveness and efficiency of the entities. Interviews were conducted with 35 staff and local authorities. Audit capabilities were limited because only 35 of 202 state and local government agencies had internal audit capabilities. The study found limited Corporate Governance in the Internal Audit Committees (IAC). The study recommended that major parties participate and improve corporate governance within state and local government agencies. The federal government needs to pay attention to internal auditing to

improve on the country's economic stand at the time when globalizations, accountability, and transparency are considered important issues in the economic, social and political development of the country.

In a study by Elmghaamez and Ntim (2016) that assessed the effectiveness of internal governance controls focusing on internal auditors' skills and challenges in Libya, sampled forty-one (41) internal auditor selected in six (6) banks and three (3) insurance companies. The results indicated that internal auditors operating in the selected companies had limited professional, interpersonal and technical skills. The skills of an internal auditor in Libya were characterized by limited public speaking and presentation skills, limited Information Technology audit skills and international financial report making skills. The study concluded that there is a lack of evidence of audit scope, professionalism, interpersonal relationships and technical skills related to internal auditing.

ALshbiel (2017) studied the success model of internal audit effectiveness.: A study on Jordanian Industrial Firms. The main objective of this study was to look at the factors that impact internal auditor effectiveness in industrial firms. Five hypotheses were formulated based on a comprehensive review of past literature. ALshbiel gathered data from three hundred and fifty (350) usable questionnaires which were distributed to selected internal auditors in Jordan's industrial SMEs. The data obtained comprised numerous tests. These include factor analysis, discriminant validity and hypothesis testing. This study by ALshbiel (2017) shows that organizational variables have a significant impact on internal auditors in terms of effectiveness. The result of this study confirmed the prior IA effectiveness research (Arena & Azzone, 2009; Dittenhofer, 2001; Mihret & Yismay (2007), where this study found a strong relationship between (Internal Audit Quality, Competence of Internal Audit Team, Audit Committee, Top Management Support, and Independence of Internal Audit) and effectiveness of IA. This study is of value to the literature on the effectiveness of an internal auditor in a fresh context; it also clarifies the factors that aid or avert the internal auditor's effectiveness. Additionally, presenting the used theoretical framework, this study bridges the gap in literature. The framework evaluates the relationships between the factors within the organization in terms of internal auditor effectiveness. Thus, the study brings forth the factors impacting internal auditor effectiveness at large especially in

Jordan. The study also opens avenues for upcoming studies to delve into the similar topic for more in-depth information both in the Arab nations and in other developing nations.

Moraa (2012) conducted a research that revealed a greater variation in financial performance of commercial banks due to changes in internal audit standards, independence of internal audit, professional competence and internal control; this shows that changes in financial performance of commercial banks could be accounted for by changes in internal audit standards, independence of internal audit, professional competence and internal control. The study by Moraa (2012) also established that there was a strong positive relationship between financial performance of commercial banks and internal audit standards, independence of internal audit, professional competence and internal control. Moraa (2012) found that measures that can improve the efficiency of auditors are very important for effective fraud detection. The study concluded that internal Control audits in the organization have features built into them to ensure that fraudulent transactions are flagged or made difficult to transact. Moraa (2012) further concluded that an internal auditor must be independent of both the personnel and operational activities of an organization. Finally, he recommended that the head of the internal audit department should be responsible to the management/board in the organization with sufficient authority to promote independence and to ensure broad audit coverage, adequate consideration of audit reports, and appropriate action on audit recommendations.

Njoroge (2016) studied the factors that affect the performance of the internal audit function of the Kenyan government. The study aimed at achieving the following objectives: to determine how the working environment affects the performance of internal auditors in government ministries; to assess how the challenges to the independence of internal auditors in government ministries affects their performance; and to assess the impact of the level of technical competence on the performance of internal auditors in government ministries. The study found that the internal auditors working environment impacted on the performance of the internal audit functions and the function's performance impacted by the presence of a clear structure of responsibility linked to set targets, flexibility in the approach of the internal audit work, better exposure of internal audit staff through attendance

of professional conferences and exchange programs, professional training support and a clear recognition and reward system. However, the need for training remains critical, as only 44% of respondents had the skills. Njoroge (2016) noted that training of internal auditors was useful since lack of auditing skills hindered performance of the internal audit function.

Research by the American Accounting Association (2011) on issues of competency pointed out that internal auditors should engage in those services for which they have the necessary knowledge, skills, and experience. They should perform duties in accordance with the standards and continually improve their ability and effectiveness.

Koleva *et al.* (2015) conducted a research on the effectiveness of the Internal Audit of the banking sector in Macedonia. They found an effective vague concept in the context of affecting the working environment of the banking industry. This result was mainly due to the fact that, most of the banks in Macedonia, still did not have enough time and resources to adopt the tasks of the internal audit and fully understand them. Koleva *et al.* (2015) found that the tasks of the internal audit should include critical monitoring of the achievement of the overall plan and the individual plans, information management for deviations from the standards, and the process of establishing the main goals, giving advice and recommendations in the possible corrective actions that can add an effective observation of the possible risks that could be suppressed. Koleva *et al.* (2015) concluded that in most of the banks surveyed, internal audit is organized as an independent organizational unit and department. The decision on basic principles of organization and operation of the internal audit of banks stipulates that the internal audit is organized as an independent unit (Weldu, 2017).

In addition, organizational unit should be directed to the continuous operation, monitoring, supervision, inspection, and improvement of the work in the bank, identification, and monitoring of risks to which banks are exposed, evaluation of the system of internal control, issuing recommendations for removing irregularities of operation, in order to cause, and enable an efficient working environment (IAA, 2009). Also, with the help of a little research, it was not confirmed by the fact that the internal audit in banks in Macedonia, where the management of the banks in

terms of the operation of auditors considered detecting and preventing errors and illegal activities, and assessment of the compatibility activities in legislation, policies and business practices of banks, which was one of the most important tasks and focus on the internal audit . This means that banks in Macedonia as one of the most important financial sectors, considered other tasks such as assessing the effectiveness of the accounting system, untimely assembling a quality and effective financial reporting and internal control structure, taking into account that the banks management are not familiar enough with them (Koleva *et al.*, 2015).

This means that in Macedonia, more attention must be paid to bank management education, especially in the areas of audit operations and functions. According to this, it is concluded also that the internal audit acts as an advisor to the management of the banks and that the activities of the internal audit is responsible and plays a crucial role, mostly because everything relating to the provision of support and assistance as well as proposals in the framework, must not and cannot be deprived of independence and competence. Finally, Koleva *et al.* (2015) recommended that the audit of the functionality of the banking sector, therefore, should be more directed mainly to the anticipation of the possible risks in individual areas of functionality and operations of banks and advising management on the possibilities of implementing an effective management of the numerous risks in the shaping and monitoring of the appropriate system of the internal controls that can effectively reduce the risks. According to Weldu (2017), the subject of the examination of the internal auditor should become operational and functional, which in future should not only help banking operations and productivity, but also to the growth and development of the national economy.

Mihret *et al.* (2010), researched on the development of internal auditing in Ethiopia: the role of institutional norms. The purpose of this paper was to examine the extent to which institutional norms determine characteristics of internal audit practices and how institutional changes explain the development of these practices. The authors employed a qualitative research approach based on archival analysis and interview evidence. Findings of the study indicated that regulation-based institutional norms explained the adoption of the internal audit and the function's characteristics in Ethiopian organizations. In addition, the innovative introduction of internal audit practice originated from various

organizations and was ultimately institutionalized through dissemination. These innovations were related to the size of the organization, the characteristics of senior management, the advancement of internal auditing technology, and the external input of the external environment. Widely accepted, internal audit practices, as institutional norms, are not always taken-for-granted at the level of individual organizations. This study theorizes the development of the internal audit practices to corporate governance within RCs.

The Canadian study was conducted in 2010 by the Secretariat of the US Department of the Treasury, which is the central agency responsible for the internal audit function of the federal government. This was in response to many years of criticism of the state of internal audit in Federal government departments from both inside and outside parliament. The stated purpose of the study was to further analyse the issues raised by these observers regarding internal audit in the government and to propose an appropriate course of action.

The Secretariat consulted with representatives of the private and public sectors, including several deputy ministers and assistant deputy ministers. The Treasury Board Secretariat also reviewed submissions and official documents produced by interested local and overseas parties, including the Institute of Internal Auditors, based in the United States, and the Australian National Audit Office. In their report, the Secretariat detailed the various steps that needed to be taken in order to strengthen the internal audit operations. In the “Executive Summary” the Secretariat stated: “Our assessment of the existing standards against suitable benchmarks indicates that the present standards are deficient in a number of respects”. Improvements in these and other areas are needed to better align government internal audit standards with those of recognized audit institutions. This candid admission of deficiencies, along with the recommendations contained in the report, have had the unintended effect of encouraging other researchers elsewhere in the world to work on improving the internal audit operations in their countries’ public sectors.

Malta’s research focused on the internal audit of government departments and offices, and the research was conducted from January 1998 to July 1999. It was conducted by the National Audit Office of Malta (NAO) with the assistance of an

external consulting company. The aims of the study were to evaluate the internal audit function and to make recommendations as to its future role. Data collection was mainly carried out through questionnaires mailed to all 11 internal auditors: 9 of them responded. Later in July 1999, a number of government officials, including seven internal auditors were interviewed. The NAO also analyzed relevant documentation. The key issues studied include the management of functions by the central organization; the independence of management support; the level of management support, the resources provided and the limitations of functions. A variety of troublesome problems were discovered and many concrete improvement measures were proposed. With its concise, no-nonsense manner of presenting the problems and the recommended improvements, this research study has in common with the Canadian one, an abundance of information of international applicability to the process of enhancing the effectiveness of the internal audit function.

Al-Shetiwi, Ramadili, Chowdury and Sori (2011) believe that the proficiency of IAF employees, the independence of IAF and the work performance of IAF are the key components of IAF quality. They further argued that, competent IAF staff acquire relevant knowledge of the structures and systems in the company and be able to detect the inadequacies of the internal controls. It is further argued that the effective functioning of the IAF requires independence. The independence and quality embolden the IAF to report all lapses to the Audit Committee (AC) without any reason for trepidation. It is suggested that the independence of the IAF is guaranteed where the IAF reports directly to the AC and where the power to hire and fire the H-IAF is vested in the AC (Al-Shetiwi, et al., 2011).

2.10 Definitions of key concepts

Corporate Governance. This is the collection of mechanism relations and processes by which corporations are monitored and controlled (Goergen, 2012). Mungunda (2012) argues that Corporate Governance is about leadership and it should not be seen as a "nice-to-have" but vital for the survival and future growth of any organization. Good corporate governance is about effective leadership and is crucial for the survival and future growth of any organization. Good governance

is about effective leadership to achieving corporate success, sustainable economic growth, social and environmental performance (Mungunda, 2012).

Internal Audit. This is an independent, objective assurance and consulting activity aimed at increasing transaction volume and improving the operation of the organization. Internal audit introduces systematic and standardized methods to evaluate and improve the effectiveness of risk management, control and governance processes, so that the organization can achieve its strategic goals.

Regional Councils. - These public organizations were created to coordinate forests within the country and between counties, and to provide a regional approach to these concerns within the country. In this study RCs are the organizations or units representing the government of Namibia and they report to the Line Ministry in terms of internal auditing.

2.11 Gaps in research

There is research evidence on corporate governance in the practice of internal auditing. It is also evident from the results of such studies that the effectiveness of internal audit practices is limited in Namibia mostly on Corporate Governance as there was no any published study found. It is however also evident that a number of such studies concentrated mainly in foreign lands on Cooperate Governance in internal auditing practices.

As mentioned earlier, no research has been able to assess the compliance of internal audit practitioners in the Namibia Regional Committee with corporate governance principles. In other words, there is a gap in compliance with corporate governance principles among internal audit practitioners in the Namibia Regional Committee. This called for a need to look deeper on compliance by internal audit practitioners in Namibia Regional Councils to corporate governance principles beyond the parameters of the current body of knowledge. Therefore, this study aimed to bridge the knowledge gap of the internal audit practitioners of the Namibia Regional Council to comply with the corporate governance principles in the theoretical framework of this study.

2.12 Conclusion

This chapter reviewed the literature related to corporate governance and internal audit practices, the internal audit principles of the Namibia Regional Councils, the effectiveness of internal control systems, and the effectiveness of internal audits. It also examined the empirical issues on compliance by internal audit practitioners in to Corporate Governance principles and finally gaps in the literature and conclusion of the chapter are given. It is the basis of the review that the limit of this research was set. The next chapter presents the research methodology used.

CHAPTER THREE (3)

RESEARCH METHODOLOGY

3.1 INTRODUCTION

The previous chapter gave the literature reviewed. This chapter gives the research methodology. This is limited to research paradigm, research methods, research design, demarcation of the study, population, sampling, data collection instruments and data collection procedures, data analysis and finally ethical considerations.

3.2 Research paradigm

The research paradigm includes generally held beliefs and assumptions about ontology, methodology and epistemology in the research environment (Johannesson & Perjons, 2014). There are two most established research paradigms: positivist methods and interpretive methods (Rehman & Alharth, 2016). However, there are mainly two paradigms, in social sciences, there are many important paradigms derived from these two paradigms. These research paradigms are crucial in developing research methodology and in guiding the study in an appropriate manner (Rehman & Alharth, 2016).

In the purely social science field, quantitative research methodology is the most popular method (Creswell, 2018). However, mixed method research approach or paradigm has emerged from both positivism paradigm and interpretivism paradigm. Research methods are plans adopted in research that aim to distinguish between various options, from higher expectations to complete data collection and analysis procedures (Creswell, 2014).

The author further pointed out that the research method includes the intersection of philosophical assumptions, design and exact words (Creswell, 2014). The research design involves qualitative, quantitative or mixed method (MM) method queries. (Creswell & Creswell, 2018). This present study did not peruse absolute truth but provided knowledge on corporate governance compliance at Namibian Regional Councils' internal audit practitioners' perspectives. This is in the support of Creswell, who pointed out that there is always imperfect knowledge in research

(Creswell & Creswell, 2018). This made this research to support the philosophical worldview of pragmatists, which states that knowledge is connected and absolute truth can never be found. Both qualitative and quantitative research designs were used in this study.

3.3 Research methods

Research method is the strategy used in data collection. As previously stated, this study employed both quantitative and qualitative research methods. In a qualitative study, though, the design is known as the research process, it starts from conceptualization of the problem through report writing (Fouche, 2005). There are different designs employed in qualitative study basing on the purpose of the study, nature of study question, available resources and researcher's skills (Bryman & Bell, 2015). The use of quantitative method ensured the collection of large amounts of data through questionnaires, while the use of qualitative method ensured in-depth data collection through interviews.

Qualitative methods are called research methods, which do not require statistical analysis or the use of any other quantitative means to produce results. In understanding and in-depth research on the research problem, there exists the gap between quantitative and qualitative methods (Hernnings, Ren Rensburg & Smit, 2004 as cited in Moyessa, 2015). In this study, both qualitative and quantitative designs were used to generate information regarding internal audit practitioners' perspectives on corporate governance compliance at Namibian Regional Councils.

3.4 Research design

This is the strategy chosen by the researcher in directing the research (Borg & Gall, 2013). According to Creswell (2014), quantitative, qualitative or both methods are used to guide the research. This study also employed a descriptive research design. The use of this design helped in answering questions like what, why and who and encouraged the use of measurements (McCombes, 2019). According to Bernard and Bernard (2012), descriptive research design leads to the collection of data in large amounts. This design helped to determine the state of things. Cooper and Schindler (2006 in Shikwena, 2017) suggest that

descriptive research design attempts to describe or define a subject, often by creating a profile of a group of problems, people, or events, through the collection of data and tabulation of the frequencies on research variables or their interaction. It is concerned with describing the characteristics of a particular individual, or of a group. In this case, the research problem is internal audit practitioners' perspectives on corporate governance compliance at Namibian Regional Councils.

Descriptive research was suitable for this research because the study intended to collect detailed information through description and the method also helped to identify variables. Mixed methods of data collection and analysis were used to capture the details and adequate information. The use of these methods also ensured the effective interpretation of data using numbers, charts and graphs.

3.5 Demarcation/delimitation of the study

This study investigated internal audit practitioners' perspectives on corporate governance compliance at Namibian Regional Councils. It was restricted to the Ministry of Urban and Rural Development (MURD) and the Namibian Regional Councils of Omahek, Hardap, Khomas, Otzonzopa, Erongo, East Kavangodon, Oshikoto and Zambezi. The study specifically identified the elements of internal audit practices that affected corporate governance and Regional Council performance, and evaluated internal audit practices. It further identified the extent of applying quality assurance program standard of the internal auditing, examined the challenges facing the internal audit compliance at Regional Councils that cause the ineffectiveness of the internal audit compliance, and identified ways in which the internal audit compliance challenges at Regional Councils could be effective.

3.6 Population

Population refers to the total number of elements the researcher is interested in (Khotari, 2012). Ruane (Babbie, 2010) pointed out that the research population is a large group of people or things. Polit and Hungler (2013), population is the total of all the people who have certain characteristics and are of interest to a researcher. In health, a population is a study of a group of people taken from the

general population who share a common characteristic, such as age, sex, or health condition. This group may be studied for different reasons, such as their response to a drug or risk of getting a disease. A target population includes all cases about which the researcher would like to generalize while the accessible population comprises all the cases that conform to the designated criteria, and are accessible to the researcher as a pool of subjects for a study. The population of the study was the MURD as the line ministry, people in the internal audit departments of the eight Regional Councils of Omaheke, Hardap, Khomas, Otjozondjupa, Erongo, Kavango East, Oshikoto and Zambezi. Regional Councils were selected based on due their poor internal audit report at the Office of the Auditor-General as large sums of money were not accounted for. In addition, in this study, the Ministry of Urban and Rural Development of Namibia was considered to be the ministry that oversees and supports IA functions at the regional level. In every Regional Council, there was one Internal Auditor (IA), one Chief Internal Auditors (CIA) and one Chief Regional Officer (CRO). Thus, the population of the study.

3.7 Sampling procedures

Sampling involves selecting elements of interest from the population to participate in the research (Landreneau, 2017). Sampling involves choosing units like people and institutions in the study population (Quinlan, 2011). The sample contains a small population of a large population, if the sample is small, it can be the entire population (Garg & Kothari, 2014). The representative sample allows the researchers to collect information from the small sample and can generalize it to the entire population (Garg & Kothari, 2014)

In this study, eight (8) Regional Councils in Namibia were based on a report from the Office of the Auditor General which are the Regional Councils of Harpdap, Omaheke, Otjozondjupa, Erongo, Kavango East, Zambezi, Oshikoto and Khomas that they had large sums of money not accounted for. As far as internal audit is concerned, the structure of RC consisted only of Internal Auditor (IA), Chief Internal Auditor (CIA) and Chief Regional Officer (CRO). Therefore, the choice of each RC depended on its 2014-2019 audit report from the Office of the Auditor General (OAG). The research compiled a list of all 14 RCs in Namibia and

arranged them according to their audit report in terms of their performance from the Office of the Auditor General starting with the ones that performed poorly within the defined period and chose the first eight RCs to participate in the study.

Since the study population of each selected RC was very small, no sampling method was used to select the internal auditor practitioners. Therefore, all IA practitioners in the eight sampled RCs participated in the study. These respondents were the internal auditors (IA), the Chief Internal Auditor (CIA) and the Chief Regional Officer (CRO). Therefore, only three respondents were selected in each RC, implying that 24 respondents in total were selected. In order to collect qualitative data, staff members of the Ministry of Urban and Rural Development of Namibia, which is the line ministry, were purposively selected. These personnel included internal auditors, Chief Internal Auditors, Deputy Directors of Internal Audit and MURD executive director. The purpose of interviewing participants at the Ministry of Urban-Rural and Development was to get in-depth information about the study problem from the ministry's perspective. These participants were interviewed until the data saturated was reached. Thus, data was saturated with seven (7) participants at MURD. There were no new data, new topics, new codes, and the ability to repeat research during data collection. This helped in getting the opinion of the Government (MURD) as the owner of RCs in Namibia in terms of internal audit practitioners' perspectives on corporate governance compliance at Namibian Regional Councils. The table showing sample size of respondents is presented on the following page.

Table 3.1: Sample size

Category	Sample	No. of RCs	Total sample	Sampling method
At Regional Council level				
Internal Auditor	1	8	8	Total sampling
Chief Internal Auditors	1	8	8	Total sampling
Chief Regional Officer	1	8	8	Total sampling
Subtotal			24	
MURD				
Internal Auditors	4		4	Purposive
Chief Internal Auditor	1		1	Purposive
Deputy director IA	1		1	Purposive
Executive Director	1		1	Purposive
Subtotal			7	
Total		31		

Source (own work) 2020

3.8 Data collection instruments

Data collection instruments also known as research tools are data collection methods used in research (Borg & Gall, 2013). Creswell (2014) defines research tools as measurement tools (such as questionnaires or scales), which are designed to obtain data on topics of interest from the research subjects (Creswell, 2014). In this study, questionnaires and interviews were used to collect data from sample populations at different time points.

3.8.1 Questionnaire.

A questionnaire is a collection of written questions, which are usually answered in order to obtain information from the respondents (Creswell, 2014). The purpose of using the questionnaire was to allow respondents to answer freely when filling out the questionnaire form. Since respondents had time to provide thoughtful information, this tool was essential for this study. Data was collected using a semi

structured questionnaire. Saunders, Lewis, and Thornhill (2012) define a questionnaire as a general term that includes all data collection techniques in which each person is asked to answer the same set of questions in a predetermined order. In this study, these questions sought answers to research questions, and series of closed questions were provided to the respondents based on the research questions. This tool was administered to the internal auditors in eight (8) selected Regional Councils of Omaheke, Hardap, Khomas, Otjozondjupa, Erongo, Kavango East, Oshikoto and Zambezi. The mode of investigation management was personal. The instrument (questionnaires) was distributed to the respondents.

The questionnaires were used to obtain quantitative data for the research because it was observed (Creswell & Creswell, 2018) that, in considering the various research options for systematically gathering information, the questionnaire has earned the right to be a perennial favorite, a frequent choice of researchers because of its versatility, its time and cost efficiency and for its ability to get the job done (Mugenda & Mugenda, 2013). Hence, the questionnaire was used to obtain quantitative data from the respondents. The closed needed questions were dedicated to the respondents to explain the exact situation without leaving unnecessary and irrelevant information for the research topic. (The questionnaire used is attached as appendix C.

Validity and reliability of the questionnaire in this study were ensured. Validity and reliability were determined through Cronbach's Alpha Coefficient. In order to obtain expert opinions, the instrument was also transferred to a scholar at the University of Namibia. Reliability techniques refers to whether the data collection techniques and analytical procedures would produce consistent findings replicated in other occasions by different researchers (Saunders, Lewis & Thornhill, 2012).

The results of this research were reported in a transparent manner so that others can judge for themselves and be able to replicate the research. Reliability was a key feature of the research quality of this paper, but it was not enough to ensure high-quality research (Dubihlela & Sandada, 2014). Cronbach's Alpha was used

to measure the reliability and validity of the research instrument as depicted below in Table 3.2

Table 1: Case Processing Summary

	N	%
Case validity	28	100
Excluded	0	0

Table 3.3 Reliability Test of IA Research Instrument

Cronbach's	N. of Items
Alpha	
0.812	28

According to Eisinga, Te Grotenhuis & Pelzer (2013), internal consistency using Cronbach's alpha of $0.8 \leq \alpha < 0.9$ is said to be good. Hence, the Cronbach's Alpha coefficient is 0.8, the study is regarded to be a good research instrument which, is reliable. According to Cronbach's Alpha test depicted in Table 3.3, the coefficient 0.812 indicates that the research instrument is reliable and valid.

3.8.2 Interviews

Interviews are one of the main data collection tools in qualitative research (Creswell, 2014). They (Interviews) are structured or semi-structured because they usually provide the highest cooperation and lowest rejection rate, in addition to providing high-quality responses. Interviewees need to be present when interacting with the researcher, and the research received feedback. One-to-one interviews were conducted between researcher and participants. The use of semi-structured interviews reduced the rejection rate of participants. Hence, they (interviews) provided all in-depth information on selected staff from the Ministry of Urban and Rural Development (MURD) of Namibia. The participants were asked the same questions in the same order.

After obtaining the consent from all selected participants, interviews were conducted by appointment. The interview was semi-structured and aimed to obtain in-depth information by exploring the interviewee's knowledge, experience,

and opinions on the research question (see Appendix D and E). The researcher targeted only 7 staff members at Ministry of Urban Rural and Development, Windhoek, Namibia.

To ensure data quality, Lincoln and Guba's trustworthiness in qualitative research was used. Credibility and transferability were used in order to make it valuable (Lincoln & Guba, 1985). These were ensured as follows.

Credibility. Different tools were used in data collection, including tape recorders and interview guides, to ensure credibility. Credibility was ensured through prolonged engagement with the participants.

Transferability. Detailed descriptions in the methodology was applied to achieve transferability and reliability. These were ensured by detailed descriptions of how data was collected and analyzed to ensure that any external reviewers conducted review. Indeed, a clearly documented research procedures that included direct quotes from participants in the data analysis was used.

3.9 Data collection procedure

There are two main processes for data collection. These include primary and secondary data. According to Creswell (2014), the primary data is the data collected for the first time, while the secondary data refers to the data collected by other scholars, but other people can also use it for their purposes. This study utilized both primary and secondary data. Questionnaires and interviews were the main primary data collection sources in this study. After obtaining ethics permission from Cape Peninsula University of Technology, a permission was obtained from the office of the Ministry of Urban and Rural Development (MURD) of Namibia to conduct research in the selected Regional Councils (RCS). A permission was got from the selected individual RC to conduct a study in the backup permission from the MURD. The instruments were then distributed to the selected respondents and gave two weeks to complete them. After two weeks, questionnaires were collected for data analysis. On the data collection with participants from the MURD, the researcher personally distributed the interview guide to selected participants at their offices upon making appointments. The interview guide had structured interview questions that were open-ended.

Interview guides were given to the selected participants, and participants were given enough time to read, understand and complete it. The complete interview guides were collected for data analysis three days later. Secondary data was – collected from official websites, reports from the internal audit and office of the auditor general, journals and any other published source.

3.10 Data analysis

Data analysis is a systematic process of encoding, classifying and interpreting data, aiming to understand or provide explanations for the causes of phenomena (McMillan & Schumacher, 2016). Before processing the responses, the completed questionnaires were sorted for completeness and consistency. The data collected was mainly quantitative. Descriptive statistics were employed and used to summarize the data. These included percentages and frequencies by use computer program (Statistical Package for the Social Sciences [SPSS] V.21). All quantitative data on the study problem was measured in real values by normalizing. Tables and other graphical presentations as appropriate were used to present the data collected for ease of understanding and analysis. Data was used with the aim of presenting the research findings on respect to the study problem. This analysis method ensured the correct and effective calculation of the data collected and generated to produce standard work. In addition, quantitative data was explained in response to related research questions.

The collected data through the interview guide was prepared, checked, interpreted and presented (Saladana, 2013) through content analysis method. When combined with data collection methods such as records and interviews, content analysis is a more powerful tool. According to Heydarian (2017), qualitative data can be converted into quantitative data (numerical data). This analysis method (content) was considered suitable for this study because it helped to reveal the compliance of the Namibia Regional Council internal audit practitioners with corporate governance principles.

3.11 Ethical considerations

Values and ideologies were built-up in addressing the issues related to what is good and bad in human affairs (David, 2015). The following ethical considerations were followed in this study.

Institutional clearances. Permission to conduct the study was sought from several institutions. The postgraduate ethical committee of the Cape Peninsula University of Technology provided the researcher with clearances letter. Permissions were also sought to conduct the study from MURD and every Regional Council.

Informed consent. After explaining the research purpose to the respondents, each interviewee signed an informed consent form. The selection of respondents was fairly based on the selection criteria and sampling technique stipulated in this methodology. Participation was voluntary, no one was forced to participate, and whoever needed to stop the study was allowed without any effect. Thus, a respondent could terminate the study prematurely without any forfeit.

The name of the interviewee is not part of the content of this research or is not marked in this research to ensure autonomy. The instruments were separated by giving them numbers and/or codes. There was no sharing any information with anyone other than the researcher's academic supervisor. The data collected was for academic purposes only. It was useful in writing this research report.

In this study, there was no harm done to any respondent. Integrity was ensured. The study report is based on the actual findings of the study. The interviewees were informed that the information collected would not be used to oppose them or for any retaliatory behavior, but assured them that it was for academic reasons.

3.12 Conclusion

This chapter introduces research design, research methods, research population, sampling procedures and sample size. It also provided details about data collection techniques/research tools, data analysis and ethical considerations. The next chapter presents the results of the study.

CHAPTER FOUR (4)

DATA ANALYSIS, PRESENTATION AND DISCUSSION OF FINDINGS

4.1 INTRODUCTION

The previous chapter (Chapter 3) provided an overview of the methodology and the research procedures utilized in this study. The explanations included the composition of sample selection and the development of questionnaires used to collect data. It also described in details and provided a solid understanding of the methods used. The chapter further provided the procedures required to collect, capture, process and analyze data, and clearly explained the statistical methods used in the research to confirm the reliability and effectiveness of the research tools. This chapter aims at analyzing, presenting and interpreting the results of the study. The findings of the analysis are related to the problem statement, literature review, and research purpose. The main purpose of the study is to evaluate the compliance of the internal audit practitioners of the Namibia Regional Council on corporate governance principles. As mentioned in the data analysis in the previous section, SPSS was used to capture quantitative data, and used content analysis to analyze qualitative data. When the research is conducted in stages, the data is analyzed sequentially, and the data for quantitative research is collected and used for qualitative research, thus this study followed this idea. The research is based on the research results for quantitative and qualitative analysis. The findings of the study are presented and discussed in two stages starting with interviews from the MURD, the line ministry and results of the questionnaire from the RCs.

4. 2 ANALYSIS OF QUALITATIVE DATA

The data were collected using personal interviews, opening interview questions were given to the participants in advance to enable them recollect relevant facts. Content analysis of qualitative data obtained from primary sources was used to analyze findings. This use of content analysis allowed the researcher to analyze social, cognitive and perceptual constructs that were difficult to study via traditional qualitative archival methods. What's more, it allowed the researcher to collect large samples of purely qualitative research that was difficult to conduct subject analysis. Data is presented in a quantitative procedure as content analysis allows

qualitative data to be converted into quantitative data (University of Georgia, 2018; Heydarian, 2017). Data presentation is done one by one according to the questions in the interview guide. Presentation of results and discussion of findings are done chronologically or sequentially.

4.2.1 Demographic information

The data was collected from six (6) staff members of the Ministry of Urban, Rural and Development in Namibia, which is the line Ministry in this study. Amongst the six participants, three (3) of the targeted four (4) were Internal Auditors, one (1) was the Chief Internal Auditor, one (1) was Deputy Director IA and another one (1) was Executive Director.

4.2.2 Decision-making processes in Corporate Governance (CG)

The study sought to establish the opinion or knowledge interferences of decision-making processes in respect of Corporate Governance (CG) at Regional Council level in Namibia. All participants had knowledge of CG in RCs in Namibia. Participants indicated that CG is a mechanism, a relation and a process by which RCs are governed, directed and involves many interests of their stakeholder. Two (2) of the internal auditors from MURD further indicated that some managers tend to interfere in the decision-making process, thus making it challenging for some executives to interfere in the decision-making process. Three (3) internal auditors mentioned that there are occurrences of councilor or politicians at regional level attempting to get involved in auditing decision matter that makes internal auditing practitioners not to be independent. The Executive director at MURD was quoted saying

“there are 14 Regional Councils in Namibia of which five of them have functioning audit committees implying that Corporate Governance (CG) is not well practiced”.

The absence of the audit committee means that internal auditors report to the CRO both functionally and administratively. The mentioned findings on decision-making processes in Corporate Governance imply a doubt on whether Namibia Regional Council board of the internal auditing comprises a sufficient number of individuals with the appropriate mix of credibility, skills, experience and

demographic diversity to lead, direct the organization, retain fully and effective control over its objectives. In addition, there is a deliberate ambiguity in the NRC, which may lead to unfettered power and lead to ineffective decision-making by the NRC. This call for methods to ensure effectiveness in corporate governance so that decision making capacity and accuracy of the reporting and financial reporting are maintained at high level in the NRCs.

4.2.3 Structure of the Internal Audit sections in the Regional Councils.

The interviewees were requested to give their views on the structure, size and composition of the internal audit sections in the Namibia Regional Councils and whether they possess the right mix of capabilities, experiences, and skills to serve Regional Councils and its shareholders effectively. Three (3) internal auditors from MURD mentioned that internal audit section at RC is very small compared to the amount of work involved as they have to audit all Regional Councils, Constituencies, Settlements and Delegated Functions (other government agencies). Chief Internal Auditor, Deputy Director IA and Executive Director stated that the internal audit of the RCs consisted of two staff members who were very small and had limited ability to effectively serve the board. These participants reached a consensus on the workload of too few staff, this may not lead to the company's guarantee of non-time disclosure, nor will it lead to incorrect disclosure of RC's financial status.

The study further found out that all participants (6) at MURD agreed that the code of ethics of the internal audit practitioners does not allow them to have a mix of capabilities and that the internal auditors are independent of the CROs since they report to CROs. The International Professional Practice Framework (IPPF) guidelines stipulate that the Chief Audit Executive (CAE) can use internal personnel as long as they have sufficient knowledge related to the activity to be audited.

Internal auditors, regardless of outsourcing, will always improve their proficiency and the effectiveness and quality of the services they provide. The survey results further indicated that effective internal auditing requires skills such as qualified and certified internal auditors and registered internal auditors. The Chief Internal

Auditor pointed out that the RCs' internal audit capabilities were insufficient and did not achieve the desired results, which indicated that the RC's internal corporate governance was poor.

4.2.4 Independence of internal audit sections and audit committees

If the interviewees believed that the independent internal audit department and the audit committee of the RCs are indeed independent of the appointing agency, then the research sought from the them. All participants (6) stated that the internal auditor is independent of the members of the audit committee and is not part of the RC management. Two (2) of the internal auditors further noted that internal auditors are independent of the appointing authorities depending on the nature of the auditing committee members. A further reason for independence of the internal auditors is that most audit committees are made up of non-executive members, they aim at advising management on governance, risk management and internal controls of the RCs, and of which most of them are from auditing firms. They do not participate in the day-to-day operations of RC, thus keeping internal auditors from the influence of management. The Chief Internal Auditor had the same idea, involving the current RC in Namibia. This idea is evidenced in the following narrative.

“the current setup of only three RCs internal audit sections makes them independent out of the 14 RCs in Namibia. Then I can say, there are mechanisms put in place to ensure that Namibia Regional Councils can independently act objectively”.

However, the Deputy Director IA disagreed with the views of other participants. They believed that the internal audit department and audit committee of the RC were not independent of the appointment of the audit committee. The Internal Auditors, Chief Internal Auditor and the Deputy Director IA equally pointed out that there are multiple agencies and reporting departments that make the internal audit not independent. The chief and other members of the Internal Audit Section are recruited through normal employee recruitment procedures, which are ultimately approved by the CRO.

On the other hand, the Executive Director said that the audit committee is appointed by the council and reports to the council, rather than by the CRO and report to it, which makes internal auditors not independent. This finding is in disagreement with the Internal Auditing Functions (IAF) which must be independent of the management for the effective discharge of its function as a Corporate Governance mechanism. Literature established that the measure of independence of the IAF is determined by the answer to two issues: the authority for the engagement and disengagement of the In-House Internal Audit Forum (H-IAF) that promotes internal audit best practice and the reporting line of the H-IAF (Godwin & Yeo, 2011; IIA, 2014; Prawitt, Smith & Wood, 2009).

4.2.5 Activeness of internal audit practitioners in Regional Councils

Three (3) internal auditors indicated no when asked, “Do you think that internal audit practitioners in Regional Councils are active and make much contributing to the running of the government Councils and are actively appraising the adequacy in both administration and accounting that are applied in all the activities of the Councils?” On this issue, the Chief Internal Auditor and Deputy Director IA stated that internal audit practitioners report to the CRO, thereby compromising their independence and therefore they do not receive the support they need to perform their duties effectively.

Unexpectedly, the Chief Internal Auditor and Executive Director mentioned that most of the RCs in Namibia did not have an audit committee, thus making them inactive. This is evidenced by the following narrative;

“Oh, there are some of the RCs in Namibia that do not have audited committees in place, the failure to have such committees is a great challenge, this has a challenge in overseeing RC’s financial reporting and disclosure”.

The above narrative was supported by two internal auditors who gave an example that there are many cases of non-compliances or irregularities that are reported to and end up being investigated by the line Ministry, they are indications of failure if Internal Audit functions in Namibia Regional Councils. Only one (1) of the internal auditors said yes, the RCs are very active and have contributed a lot to

the operation of the government councils. He however pointed out that there are some challenges in IAF's performance on the NRC, including distrust of internal audit practice and lack of understanding of the role of internal audit. Because most participants said that the internal audit practitioners of the Regional Councils were not active, it implies that internal audit function in NRCs do not make much, contribute to the running of the RCs and are not appraising the adequacy in both administration, and accounting that are applied in all the activities of the Regional Councils. This further shows that the internal audit practitioners in the NRC have poor compliance with corporate governance principles. These findings disagree with Eke (2018) who found a positive linear relationship between the internal audit and corporate governance in universities in Rivers State and that the measures of the internal audit had significant influence on governing Council and audit committee effectiveness but did not have significant influence on external audit effectiveness.

4.2.6 Existing procedures for selection of internal audit committee members

The interviewer asked the participants, "Do you think that existing procedures in the selections and /or dismissal of the internal audit/or member of the audit committee is appropriate and ensures the independence of such practice in the Regional Councils?" All participants (6) agreed that there are existing procedures in the selections and /or dismissal of the Internal Audit/or member of the audit committee, is appropriate and ensures the independence of such practice in the Regional Councils. The Executive Director was quoted saying,

"The internal auditors are staff members of the organization and are employees like any other public servants in terms of Act 13 of 1995.... the public service has a right to deal with any irregularity in the service provision and replace with another employee".

While supporting the mentioned statement, Deputy Director IA said,

"In the dismissal of an internal auditor or the audit committee members, go through council for scrutiny and endorsement to ensure transparency".

O’Riordan (2013) said that in the Irish government departments, the recruitment of the chairpersons and members of the audit committee is done in a process of which the secretaries play a great role. Goodson *et al.* (2012) pointed out that when a member of the audit committee violates the organizational strategy, he will be fired and replaced by a competent member. These are in support of the present study findings.

4.2.7 Access to information needed by internal auditor

The researcher asked the interviewees whether the internal audit has access to the information they need to perform their functions efficiently and effectively. All six (6) interviewees stated that the internal audit was unable to obtain the information they needed to perform their functions effectively and efficiently. Anyhow, the appointing authority (CRO and Council) by their legal position, power and duties is legally empowered to have and commend information on all the affairs of the RC. Due to this, they are supposed to assist the internal auditor and auditing committee to perform tasks they are entrusted to them by granting access to all information required. Otherwise, they will not be able to perform their duties with limited or no information at all. The Internal Audit practitioners cannot access the required information, which prevents them from performing their functions effectively. Landers (2018) believed that management of RCs needs to evaluate the accuracy of the information they receive which is one of the most control tasks they face. To have good Corporate Governance, the internal audit needs to have access to the information they need in order to perform their functions efficiently and effectively.

4.2.8 Implementation of strategies and action plans of Regional Councils.

The study sought from the participants the role of the Ministry (MURD) in the formulation and implementation of Regional Council strategies and action plans. All interviewed participants indicated that, legally, the ministry is not supposed to be involved in day to day operations of the RCs however, they get involved in the development of strategic plans where consultations are held between the ministry and the RCs. Three (3) internal auditors further indicated that the ministry provides

funds, oversights for RCs activities, monitoring of implementation strategies, improving on service delivery at all levels of RCs, synchronize and manage decentralization in RCs. One of the internal auditors was quoted saying,

“RCs fall under and report to the Line Ministry and their budget is motivated and is part of the budget of the Ministry under Vote 17 that makes RCs to be in position of submitting their development plans and budget to the Ministry for considerations”

Transparency was seen to be important in IA, Namibia Regional Councils, the Chief Internal Auditor narrated

“The periodic accountability reports, monitoring and enforcement of compliance and good Corporate Governance by the Ministry is also via periodic visits as well as routine and special audit investigations in RCs. This improves on Corporate Governance in RCs as they expect to be investigated and are supposed to report to the line ministry hence encouraging transparency.”

4.2.9 Ensuring RCs effective execution of assigned mandates

The researcher asked the interviewees to explain how the Ministry (MURD) ensures that the RCs effectively perform their assigned tasks. Two (2) of the internal auditors indicated that other than powers, duties, functions rights and obligations of RCs, the RCs Act, 1992 provides the powers of the ministry in for example appointing the CROs, the preparation and submission of development plans, RCs' budget approvals and preparation and submission of accounting records as well as financial statements for auditing and accountability purposes. The one of the internal auditors narrated,

“The Ministry invests in building the capacity of the RCs through training and technical support. The Ministry carries out monitoring and evaluation, budget hearing in which the RCs present how they execute their budgets and through the management of reports”.

Chief Internal Auditor and Deputy Director IA added that internal auditors of the line ministry also audit RCs to obtain assurance of the validity of the financial records and operations' efficiency and effectiveness. The CRO indicated that due to the limited resources in terms of finance and human capital, the oversight role of the Ministry is not effective. This issue has a challenge with corporate governance. Often, the funds meant for key tasks end up in the pockets of executives and politicians, leaving the country with a backlog of social developments and missed opportunity to develop the RCs into better and competitive Regional Councils.

4.2.10 Effectiveness of monitoring and oversight role on Regional Councils

On the aspect of effectiveness of Line Ministry in monitoring and oversight role on Regional Councils, all interviewees were in an agreement that the Line Ministry monitors Regional Councils' performance with its comparative data. However, the Executive Director indicated that more surveillance activities should be conducted and inspections should be conducted in terms of infrastructure development. The ministry should emphasize that RCs submit quarterly management reports to determine quarterly performance. Deputy Director IA said;

“The Ministry is not fully effective as the functions of the RCs are monitored by different divisions in the Ministry, some people in the Ministry are competent and others are incompetent as they do not know what is expected from them in their monitoring and oversight role on Regional Councils”.

The Chief Internal Auditor viewed that due to limited resources in terms of finance and human capital, the oversight role by the Ministry is not effective. Whereas, the Ministry appears to do well in monitoring as well as investigating and uncovering instances of violation or noncompliance, the Ministry faces challenges in enforcing compliances or holding RCs accountability effectively. This is due to lack of clear legal provisions in the current Act that empowers the Ministry as it is the case with local authorities where the Ministry is obliged to remove or suspend Local Authority Council. Due to such limitations, Corporate Governance remains a requirement for good transparency and accountability within Regional Councils (Qeke & Dubihlela, 2018).

4.2.11 Regional Councils' performance with its comparative data

The interviewer asked the participants to indicate whether the Line Ministry monitors Regional Councils' performance with its comparative data. Six (6) participants agreed that line Ministry monitors Regional Councils' performance with its comparative data. The Chief Internal Auditor further mentioned that the RCs submit management reports to the Ministry which are then analyzed against approved budget. One of the internal auditors in the interview reported how information from budget execution and accountability reports was investigated.

“Information from the budget execution and accountability reports, budget submissions, financial statements, annual and strategic plans submitted by the RCs are investigated in a manner that the Line Ministry monitors the Regional Councils' performance with its comparative data.”

The other two of the internal auditors and the Deputy Director IA further stated that the Ministry has received an accountability report from the Regional Cooperation Committee, which enables the Ministry to track performance. However, one of the internal auditors indicated that the line Ministry monitors Regional Councils' performance with ineffective comparative data, the ministry does not demand accountability reports as in the case of the Local Authorities. Since four of the six participants agreed, it implies that line Ministry monitors Regional Councils' performance with its comparative data. This shows that NRC's corporate governance has been improved.

4.3 QUANTITATIVE DATA ANALYSIS

As mentioned in the introduction and methods section of this chapter, the study also used a lot of quantitative data, using self-managed questionnaires as the main data collection tool, even if interviews are also used. This section presents the quantitative results to begin by giving a light of how descriptive statistics were also used followed by demographic data presented in tables and figures and finally results for the general questions as presented in the questionnaire sequentially. On every table or figure, there is brief interpretation of findings and a discussion is made to link the data to literature, and give a clear sense of data presented.

4.3.1 Descriptive statistics

The tables and figures used to provide a better interpretation of data show the descriptive statistics for every question or statement as presented in the questionnaire, with frequency and percentage response calculated on the total frequency computed which, represented the total number of respondents that partook in the quantitative data collection. If there was an unanswered question, it was shown as unanswered in the descriptive statistics table or figure.

4.3.1.1 Demographic information

The total sample of quantitative research was twenty-four (24) Internal Auditors, Chief Internal Auditors and Chief Regional Officers (CRO), Deputy Director-Internal Auditor and Executive Directors, all responded to the questionnaires. This response forms 100% of all key functional respondents in Namibia's Regional Councils' internal auditing structure. This was due to the data collection methods and continuous tracking used, and also to the researcher who was also one of the CROs. The researcher made phone calls and had physical follow-ups undertaken to have 100% response rate. This is illustrated in table 4.1.

Table 4.1: Response rate

Region councils	Frequency	Percentages (%)
Answered	24	100%
Unanswered	0	0
Total	24	100

Table 4.2: Gender

Gender	Frequency	Percentages (%)
Male	7	33.3
Female	16	66.7
Total	24	100

Table 4.2 shows that among the 24 respondents who participated in the study, 66.7% were women, 33.3% were men, and the response rate was 100%. The

responses imitated in Table 4.2 are consistent with the general assumption that the majority of the population of Namibia is composed of women, not men. The present findings are in disagreement with study conducted by Kankunda (2016) on the evaluation of audit committees in Namibia government ministries who found that only 8 participants out of 13 participants were males, it is however close to equal proportion of participants. Nevertheless, Kukuda's research is qualitative in nature, and the results of these current study are quantitative.

Table 4.3: Age

Age (years)	Frequency	Percentages (%)
18-30 years	5	20.8
31-40 years	4	16.7
41-50 years	10	41.7
Above 50 years	5	20.8
Total	24	10

Table 4.3 on shows that the majority (41.7%) of the respondents were aged 41-50 years, (20.8%) were each aged between 18-30 years and above 50 years, whilst (16.7%) were aged between 31-40 years. Since most of the study respondents are between 41 and 50 years old, this means that most of the respondents are very experienced, so the study is well understood. This also has an implication that the internal audit work is done by growing auditors who are well informed of their functions.

Table 4.4: Marital status

Age (years)	Frequency	Percentages (%)
Single	11	45.8
Married	11	45.8
Divorced/separated	2	8.3
Widower/widow	0	0
Total	24	100

The results shown in Table 4.4 indicate that the majority (45.8%) of the respondents in the study sample were single, and the same percentage indicated that the respondents were married before the study, while (8.3%) were divorced or separated. The results of the survey in Table 4.4 indicate that the internal audit practitioners of the various Regional Councils in Namibia are considered competent and their workforce is particularly important, because most of the interviewees show equal performance to singles and married people reaction.

4.3.1.2 Highest education qualifications

The results from the study as presented in figure 4.1 show that majority of the study respondents among the selected Regional Councils (RCs) in Namibia had postgraduate degrees 15(62.5%) followed by undergraduate degrees 8(33.3%) while 1(4.2%) had diploma level of education. No respondent had certificate level of education. The study results surely indicate that the internal audit practitioners in the Namibia Regional Councils (NRCs) have a strong and educated workforce. This also implies that the respondents had a better understanding of the study problem since education level reveals the level of understanding about a particular phenomenon.

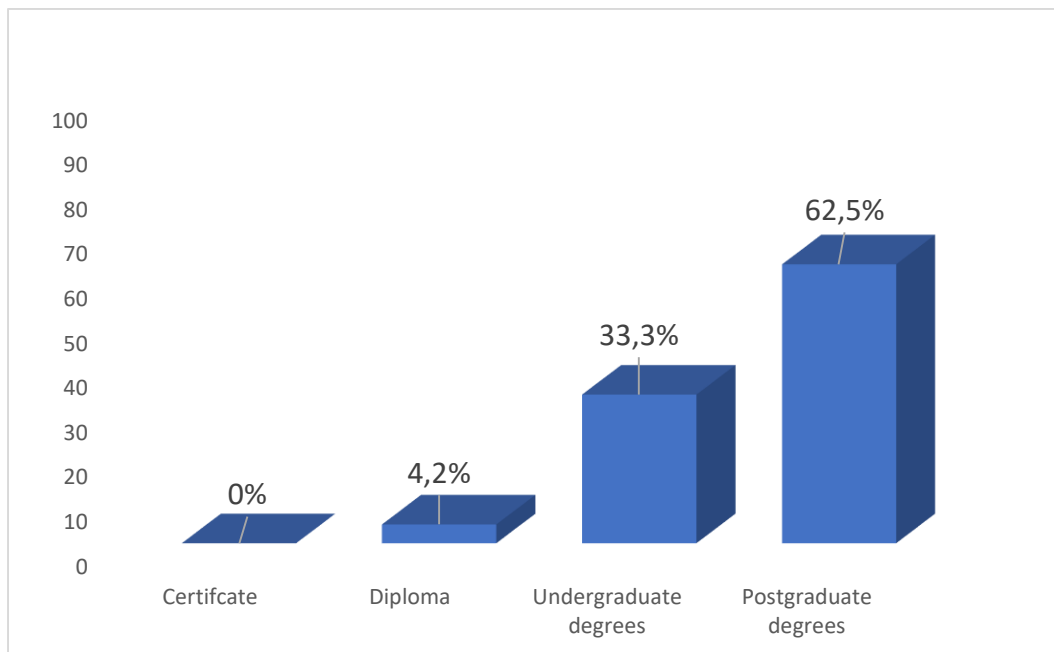


Figure 4.1: Highest education qualifications

Job title

Figure 4.2 shows that among the RCs sampled in Namibia, (34%) of the respondents were Chief Internal Auditors, while the Chief Regional Officer (CRO) and Internal Auditors each mentioned (33%). According to the results of this study, the number of qualified/professional internal audit practitioners in the Regional Councils is limited, which poses a severe challenge to the performance of regional internal audit practices.

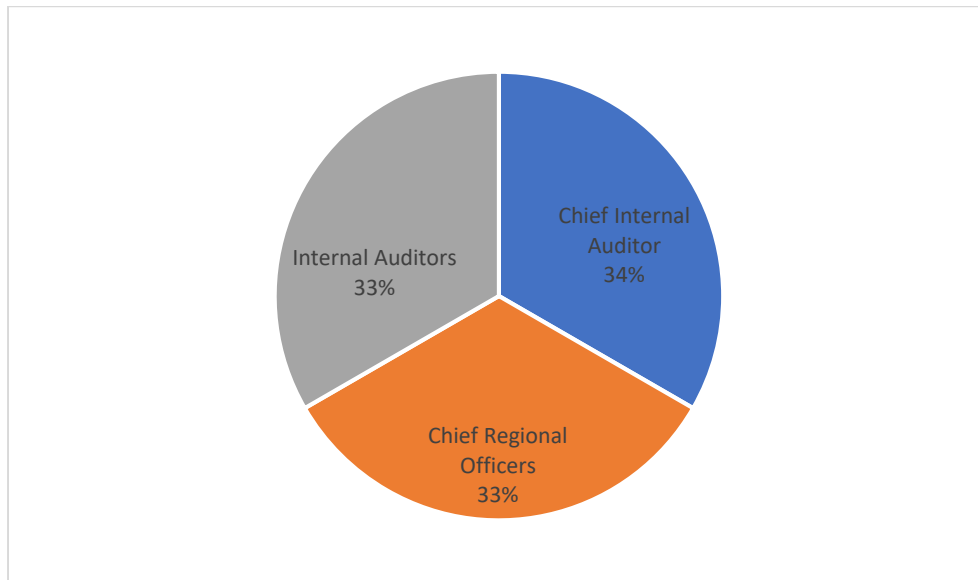


Figure 4.2: Job title

4.3.1.3 Period of employment

Figure 4.3 depicts that in the sampled Regional Councils, the rate of labour turnover is at a small extent. This is evidenced by the majority of the respondents who indicated that they had been working in the selected the Namibia Regional Councils (NRCs) for above 10 years (54.2%). Since the organization retains employees, working in the organization for a long time may improve the organization's performance. Moreover, 25.0% of the respondents had been working in sampled NRCs less than two years, between 6 – 10 years (12.5%), and less than 2 years of experience (8.3%).

According to Mugo (2011) as well as Qeke and Dubihlela (2018), experience provides opportunities to better focus on managing rules. The employees who had worked in an organization for above 10 years at their positions should have

developed ways of improving on their performance, where the duration provided the potential opportunities to learn about the weakness within originations, this helps to explore the strength and weakness of internal auditing practices and identify gaps in their performance.

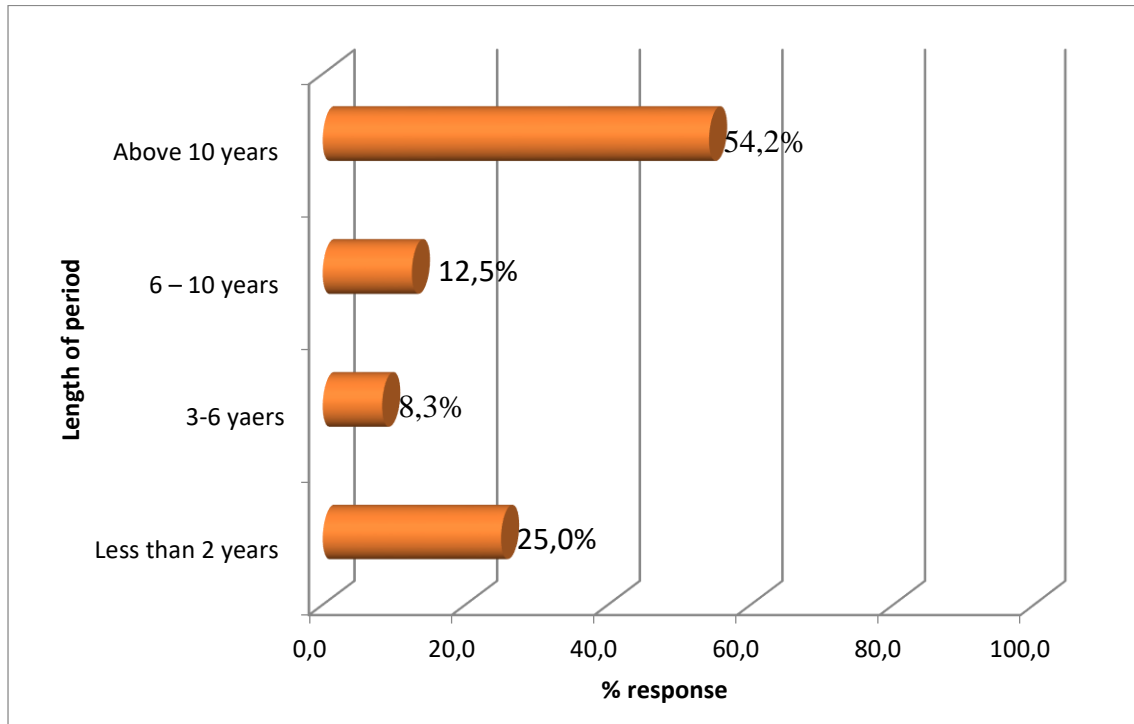


Figure 4.3: Period of employment

Audit committee

The study tried to ask respondents whether NRCs had an audit committee. 15 (62%) of the respondents agreed that they had an audit committee, while only 9 (38%) said they did not have an audit committee. See figure 4.5 below.

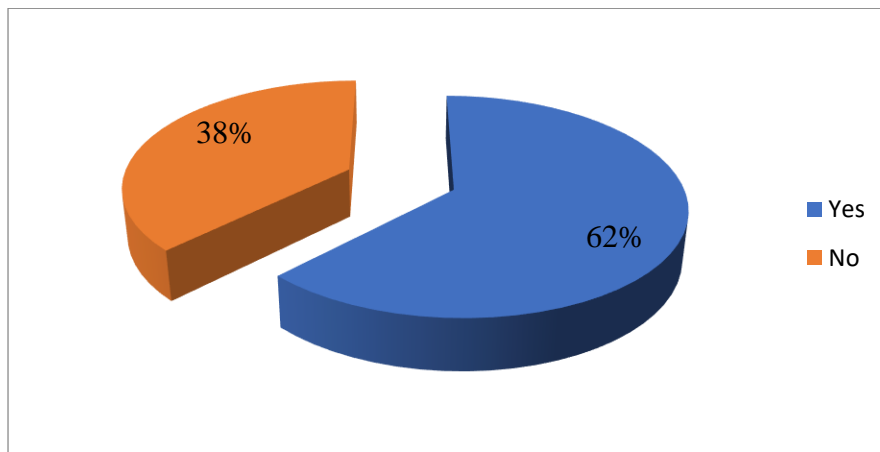


Figure 4.5: Audit committee

The survey results in Figure 4.5 show that 15 (62%) of respondents above average agree that they have established an audit committee. Kankinda (2016) found that audit committees assisted in transparency on internal controls in reporting financial matters in both private and public entities. The main aim of the audit committee is to improve the organizational governance whether in the private or public sector. Thus, providing assurance on financial and compliance issues through thorough examinations, accountability and efficient use of resources. Audit committees also serve as an advisory function aimed to improve the performance of an organization (Magrane & Malthus, 2010).

Table 4.6: Number of Internal Audit practitioners in Regional Councils

Region councils	Frequency	Percentages (%)
Less than 3	19	79.2
Between 4-7	5	20.8
Between 8-10	0	0
Above 10	0	0
Total	24	100

Table 4.6 shows that among the selected Regional Councils, the majority (72.8%) of the respondents mentioned that they have less than 3 internal audit practitioners, while only (9.1%) of the interviewees mentioned between 4 -7 internal audit practitioners. In any organization, maximizing the number of audit practitioners encourages division of labor, which makes audit work easier. They can easily answer the questions related to policies and accounting standard follow-ups, risk management. They can quickly keep a tab on financial reporting, accounting, operations, internal controls and other aspects of an organization in time unlike a limited number of audit practitioners in an organization.

4.3.1.2 Internal Audit Practitioners and Corporate Governance Principles

The researcher asked the interviewees to investigate the compliance with corporate governance principles of the Namibia Regional Committee's internal audit practitioners in a variety of situations. These questions take the form of

statements and the scale is highly agree, agree, neutral, disagree, and strongly disagree. All statements in this section hold an internal auditing issue of Corporate Governance. Indeed, the statement also shows that their disagreements are a reflection of the challenges faced by the internal audit practitioners in Namibia Regional Councils to corporate governance principles.

Table 4.7: Good leadership within internal audit practitioners

Response	Frequency	Percentages (%)
Strongly Agree	6	25.0
Agree	10	41.7
Neutral	6	25.0
Disagree	0	0.0
Strongly disagree	0	0.0
No answer	2	8.3
Total	24	100

Obviously, the internal audit practitioners of the Regional Councils in Namibia have good leadership skills. The results shown in Table 4.7 show that the internal audit practitioners of the Regional Councils have good leadership skills. It is obvious from the survey results that the majority of respondents (41.7%) agree that the good leadership of internal audit practitioners of the Namibia Regional Council (NRC) can accelerate their good performance. Respondents (25.0%) strongly agreed with the good leadership skills of internal audit practitioners in the Namibia Regional Council to accelerate its corporate governance principles. Although the same percentage (25.0%) expressed doubts about the good leadership of corporate governance principles within the RCs, the respondents of (8.3%) remained silent on this question.

The above results seem to indicate that the leadership of corporate governance principles by the internal audit practitioners of the Namibia Regional Council is good and well expressed. The good leadership of internal audit practitioners makes them improve their performance and the bad leadership makes them unsuccessful. According to the research of De Waal (2007), trust relationship with people at all levels is maintained and strengthened, because loyalty is valued and

smart people are regarded as smart people. Respecting others, cultivates a learning attitude, establishes and maintains personal relationships between managers and employees, encourages trust and trust in others, and treats people fairly.

Magrane and Malthius (2010) pointed out that the leaders of internal audit practitioners live with honesty and integrity, take integrity as an example, and show commitment, enthusiasm and respect. They have a strong set of ethics and standards, are credible and consistent, maintain a sense of vulnerability and are not arrogant. Internal audit practitioners' leaders in Regional Councils in Namibia need to apply the mentioned leadership skills and need to be decisive, action-focused decision-making by avoiding over-analysis but coming up with decisions and effective actions, while at the same time fostering action-taking by others in order to remain successful.

Table 4.8: Commitment of corporate discipline

Response	Frequency	Percentages (%)
Strongly Agree	14	58.3
Agree	6	25.0
Neutral	2	8.3
Disagree	0	0.0
Strongly disagree	2	8.3
Total	24	100

The majority of the interviewed respondents acknowledged (58.3%) that corporate discipline is the commitment by Region Council's senior management, to adhere to behavior that they recognized as correct and proper, (25.0%) agreed whilst only (8.3%) were not sure whether corporate discipline is the commitment by Regional Council's. Senior management adhered to behavior that they recognized as correct and proper and another 8.3% were in disagreement that corporate discipline is the commitment by Region Council's senior management, to adhere to behavior that they recognized as correct and proper. Since the majority of the respondents were in agreement (83.3%), it implies that corporate discipline is the commitment by region council's senior management at NRCs. Discipline is

described as a commitment by the firm’s senior management to adhere to behaviours that is universally and accepted to be correct and proper. This finding concurs with King III report on corporate governance which, identified corporate discipline among others several characteristics and elements of good corporate governance that are the core determinants of corporate governance, with a profound impact on corporate performance of any enterprise.

Table 4.9: Decision making process

Response	Frequency	Percentages (%)
Strongly Agree	3	12.5
Agree	8	33.3
Neutral	10	41.7
Disagree	0	0.0
Strongly disagree	3	12.5
Total	24	100

The results showed that 41.7% of the respondents decided not to comment on the decision-making process of internal audit practitioners within the NRC. 33.3% of the interviewees agreed, while the same proportion (12.5%) of the interviewees said that the internal audit committee brings value to the decision-making process. They strongly agreed and disagreed.

The findings clearly show that the internal audit committee did not bring value to the decision-making process, which may have a negative impact on the performance of the NRC. These findings seem to indicate that the Namibian government (MURD) has the power to coordinate relations because it is the only stakeholder and owner of RCs.

In the NRC, this is a serious challenge that ultimately leads to the uncontrolled power of the owners to make their own decisions. In order for the NRCs to perform well, they need to separate their responsibilities to ensure the decision-making and authority of internal audit practitioners, which will enable each internal auditor to have the sovereignty of decision-making. Qualitative results showed that there is a deliberate ambiguity in the NRC, which may lead to unfettered power, lead to

ineffective decision-making by the NRCs. This requires methods to ensure the effectiveness of corporate governance so that decision-making capabilities and the accuracy of reports and financial reports are maintained at a high level in the NRC.

Whether the internal audit committee brings value to the decision-making process, this finding is inconsistent with the report of the Good Company, Governance and Anti-Corruption Conference. GCCTACC (2016) in Namibia that pointed out that openness and transparency are the principles of good governance in public service organizations.

The report shows the need to ensure openness and transparency so that stakeholders can have confidence in the decision-making and management process of public institutions. According to stakeholder theory, other stakeholders in the case of the internal audit practitioners can have an influence on the operations of the organization and as such their influence should be considered in the decision-making process, and the conduct of the operations of the organization (Eke, 2018).

Table 4.10. Independence of internal audit practitioners

Response	Frequency	Percentages (%)
Strongly Agree	10	41.7
Agree	7	29.2
Neutral	0	0.0
Disagree	0	0.0
Strongly disagree	4	16.7
Unanswered	3	12.5
Total	24	100

Obviously, a mechanism had been established to ensure that the Namibia Regional Council can act independently and objectively, because the results shown in Table 4.10 above show that there is a strong consensus on the quality of the independence of the internal audit practitioners. It is obvious from the survey results that the majority of respondents (41.7%) strongly agree that a mechanism

had been established to ensure that the NRC can act independently and objectively. This is also supported by 29.2% of the respondents who agreed that there are mechanisms put in place to ensure that NRCs can independently act objectively whilst 16.72% of the respondents strongly disagreed. Only 12.5% did not answer the set question. This means that a mechanism had been established to ensure that the NRC can act independently and objectively, which may lead to the effectiveness of the NRC and reduced or no conflicts of interest. Based on Agolu's (2012) view, internal audit is an independent judgment of an organization's performance excellence function that specifically appoints employees as part of the internal audit system. Mechanisms to ensure that the NRC can independently take objective actions can improve operational efficiency. This is supported by the Institute of Internal Auditors-IIA, (2011) as it also focuses on independence of internal audit practitioners.

Table 4.11: Power in internal auditing practitioners

Response	Frequency	Percentages (%)
Strongly Agree	6	25.0
Agree	1	4.2
Neutral	3	12.5
Disagree	8	33.3
Strongly disagree	6	25.0
Total	24	100

Table 4.11 above shows that the majority of respondents (33.3%) disagree that internal auditors do not have any power or authority related to the activities they audit. This was supported by (25.0%) respondents who strongly disagreed that internal auditors do not have any authority or power related to activities which, they are auditing. Another (25.0%) of the respondents strongly agreed while (12.5%) of the respondents were not sure whether internal auditors do not have any authority or power related to activities that they are auditing. Since majority of the interviewed respondents disagreed it implies that the internal auditors have authority or power related to activities that they are auditing. These findings seem to suggest that there is a power division between the Line Ministry and the internal

audit practitioners in the Namibia Regional Councils. This fact is beneficial in the NRCs. It can enable the owner and internal audit practitioners to finally form a balanced decision, thereby forming a regulated power. The division of responsibilities ensures the balance of power and authority and encourages decision-making sovereignty. The King II report (2002) inspires the division of responsibilities in the organization to ensure a balance between the power and authority of the management, so that no member in the organization has independent decision-making power. A study by Mubwandarikwa (2014) shows that the board of directors needs to ensure a balance of power and authority among board members. They may help in avoiding situations whereby one or a group of people from domineering the board's decision making. Indeed, executive directors and members should be encouraged to allow lower management levels when making decisions (Mubwandarikwa, 2014).

Table 4.12. Corporate insurance timely and accurate disclosure of financial performance

Response	Frequency	Percentages (%)
Strongly Agree	7	29.2
Agree	7	29.2
Neutral	4	16.7
Disagree	2	8.3
Strongly disagree	4	16.7
Total	24	100

Table 4.12 shows (29.2%) of the respondents strongly agree that there is company insurance in the NRCs to timely and accurately disclose of the financial status of internal audit practitioners. Another (29.2%) of the interviewees expressed their support, and they agreed that the NRC can ensure timely and accurate disclosure of performance and financial status. 16.7% of the respondents expressed doubts about whether internal auditing in NRCs guarantee timely and accurate disclosure of performance and financial status, while the same respondents strongly disagree (16.7%), while only (8.3%) disagree. The survey results clearly show that the NRCs have guaranteed timely and accurate

disclosure of the performance and financial status of the NRC. This means that there is transparency in internal audit practices, which can lead to good governance. Transparency, accountability and accountability can improve the performance of the NRC in implementing its strategy.

Table 4.13: Effective communication

Response	Frequency	Percentages (%)
Strongly Agree	4	16.7
Agree	6	25.0
Neutral	10	41.7
Disagree	2	8.3
Strongly disagree	2	8.3
Total	24	100

It is not clear whether there is effective communication between the internal auditor and the MURD as a stakeholder. Table 4.13 depicts a doubt on effective communication between the Internal Auditor's director and line ministry as stakeholders as the majority (41.7%) of the respondents are not sure. This may mean that the NRC does not have effective communication between the internal auditors and the MURD. The respondents of (25.0%) agreed that there is effective communication between the Internal Auditors and the line ministry as stakeholders and are supported by (16,7%) who strongly agreed that there is effective communication between the internal auditors and the Line Ministry. Only (9.1%) of the respondents disagreed that there is effective communication between the internal auditors and the Line Ministry. The view point is also supported by (8.3%) who also strongly disagreed that there is effective communication between the internal auditors and the line ministry as stakeholders.

Effective communication involves leadership and motivation to guide organizational personnel to develop organizational strategies (Nwachukwu, 2018).). Corporate Governance makes emphasis on timely corporate disclosure and NRCs appears not to be on the right track, given the response of the respondents who participated in this study. It is necessary for NRC to conduct

good communication in order to motivate and guide subordinates to achieve organizational goals.

Table 4.14. Balance of power and authority

Response	Frequency	Percentages (%)
Strongly Agree	5	20.8
Agree	5	20.8
Neutral	12	50.0
Disagree	2	8.3
Strongly disagree	0	0.0
Total	24	100

The information shown in Table 4.14 is questionable because it shows a neutral response to the balance of power and authority of IA practitioners in the selected NRC.

It is obvious from Table 4.14 that there is an unbalanced control between the power and authority of the audit committee and practitioners in the NRC, accounting for 50.0% of the respondents. (20.8%) of the respondents agreed and strongly agreed that there is a balance between the power and authority of the NRC's audit committee and practitioners. Only (8.3%) of the interviewees disagreed with this view, and they disagreed that there is a balance between the power and authority of the Namibia Regional Councils' Audit Committee and practitioners.

This seems to suggest that there is no balance of power and authority on the audit committee and practitioners. There is therefore a need for the balance of power and authority between the audit committee and the internal audit practitioners in the NRCs. This is a thoughtful faintness in NRCs which, results into unfettered powers that eventually lead to poor decision making. According to Lexicon (2012), the audit committee must be independent of the board of directors and ensure that the auditor committee is independent of management, which is not implemented in the NRCs.

Table 4.15: Management of Regional Councils

Response	Frequency	Percentages (%)
Strongly Agree	9	37.5
Agree	4	16.7
Neutral	9	37.5
Disagree	0	0.0
Strongly disagree	2	8.3
Total	24	100

It is not clear whether Regional Councils are well managed and respond to social issues, placing an increased priority on ethical standards in internal audit in Namibia. Table 4.15 reflects that (37.5%) of the interviewees strongly agreed that the RCs are well managed and able to respond to social issues, thus prioritizing ethical standards in internal auditing. (16.7%) of the interviewees expressed their support for this premise. They agreed that the RCs are well managed and able to respond to social issues, thereby prioritizing ethical standards in internal auditing. Another (37.5%) of the respondents remained neutral because they did not comment on this issue. The remaining (8.3%) of the interviewees strongly disagreed that the RCs are well managed and able to respond to social issues, thus prioritizing ethical standards in internal auditing.

This seems to indicate that the NRCs' coordination is poorly managed and fail to respond to social issues, thereby lowering the priority of ethical standards in internal audit. This is a serious challenge to the RCs' management. The literature reviewed showed that the management of RCs internal auditors plays an important role in providing guidance to the organization.

Table 4.16. Conflict resolution between Region Councils and line ministry

Response	Frequency	Percentages (%)
Strongly Agree	8	33.3
Agree	10	41.7
Neutral	4	16.7
Disagree	0	0.0
Strongly disagree	2	8.3
Total	24	100

The majority of respondents (41.7%) admitted that the RCs and the Line Ministry are capable of solving the problems raised in internal audit. This fact is supported by (33.3%) of the respondents who strongly agreed that RCs and the Line Ministry are able to resolve issues raised in the internal audit. However, (16.7%) of the respondents never commented on this issue, they are supported by (8.3%) of respondents who strongly disagreed. This implies that Regional Councils and the Line Ministry are able to resolve issues raised in the internal audit. This fact may also indicate that the decisions of the NRCs and the Line Ministry support each other and help avoid conflicts of interest. This finding concurs with Hegazy, Chong and Hegazy (2014) who found that the audit committee members and stakeholders dedicated their time and attention while discharging their duties and did not accept responsibilities that resulted in conflict of interest.

Table 4.17: Presence of audit and risk committee

Response	Frequency	Percentages (%)
Strongly Agree	2	8.3
Agree	4	16.7
Neutral	0	0.0
Disagree	9	37.5
Strongly disagree	9	37.5
Total	24	100

Table 4.17 clearly shows that the Namibia Regional Councils do not have an audit and risk committees. This is evidenced by (37.5%) respondents who strongly

disagreed that Namibia Regional Councils have an audit and risk committees. This premise was supported by another (37.5%) of respondents who disagreed that Regional Councils have an audit and risk committees. However, (16.7%) of the respondents agreed that the Namibia Regional Councils have an audit and risk committee, they were also supported by (8.3%) respondents who strongly agreed that the Regional Councils in Namibia have an audit and risk committee. This is a serious challenge in NRCs in oversight provision of the financial reporting process, the audit process, the system of the internal controls and compliance with laws and regulations since it has no audit and risk committees in place. A risk committee is responsible for risk management policies of the corporation's operations and oversight of the operation of the corporation's risk management framework.

Table 4.18. Effective Internal Audit functions

Response	Frequency	Percentages (%)
Strongly Agree	9	37.5
Agree	6	25.0
Neutral	0	0.0
Disagree	3	12.5
Strongly disagree	6	25.0
Total	24	100

The results reflected in table 4.18 show that the majority of respondents (37.5%) strongly agreed that in NRCs, effective internal audit function play a significant role in ensuring that Regional Councils execute their duties and responsibilities within the framework of good Corporate Governance. This position is supported by (25.0%) respondents who agreed on effective control systems in NRCs. However, other respondents (25.0%) strongly disagreed that an effective internal audit function plays an important role in ensuring that the NRCs perform their duties within a good corporate governance framework.

Only 12.5% of the respondents support this, and they disagreed that an effective internal audit function plays an important role in ensuring that the NRCs perform their duties within a good corporate governance framework. This shows that the

Corporate Governance in NRCs is active since the whole governance process is arbitrate. Effective internal audit functions in RCs are a fundamental in executing their duties.

Table 4.19: Comply with relevant laws

Response	Frequency	Percentages (%)
Strongly Agree	7	29.2
Agree	10	41.7
Neutral	5	20.8
Disagree	0	0.0
Strongly disagree	2	8.3
Total	24	100

However, much Corporate Governance in not law, table 4.19 shows that (41.7%) of respondents agreed that NRCs comply with all relevant rules, laws, and regulations and best internal audit codes of practices. This was reinforced with (29.3%) of the respondents who strongly agreed that Regional Councils comply with all relevant rules, laws, and regulations and best internal audit codes of practices. The respondents of 20.8% were not able to make a comment on this premise. However, 8.3% of the respondents disagreed and believed that the Namibia Regional Councils did not comply with all relevant rules, laws and regulations and best internal audit practices, NRCs' act responsibly. It also implies that RCs obey to all legal and regulations in regards to how it is managed including the audit practitioners and how stakeholders are treated as well as customers.

Table 4.20: Sufficient number of staffs

Response	Frequency	Percentages (%)
Strongly Agree	2	8.3
Agree	7	29.2
Neutral	7	29.2
Disagree	4	16.7
Strongly disagree	2	8.3
Unanswered	2	8.3
Total	24	100

It is doubtful on whether Namibia Regional Council staff of internal auditing comprises a sufficient number of people with the appropriate mix of credibility, skills, experience and demographic diversity to lead and direct the organization and retain full and effective control over its objectives. Table 4.20 depicts that 29.2% of respondents agreed that the Regional Council staffs of internal auditing comprises a sufficient number of individuals with the appropriate mix of credibility, skills, experience and demographic diversity to lead and direct the organization and retain full and effective control over its objectives. This evidence was supported by (8.3%) who strongly agreed. Another (29.2%) of respondents were neutral since they never wanted to comment on this issue. The remaining (16.7%) disagreed and (8.3%) strongly disagreed that the Namibia Regional Council staff of the internal auditing comprise a sufficient number of people with the appropriate mix of credibility, skills, experience and demographic diversity to lead and direct the organization and retain full and effective control over its objectives. The respondents of 8.3% did not answer the set question. This seem to suggest that the Namibia Regional Councils' staff of internal auditing comprise of insufficient number of individuals. This has a challenge in timely auditing practices and reporting.

Table 4.21: Effective internal control systems.

Response	Frequency	Percentages (%)
Strongly Agree	9	37.5
Agree	9	37.5
Neutral	2	8.3
Disagree	2	8.3
Strongly disagree	2	8.3
Total	24	100

Results in table 4.21 show that (75%) of the respondents agreed that there are effective internal control systems are in place in the Regional Councils, (37.5%) strongly agreed and another 37.5% agreed while the remaining were each represented by (8.3%). According to the survey results, it means that Namibia's RCs have tools and methods that can be used to track the pace of achieving their

goals, which may ultimately improve their performance. NRC management needs to evaluate the accuracy of the information it receives, which is one of the most control tasks they face. According to Landers (2018), the management of any organization needs to develop a control system tailored to its organizational goals and objectives. Therefore, for RCs in Namibia need to have good Corporate Governance, they need to have the shared characteristics of effective control systems not only limited to focusing on critical areas, accuracy, comprehensibility, economic feasibility, information availability and integration into process established among others, but on true corporate governance.

Table 4.22: Performance assessment of internal auditors

Response	Frequency	Percentages (%)
Strongly Agree	9	37.5
Agree	0	0.0
Neutral	4	16.7
Agree	9	37.5
Strongly agree	2	8.3
Total	24	100

As shown in Table 4.22, the survey results show that (37.5%) of the respondents strongly agree to conduct regular performance evaluations and have internal auditors and audit committee members in the NRC. Another (37.5%) disagreed that there is a regular performance assessment and effectiveness of individual the internal auditor, and audit committee members are in place in NRCs. 16.7% of respondents expressed doubts, but did commented on this issue. Indeed, (8.3%) of the respondents strongly disagreed with the effectiveness of supporting regular performance evaluations and having internal auditors and review committee members in the NRCs. NRCs face a big challenge, that is, it is unable to conduct regular performance evaluations based on the results shown in Table 22. This hampers in overseeing the external audit function. According to Kandandu (2016), an irregular performance assessment of the internal auditors alters the role of the appropriateness of the audit committee in determining whether the internal audit functions in NRCs help in making decisions on the annual financial statements.

Table 4.23: Procedures in place

Response	Frequency	Percentages (%)
Strongly Agree	6	25.0
Agree	12	50.0
Neutral	2	8.3
Disagree	0	0.0
Strongly disagree	4	16.7
Total	24	100

The results show that (50.0%) of the respondents agreed that procedures are followed in the preparation of financial reports to the stakeholders in the Namibia Regional Councils by the internal auditors. There are good company policies that protect the RCs' position in the market and enhances excellent reputation and growth. This was supported by (25.0%) of respondents who strongly agreed. The rest (16.7%) strongly disagreed and believed that the procedures were not followed when preparing to submit financial reports to the stakeholders of the NRCs. This was supported by only (8.3%) of the respondents who remained neutral on the issue. This implies that even if there are procedures followed in the preparation of financial reports to the stakeholders, more needs to be done to protect NRCs assets and reputation. It is necessary to periodically review processes and procedures to ensure the effectiveness of corporate governance so as to maintain a high level of decision-making ability and the accuracy of reports and financial reports.

Table 4.24: Documentation of internal control

Response	Frequency	Percentages (%)
Strongly Agree	7	29.2
Agree	7	29.2
Neutral	8	33.3
Disagree	0	0.0
Strongly disagree	0	0.0
Unanswered	2	8.3
Total	24	100

It is not clear whether the NRC's internal control documents are sufficient. Among respondents, 33.3% of the interviewees affirmed this, and they are neutral on whether the internal control documents are sufficient in the NRC. Only (8.3%) of the respondents who did not answer the question supported this belief. This premise was strengthened by another (29.2%) who agreed that documents for internal control are sufficient in NRCs. This finding is consistent with Ihuhua (2011), who pointed out that currently in Namibia, the only documents for management audit committees and internal audit practitioners are in the private sector and State-Owned Entities. So far, only the PAC's recommendations have regulated the audit committees of government agencies (Ihuhua, 2011).

4.3 Conclusion

This chapter presented data analysis and subsequent interpretations to effectively address the research questions. Before analyzing the data and presenting the results, issues related to the validity and reliability of the data were discussed. Data manipulation procedures, screening, validation and conversions using statistical analysis such as descriptive statistics, test for reliability (Cronbach's alpha). The results of this research were carried out in stages, first with qualitative data, then quantitative data, and were related to problem statements, literature reviews and goals. The next chapter summarizes the research, conclusions and recommendations based on the research results.

CHAPTER FIVE (5)

CONCLUSION, IMPLICATIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The hindmost chapter of this research focuses on providing a concluding overview, conclusions, impacts, and recommendations for this research. Primarily, the chapter's aim is five-fold. Firstly, it seeks to present the overview report of the study, collectively making up the dissertation. Secondly, it endeavours to dispense the implications of the main findings contained in this study. The third objective of this chapter is to report the contributions that these findings and conclusions of this research bring hope to practitioners, academicians, policy makers and knowledge systems in the field of internal audit and governance. The fourth basic goal of this chapter is to report research limitations and provide guidance for future research to replace the limitations described in the previous chapters (i.e., Chapters 1 and 3). The last and equally important aim of this chapter is to provide the recommendations of this entire study.

5.2 Overview of the study

This study aimed to evaluating the compliance of corporate governance principles by internal audit practitioners in the Namibia Regional Council. The study specifically determined elements of internal auditing practices that impact on Corporate Governance and performance of Regional Councils, evaluated internal auditing practices within Regional Councils, identified the extent of applying quality assurance program standard of internal auditing, found out the capacities of internal audit divisions in Regional Councils, examined the challenges facing the internal audit compliance at Regional Councils that cause the ineffectiveness of the internal audit compliance and finally identified ways in which internal audit compliance challenges at Regional Councils can be made effective. The following are the key research objectives which guided this study:

- To determine how effectively internal audit practitioners in Namibia Regional Councils follow Corporate Governance principles.

- To establish if Regional Council internal audit practitioners' practices comply with principles of Corporate Governance.
- To establish the extent of quality assurance programme standard of internal auditing is applied in Regional Councils.
- To establish if there are adaptable regulatory provisions in Namibia Regional Councils to control compliance by Internal audit practitioners?
- To assess the regulatory provisions that are in place to guide internal audit compliance in the Namibian Regional Councils
- To establish hindrances to implementation of internal auditing in Namibia Regional Councils.

In the literature search and empirical research, it is obvious that internal audit practice can improve the quality and importance of the management system, thereby improving the efficiency and efficiency of the organization. The evaluation of internal audit is self-motivating, especially in terms of increasing attention to the contribution of corporate governance. Generally, the importance of the internal audit is viewed in improved performance due to a rise in institutional asset control, verification of business processes to reflect documented policies and procedures (Morris, 2017) and a key pillar of good governance (Kreston, 2020). Internal auditing in Namibia is a typical of Corporate Governance under the audit committees. These committees are forced to issue legislative instructions based on the King III Report, which may lead to increased supervision and guidance on improving corporate governance and strengthening investors' assurance of financial reporting (Kanduku, 2016). This study used a descriptive research design with a mixed method of data collection. The questionnaire was for eight selected Regional Councils in Namibia. A total of 24 respondents filled out the questionnaire, which included closed ended questions developed by researcher. Interviews were conducted on six (6) participants who were from the Ministry of Urban Rural and Development, Namibia which, is the Line Ministry in this study to data saturation and included Accountant Chief Regional Officer, Chief Internal Auditor and Internal Auditor.

The purpose of Chapter 4 was to introduce, analyze and explain the data collected from the questionnaire survey completed by twenty-four (24) respondents and six (6) participants who participated in the research and provided comments and explanations on the research results. At the outset, chapter four provided an explanation and description of the methods employed in the categorization of the responses and the analysis of the data. When calculating data, the information was expressed as a percentage, which is called relative frequency distribution. This was done to clarify how the data was presented, because it indicated the proportion of the total number of cases observed for a particular problem. The findings from the frequency distributions were analyzed, interpreted and presented. Content analysis was used to present qualitative results. The discussion of raised the questions was conducted at the same time as the data was analyzed, and was related to the literature, background, and problem statement. The questions that the study was trying to answer were answered. On this basis, some major findings and recommendations are now provided.

5.2.1 Main findings and conclusion

The main findings indicate that internal audit practitioners in the Namibia Regional Council abide by corporate governance principles on average. The average corporate governance principles in NRC is evidenced by good leadership in Internal Audit practitioners (table 4.7), commitment of corporate discipline (table 4.8), independence of internal audit practitioners (table 4.10), corporate insurance timely and accurate disclosure of financial performance (table 12), effective internal audit functions (table 4.18), complying with relevant laws (table 19), effective internal control systems (table 4.21) and having procedures in place (table 4.23). However, there are proper procedures that may not be followed, on the other hand, findings showed that there is poor decision-making process (table 4.9), internal auditors do not have any authority or power related to activities that they are auditing (table 4.1), ineffective communication (table 4.13), limited balance of power and authority (table 4.14), poor management of Regional Councils (table 4.15), absences of audit and risk committee (table 4.17), insufficient number of staffs (table 4.20) and poor performance assessment of internal auditors (table 4.22). This state of compliance by internal audit

practitioners in Namibia Regional Councils to corporate governance principles has adverse implications as an internal audit unit at RCs is very small compared to the amount of work involved, this may not result into corporate assurance timely disclosure and accurate disclosure of performances of financial positions.

Succinctly, Corporate Governance, leadership, independence in reporting and decision making, and limited access to information needed in order to perform audit functions efficiently and effectively, and the inefficiency of the Ministry in ensuring that the RCs effectively execute their assigned mandates have significant impact on compliance by internal audit practitioners in Namibia Regional Councils to corporate governance principles.

Overall, the results showed that Namibia Regional Councils need to put in action the implemented RCs Act, 1992 and they should not neglect possession of certain elements or proper alignment of the preparation and submission of development plans, RCs' budget approvals and preparation and submission of accounting records as well as financial statements for auditing and accountability purpose that all have their unique contribution to the overall performance.

It is reasonable to conclude that most RCs in Namibia do not clearly abide by the corporate governance principles of internal audit practitioners and therefore cannot be effectively implemented.

Contemporaneous literature suggested that the compliance by internal audit practitioners to corporate governance principles of any organization can be dependent on its architectural arrangement or capability such as good corporate governance, good leadership, good performance assessment of internal auditors, sufficient staff and of audit and risk competence and committal, and sound business strategies.

Whereas, a bit of evidence of possession of such principles of compliance by internal audit practitioners in Namibia Regional Councils to Corporate Governance principles is seen, there are serious mismatches in terms of architectural arrangement of these important institutional capabilities in the support of performance efforts. It is evident from this study that most Regional Councils in

Namibia do not have fit-for-purpose organizational structures, do not have any authority or power related to activities, which they are auditing and poor management in responding to social issues, placing an increased priority on ethical standards in internal audit practices.

5.3 Recommendations

This study investigated the compliance of corporate governance principles by internal audit practitioners in the Namibia Regional Councils. In order to optimize the compliance of the internal audit practitioners of the Namibia Regional Councils on corporate governance principles, the study puts forward the following main recommendations.

- **Set up an independent** internal audit function or **compliance unit** in RCs. It appears fair to assume that for the foreseeable future of the internal auditors in Namibia Regional Councils, will maintain their subservient role to the Institute of Internal Audit. Those internal audit departments that are functioning well will continue to reduce the number of unfavorable RCs audit reports from the Auditor-General. This is already a reality. With the help of amongst others, internal auditors and the state government's finance department, one RC set up its internal audit function and received a clean audit report from the Auditor-General the next financial year end. It must be noted, however, that in this particular case, the RCs audit head research interview that one of his tasks was to assist the internal audit in reducing repeatedly commented cases in the organization. In the light of decades of consistent criticism by the Auditor-General, the achievement of a clean external audit report should be reason enough for RCs to celebrate in the short term.

- **Management** in Namibian Regional Councils need to **exercise good leadership and integrity in judgement** when directing internal audit practitioners in complying to corporate governance principles.
- There is a need to **review the governance processes and procedures regularly** to ensure effectiveness in Corporate Governance so that decision making capacity and accuracy of the reporting and financial reporting are maintained at high level.

- There must be **timely disclosures of** audit reports (**information**), and mainly in finance. There is need to improve disclosures largely if the NRCs are to create values for its values. Poor disclosure of internal audit information breeds corruption and defeats accountability.
- Correctly preparing financial reports and **offering appropriate training** to employees.

However, the long-term tasks and goals of the audit function are beyond the current focus of performing basic financial management (especially keeping financial records, properly preparing financial reports, and providing appropriate training for employees), compliance of corporate governance principles by internal audit practitioners is important to attain their goals. As an officer from the MURD said, the future direction of internal auditors at the Regional Council should mean more authority and greater responsibility in helping their organizations to achieve their stated goals. Illustrating the misuse of internal audit resources, many internal auditors are required to receive and investigate complaints from members of the public. This is in conflict with their task of improving the work done by those within the organizations.

- **Transparency in appointment of CRO** and internal Audit practitioners should be done on merit.

The practice of political appointments, nepotism and favouritism should be condemned and stopped with, and where appropriate, punitive actions should be taken against the practices and financial practices of such acts, and where proven, such appointments should be reversed. This step will foster a good corporate governance culture and ensure the proper matching of organizational responsibilities and skills. Independence of the internal audit practitioners.

In order for internal auditor practitioners to successfully perform their work, they must be allowed to access, and review all data related to relevant local government activities. Thus, the transparency issue relating to the adequacy of accounting, auditing and disclosure standards will need to be addressed prior to the implementation of bond financing for the RCs. The government as key shareholder, should minimize interference in the operations of RCs.

A clear regulatory system should be established to distinguish between political guidance and intervention. The system should ensure a clear distinction and adequate delegation of authority from the board to management for effective day-to-day administration and management of RCs. The system should also ensure that clear and fair succession, development, and compensation plans are established to promote employee development, retain talent, and achieve maximum growth.

- **Implementation** of the proposed performance monitoring and evaluation system.

Government should prioritize the implementation of the proposed incentivized performance monitoring and evaluation system for all RCs (CRO, internal auditors and audit committee), as this will ensure accountability, encourage hard work and competitiveness among RCs while also rewarding.

5.4 Research implications

5.4.1 *Pragmatic implications to practice*

The lack of professional standards in Namibia has resulted in these organizations setting up their guidelines on how to engage with IAF. As a result of the paucity of research on IA in Namibia, this study will contribute to enhancing practitioner's understanding of the function and possibly, the establishment of a local chapter of the IIA to promote their activities and also sensitize the public and private sector organizations about their profession. Undoubtedly, this research is from the perspective of middle-income countries. In this perspective, technological and environmental factors are very different from those of developed economies. Therefore, it will provide information and deepen the IA industry globally and in this country.

5.4.2 *Implications to policy-makers*

This study has important implications for policy. While the state is attempting to transform the sector, the study reminds policy-makers that the intended goal of RCs reforms is the ultimate success of the public sector accountability. The study therefore, suggests policies directed towards the development of the RC

infrastructure, including the promotion of IAF to salvage public sector accountability and governance that has been badly mishandled.

5.4.3 Implications to research

The paucity of research in IA effectiveness is a concern expressed by the findings. Contributing to the scarce knowledge in IA effectiveness in RCs is therefore one of the recommendations of this thesis, which would challenge researchers in accounting and its related disciplines to extend their studies into IA. Accountability and transparency in the management of RCs in Namibia is a great performance challenge. Thus, a need to conduct a study on it. This is would help in determining governance elements that impact on accountability and transparency on performance of Namibia Regional Councils.

5.5 Research limitations

This study evaluated compliance by Internal Audit practitioners in Namibia Regional Councils to corporate governance principles. The study was limited to 8 Regional Councils of Harpdap, Omaheke, Otjozondjupa, Erongo, Kavango east, Zambezi, Oshikoto and Khomas Regional Councils as regions, and interviews were conducted with MURD.

Namibia has a total of 14 Regional councils. This research did not cover all the Regional Councils in Namibia but it only covered 8 of them. This was due to limited time and finance. The challenge faced in this study is that there is no enough literature on the internal audit practitioners in Namibia Regional Councils to corporate governance principles to form an academic inquiry and make good observations about the compliance by internal audit practitioners to corporate governance principles in Namibia. Due to the fact that the interviewees were staff members of the MURD who had direct impact on the internal auditing and corporate governance in Regional Councils of Namibia, they did not fully reveal what was happening on their RCs for ethical purposes. The results were backup with limited literature available in Namibia and compared with other writers outside Namibia. Correspondingly, conducting interviews with all respondents in the NRCs selected may have provided further insights. However, for practical reasons

(time and financial constraints), interviews were not a viable option for all categories of respondents.

The data collection period also coincided with the researcher's internal auditing practices. This put pressure on the researcher to communicate effectively with participants as she was very busy on the government works. Owing to this limitation, the researcher did not advocate for an unguided generalization of the study findings.

The public sector is noted to be a non-performing sector in the Namibian economy, and this could have been the reason for its failure to provide annual reports to the state; and as one participant put it "who will be willing to report failure?" Recently, the Minister of MPE was frustrated because he was unable to obtain the annual report from the RC in time and was unable to obtain information from the RC. Researchers attempting to solicit information from the RCs management for their research work also fall into this trap whereby they are often confronted with excuses from potential interview participants under the guise of sensitivity. Despite the assurance of confidentiality offered by the researcher in the survey instrument, it is still possible that the participants might have been unwilling to open up and provide information on some regions of IA and CG systems either deliberately or fear of repercussions

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APPENDICES

APPENDIX A

CONSENT LETTER FROM THE MINISTRY OF URBAN AND RURAL DEVELOPMENT (MURD)



Republic of Namibia

Ministry of Urban and Rural Development

Tel: (+264 61) 297-5111
Fax: (+264 61) 226049

Luther Street

Private Bag 13289
Windhoek, Namibia

Enquiries: Mr. E. Hailaula
Tel: (+264+61) 2975105
Fax: (+264+61) 258131

Our Ref:
Your Ref:

Date: 18 May 2019

The Directorate of Research
Ethic Committee
Faculty of Business and Management Sciences
Cape Peninsula University of Technology
P.O.Box 1906
Bellville 7535
South Africa

Dear Sirs,

SUBJECT: PERMISSION TO CONDUCT RESEARCH

Reference is made to your letter dated 20 November 2018 regarding the above-captioned subject matter.

The Ministry of Urban and Rural Development granted permission to Ms. Kavii P. Tjivau student number 218298692 to conduct a study at our institution in partial fulfillment of her Master's degree studies in Internal Auditing at the Cape Peninsula University of Technology on the research topic: *Investigation of compliance by internal audit practitioners in Namibia Regional Councils to Corporate Governance principles.*

Your sincerely,


NGHIDINUA DANIEL
EXECUTIVE DIRECTOR


All official correspondence must be addressed to the Executive Director

APPENDIX B

CONSENT LETTER FROM NAMIBIA REGIONAL COUNCILS



Otjozondjupa Regional Council



Republic of Namibia
P.O. Box 1682
Otjiwarongo
Namibia

Tel: (067) 303 702
Fax: (067) 302 760

Enquiries: G.U. Kake

14 May 2019

The Directorate of Research
Ethic Committee
Faculty of Business and Management Sciences
Cape Peninsula University of Technology
P.O.Box 1906
Bellville 7535
South Africa

Dear Sir;

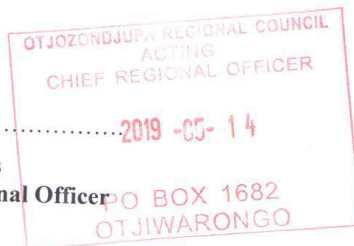
SUBJECT: PERMISSION TO CONDUCT RESEARCH

Subject is made to your reference letter dated **09 May 2019**.

The Otjozondjupa Regional Council hereby grant permission to Ms. Kavii P. Tjivau student number 218298692, to conduct a study at our institution in partial fulfilment of Master degree in Internal Auditing at the Cape Peninsula University of Technology. The research will be on: *Investigation of compliance by internal audit practitioners in Namibia Regional Councils to Corporate Governance principles.*

Yours sincerely

Ms. Wilma Guriras
Acting Chief Regional Officer



All official correspondence must be addressed to the chief Regional officer



KHOMAS REGIONAL COUNCIL

Our Ref: KRC 17/2
Tel: (061) 2924397
Fax (061) 220317
Enquiries: FKamati

Khomas Regional Council
P.O.Box 3379
WINDHOEK

13 May 2019

The Directorate of Research
Ethic Committee
Faculty of Business and Management Sciences
Cape Peninsula University of Technology
P.O.Box 1906
Bellville 7535
South Africa

Dear Sir;

SUBJECT: PERMISSION TO CONDUCT RESEARCH

Subject is made to your reference letter dated 13 May 2019, the Khomas Regional Council hereby grants permission to Ms. Kavii P. Tjivau student number 218298692 to conduct a study at our institution in partial fulfillment of Master degree in Internal Auditing at the Cape Peninsula University of Technology. The research will be on: *Investigation of compliance by internal audit practitioners in Namibia Regional Councils to Corporate Governance principles.*

Yours sincerely,

Clement Mafwila (Mr)

CHIEF REGIONAL OFFICER – KHOMAS REGION/WINDHOEK





OMAHEKE REGIONAL COUNCIL

Tel: 062-566500
Fax: 062-562432
e-mail: cadams@omahekerc.gov.na

P/Bag 2277
Gobabis
Namibia

Enquiries: C Adams

02 May 2019

The Directorate of Research
Ethic Committee
Faculty of Business and Management Sciences
Cape Peninsula University of Technology
P. O. Box 1906
Bellville 7535
South Africa

Dear Sir/Madam,

SUBJECT: APPLICATION TO CONDUCT RESEARCH

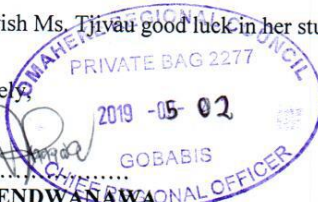
We hereby acknowledge receipt of letter dated 10 April 2019, on the above mentioned subject.

The Omaheke Regional Council hereby grants permission to Ms. Kavii P. Tjivau student number 218298692 to conduct a study at our institution in partial fulfilment of Master's degree in Internal Auditing at the Cape Peninsula University of Technology. The research will be on: *Investigation of compliance by Internal Audit Practitioners in Namibia Regional Councils to Corporate Governance principles.*

We further wish Ms. Tjivau good luck in her studies.

Yours Sincerely,

MARIA VAENDWANAWA
CHIEF REGIONAL OFFICER



Our Vision: To be Leading Regional Council in Unity, Effectiveness and Efficiency
All official correspondence must be addressed to the Chief Regional Council

APPENDIX C

INTRODUCTORY LETTER FROM 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
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The Faculty's Research Ethics Committee (FREC) on **28 April 2020**, ethics **Approval** was granted to **Kavii Tjivau (218298692)** for a research activity for **M Tech Internal Auditing** at Cape Peninsula University of Technology.

Title of dissertation/thesis/project:	<p align="center">INTERNAL AUDITING PRACTITIONERS' PERSPECTIVE TOWARDS CORPORATE GOVERNANCE COMPLIANCE AT NAMIBIAN REGIONAL COUNCILS</p> <p align="center">Lead Supervisor (s): Prof J Dubihlela</p>
---------------------------------------	---

Comments:

Decision: Approved

 <hr/> Signed: Chairperson: Research Ethics Committee	<p align="center">5 May 2020</p> <hr/> Date
---	---

APPENDIX B: INFORMED CONSENT



INFORMED CONSENT

TITLE: Investigation of compliance by internal audit practitioners in Namibia Regional Councils to corporate governance principles.

Researcher: Tjivau Kavii Priesca (218298692)

Dear participant

I am Tjivau Kavii Priesca registered with Postgraduate at Cape Peninsula University of Technology doing a Degree of MTech: Internal Audit. I wish to conduct a research project as captioned. The study will be conducted under the supervision and guidance of Prof. Jobo Dubihlela

The purpose of the study was to investigate compliance by internal audit practitioners in Namibia Regional Councils to corporate governance principles. To achieve this, the following objectives were set:

- To determine elements of internal auditing practices that impact on corporate governance and performance of regional councils.
- To evaluate internal auditing practices within regional councils.
- To identify the extent of applying quality assurance program standard of internal auditing
- To find out the capacities of internal audit divisions in Regional Councils.
- To examine the challenges facing the internal audit compliance at Regional Councils that cause the ineffectiveness of the internal audit compliance.
- To identify ways in which internal audit compliance challenges at Regional Councils can be made effective.

PROCEDURES

If you volunteer to participate in this study, I would ask you to do the following things:

Sign this form as an indication that you consent to take part in the study. Do not give your information regarding your personal identification. This interview will be recorded in order to make it easier to analyse.

The interview session will take 10 – 15 minutes.

POTENTIAL RISKS AND DISCOMFORTS

The researcher has not established any potential risk or discomfort that could lead to the withdrawal of the participant.

POTENTIAL BENEFITS TO SUBJECTS AND/OR TO SOCIETY

The research study will provide an insight on compliance by internal audit practitioners in Namibia Regional Councils to corporate governance principles. The study will benefit the society because it will try to knowledge the gab of internal audit profession in Namibia, as there is no research has been done to study the extent of applying the IA standards in different areas of public sector specifically in Regional Council such as and Ministry of Urban Rural and development. The research will also be of benefit to future researchers who are interested in the similar topic to build their research studies on.

PAYMENT FOR PARTICIPATION

The participants will not receive any payment for their participation.

CONFIDENTIALITY

Any information that is obtained in connection with this study and that can be identified with you will remain confidential and will be disclosed only with your permission or as required by law. Confidentiality will be maintained by means of ensuring that the participants withhold their names and any other information that could lead to their identification. The researcher will be stored the data a computer protected with personal password and it will be kept in a safe at the researcher's house and no one, other than the researcher will have access to it. Three years after this study, the researcher will erase all the data from the computer.

The results will be made available to Cape Peninsula University of Technology and to the study leader because the information is needed to prove that the study has been conducted.

PARTICIPATION AND WITHDRAWAL

You can choose whether to be in this study or not. If you volunteer to be in this study, you may withdraw at any time without consequences of any kind. You may also refuse to answer any questions you don't want to answer and still remain in the study. The investigator may withdraw you from this research if circumstances arise which warrant doing so.

RIGHTS OF RESEARCH SUBJECTS

You may withdraw your consent at any time and discontinue participation without penalty. You are not waiving any legal claims, rights or remedies because of your participation in this research study.

Should you agree to participate, please sign your consent with full knowledge of the nature and purpose of the study.

I	
Agree to participate in this research project on my own will.	
Signed at	
.....
Participant signature	Date

APPENDIX C: RESPONDENTS QUESTIONNAIRES

Instructions: Please tick in column boxes provided for your right choice(s)

Write in the spaces provided where possible

SECTION A: BIO DATA

1) Genders

Male

Female

2) How old are you?

a) 18 - 30 years

b) 31 - 40 years

c) 41 - 50years

d) Above 50 years

3). Marital status

a. Single

b. Married

c. Divorced/separated

d. Widower/widow

4). Education qualification

a. Diploma

b. First Degree

c. Postgraduate degree

5). Job category/title

6). Regional council

Harpdap

Omaheke

Otjozondjupa

Erongo

Khomas

Kavango east

Zambezi

Oshikoto

6). Period of employment / how long have been working?

- a. Less than 2 years
- b. Between 3-6 years
- c. 7-10 years
- d. 11 and above years

7). Do you have audit committee?

Yes No

8). Audit practitioners available in your regional council

- a. Less than 3 years
- b. Between 4-7 years
- c. 8-10 years
- d. 11 and above years

SECTION B: GENERAL INFORMATION

Plases, express your view by a tic (√) or crossing the appropriated parenthesis of box provided below where necessary. Where applicable fill in the spaces provided for your responses.

8. In region councils, there is good leadership that acts in the interest of the institutions

Strongly disagree Disagree Neutral Strongly Agree
 Agree

9. Corporate discipline is the commitment by region council's senior management, to adhere to behavior that they recognized as correct and proper.

Strongly disagree Disagree Neutral Strongly Agree
 Agree

10. The internal audit committee brings value to the decision-making process
- Strongly disagree Disagree Neutral Strongly Agree
 Agree
11. There are mechanisms put in place to ensure that regional councils can independently act objectively
- Strongly disagree Disagree Neutral Strongly Agree
 Agree
12. Internal auditors do not have any authority or power related to activities which they are auditing
- Strongly disagree Disagree Neutral Strongly Agree
 Agree
13. There is cooperate assurance of timely disclosure and accurate disclosures of performance financial position
- Strongly disagree Disagree Neutral Strongly Agree
 Agree
13. There is effective communication between the internal auditor's director, the line ministry and stakeholders
- Strongly disagree Disagree Neutral
 Strongly Agree Agree
14. There is balance of power and authority on the audit committee and practitioners
- Strongly disagree Disagree Neutral Strongly Agree
 Agree
15. Regional councils are well managed and respondent to social issues, placing an increased priority on ethical standards in internal audit
- Strongly disagree Disagree Neutral Strongly Agree
 Agree

16. Region councils and line ministry are able to resolve issues raised in the internal audit
- Strongly disagree Disagree Neutral Strongly Agree
Agree
17. Regional council have audit and risk committee
- Strongly disagree Disagree Neutral Strongly Agree
Agree
18. An effective internal audit function plays a significant role in ensuring that regional councils execute their duties and responsibilities within the framework of good corporate governance
- Strongly disagree Disagree Neutral Strongly Agree
Agree
19. Regional councils comply to all relevant rules, laws and regulations and best internal audit codes of practices
- Strongly disagree Disagree Neutral Strongly Agree
Agree
20. The regional Council board of internal auditing comprises a sufficient number of individuals with the appropriate mix of credibility, skills, experience and demographic diversity to lead and direct the organisation and retain full and effective control over its objectives.
- Strongly disagree Disagree Neutral Strongly Agree
Agree
21. Effective internal control systems are in place in regional councils
- Strongly disagree Disagree Neutral Strongly Agree
Agree

22. Regular performance assessment and effective of individual internal auditor, audit committee members and accountants are in place

Strongly disagree Disagree Neutral Strongly Agree
Agree

23. Procedures are followed in the preparation of financial report to the stakeholders

Strongly disagree Disagree Neutral Strongly Agree
Agree

24. Documents for internal control are sufficient

Strongly disagree Disagree Neutral Strongly Agree
Agree

25. General recommendation

Feel free to add any relevant information in respect of this study.

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END

THANK YOU VERY MUCH FOR BEING PART OF THIS STUDY.

APPENDIX D: INTERVIEW GUIDE FOR THE MINISTRY OF URBAN RURAL AND DEVELOPMENT

TITLE: Investigation of compliance by internal audit practitioners in Namibia Regional Councils to corporate governance principles. (Harpdap, Omaheke, Otjozondjupa, Erongo, and Khomas Regional Councils)

1. Now I would like to know more about the issues of internal audit practitioners in Namibia Regional Councils to Corporate Governance principles. Can you please tell me more about, for example, decision making processes, interferences if any, and so forth?

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.....

2. Can you please tell me your opinion on the structure, size and composition of the internal auditor in regional councils? Do you think it possesses the right mix of capabilities, experiences, and skills to serve Regional Councils and its shareholders effectively?

.....
.....
.....
.....
.....

.....3. Do you believe that independent internal audit and its committee of in Regional Councils are truly independent from the chief auditor of the board or controlling shareholders?

.....
.....
.....
.....

4. Do you think that internal audit practitioners in regional councils are active and make much contributing to the running of the government councils and are actively appraising the adequacy in both administration and accounting that are applied in all the activities of the councils?

.....
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.....
.....

5. Whom do you think has the strongest voice in the selection and dismissal of independent chief auditors and the audit committee, and removing a poorly performing audit practitioner?

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.....
.....

6. How good do you think is the access to information for independent internal auditors?

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.....
.....

7. Does the line ministry spend an appropriate amount of time discussing and determining the long-term future/strategy of the regional councils?

.....
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.....
.....

8. Do you think the internal auditor in regional councils clearly communicate the strategic goals and directions of the of the regional councils to the line ministry?

.....
.....
.....
.....

.....9. Do you think the line ministry members spend sufficient time learning about the regional councils' business and understand it well enough to provide critical oversight?

.....
.....
.....
.....
.....

10. Do you think the line ministry (Ministry of Urban Rural and Development) continuously examine internal auditing success/progress in achieving the regional councils' strategic goals using the agreed performance measurements?

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.....
.....

11. Does the line ministry monitor the regional councils' performance with its comparative data?

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.....

12. If you have any other comments or information concerning corporate governance processes in regional councils, please feel free to share with me at this moment.

.....
.....
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.....
.....

THANK YOU VERY MUCH FOR SHARING WITH ME



APPENDIX E. INTERVIEW QUESTIONS FOR INTERNAL AUDITORS

Introduction

My name is **Kavii Tjivau**, currently doing a Masters in Internal Auditing with CPUT. I am conducting a study entitled, **'Investigating internal audit practitioners' compliance to corporate governance principles within Namibian Regional Councils'**. It will be appreciated if you can find time to respond to these questions. Your responses to the questions will be kept private and confidential.

Instructions.

The interview will begin once the interviewer has taken the interviewee through the consent form and the form signed by the interviewee.

SECTION A. BIOGRAPHY

Please cross the applicable boxes:

1. How old are you this year? Please use table below to indicate your age range

18 – 25 years	26-30 years	31 – 40 years	41- above
---------------	-------------	---------------	-----------

2.What is your gender?

Female	Male
--------	------

3.What department are you employed in?

Human Resources	Finance	Auditing	Other
-----------------	---------	----------	-------

If other, please specify

4.What is your position in the organisation?

Accountant.	Chief Regional Officer.	Chief Internal Auditor	Internal Auditor	Other
-------------	-------------------------	------------------------	------------------	-------

If other, please state in space below

5.What are the organisational functions are you involved in? Indicate below.

Strategy formulation	Auditing	Hiring	Other – please explain
----------------------	----------	--------	------------------------

6.How long have you been in your current position? [including other places]

0 - 5 years	6 – 10 years	11 – 15 years	16 – more years
-------------	--------------	---------------	-----------------

7.Have you been through any training and development in your field of work?

No	Sometimes	Fairly regularly	Always
----	-----------	------------------	--------

8.Have you ever been promoted in the Internal Audit department?

No, I haven't	No, just extra duties	Yes, once	Yes twice or more
---------------	-----------------------	-----------	-------------------

9.What is your highest educational qualification?

National Diploma	Higher National Diploma	Degree	Masters	PhD
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If other, please specify-----

10.How many people report to you in your position?

0 – 5,	6 – 10,	11 – 15	16 – 20	21 – 30 +	None
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SECTION B: GENERAL QUESTIONS.

1. How does IAF contribute to improving Regional Council's performance and what are their roles in Regional Council's?
2. How often does top management interact with IAF in your Regional Council's?
3. Why does management interfere with IAF operation?
4. How do you observe IAF independency in your Regional Council's?
5. How does staff composition affect the scope of work of IAF units within the Regional Council's?
6. What is the reporting mechanism of Internal audit practitioners in Regional Councils?
7. How do you observe the relationship between external audit and internal audit in respect of management support to the IAF?
8. How does the External Auditor evaluate IA scope of work?
9. How does the Audit Committee interact with IAF in your organisation as Regional Council?
10. What elements of internal auditing practices impact on corporate governance and performance of Regional Councils?
11. How does organisation risk exposure affect IAF particularly focusing on the financial performance?
12. What factors hinder the performance of IAF at Regional Councils level?



Kuma English Language Editors

06/08/2020

CONFIRMATION OF PROOFREADING AND EDITING

This letter confirms that I have completed the editing and proofreading of English. The author of this course is Ms. TJIVAU Kavii Priesca, a student of Cape Peninsula University of Technology. The master's degree is

“INTERNAL AUDIT PRACTITIONERS’ PERSPECTIVES ON CORPORATE GOVERNANCE COMPLIANCE AT NAMIBIAN REGIONAL COUNCILS.”

The editing and proofreading included the following

- Language correctness (tense, pronoun, punctuations, pronoun matches, number word usage and syntax)
- Correction of typographical spelling errors.

It excluded the following

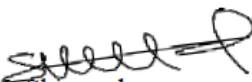
- Content, calculations and conclusions
- Numerical data and text content of tables and figures,
- Formatting of table of contents and checking of reference list.

In all instances, inconsistencies were pointed out for your attention and correction.

Condition: It remains the responsibility of the student to track changes made after editing and proofreading. Editing and proofreading used track changes in Ms. Office Word for acceptance or rejection by the client. Ms. Office Word provided the final version (with and without track changes) on June 8, 2020.

The ultimate responsibility for correctness lies with students/researcher.

Yours faithfully,


K.M. Shimanda

Director.

Full members: Kuma English Language Editors.

Office of the Chairperson
Research Ethics Committee

Faculty: **BUSINESS AND MANAGEMENT SCIENCES**

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

The Faculty's Research Ethics Committee (FREC) on **28 April 2020**, ethics **Approval** was granted to **Kavii Tjivau (218298692)** for a research activity for **M Tech Internal Auditing** at Cape Peninsula University of Technology.

**Title of
dissertation/thesis/project:**

**INTERNAL AUDITING PRACTITIONERS'
PERSPECTIVE TOWARDS CORPORATE
GOVERNANCE COMPLIANCE AT NAMIBIAN
REGIONAL COUNCILS**

Lead Supervisor (s): Prof J Dubihlela

Comments:

Decision: Approved


**Signed: Chairperson: Research Ethics
Committee**

**5 May
2020**

Date

Kavii P. Tjivau

ORIGINALITY REPORT

8%	1%	1%	8%
	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS
SIMILARITY INDEX			

PRIMARY SOURCES

1	Submitted to University of Pretoria Student Paper	1%
2	Submitted to Institute of Graduate Studies, UiTM Student Paper	1%
3	Submitted to Laureate Higher Education Group Student Paper	1%
4	Submitted to Unicaf University Student Paper	
5	Submitted to Mancosa Student Paper	1%
6	Submitted to University of KwaZulu-Natal Student Paper	1%
7	icrhb.org Internet Source	<1%
8	Submitted to North West University Student Paper	<1%
9	Submitted to KCA University Student Paper	
