

Internal Audit And Its Impact On Service Delivery Of An Organization. A Case Study Of- Kcca

Naluga Sophia¹, Kalikola Jacob²

1, 2 Metropolitan International University

Abstract

The major aim of the study was to examine the extent to which internal audit has an impact on service delivery in Kampala Capital City Authority-Kampala District. Others information highlighted included the components of internal audit, factors affecting service delivery and determining how internal audit affects service delivery. The Objectives that facilitated the study were as follows; To find out the contribution of internal auditing towards the growth of Kampala Capital City Authority- Kampala Area; To examine the factors affecting service delivery in Kampala Capital City Authority- Kampala Area; To analyze the relationship between internal audit and service delivery of Kampala Capital City Authority- Kampala Area. A quantitative cross-sectional survey design was used to collect data from population of study were 127 respondents which included top management, middle management and lower management. Stratified random sampling techniques were used in selecting the sample. Questionnaire was the main instrument of data collection and the Statistical Package for Social Sciences (SPSS) was used for analysis

The results from the study revealed that there is a significant positive relationship between internal audit and service delivery statistics. The findings further indicated that there was a very strong positive relationship between internal audit and service delivery at $r = 0.715$ and at level of significance 0.05, this implied that the good internal audit practices improve on service delivery in the society. The findings of the research shows that the components of internal audit like risk management, review of accounting documents, integrity and ethics positively affected service delivery by increasing reliability, safety standards and conformance in the way work of connecting customers to water and sewerage services on time after application, repairing busts and leakages on time, making massive water extension to the rural areas to serve the community at large thus increasing the efficiency and effectiveness of service delivery.

Keywords: Internal, Audit, Service and Delivery

Background of the study

Service delivery is a long-term function and main objective of all government parastatals in Uganda (F. Christopher et al., 2022). Internal audit is often viewed as an overall monitoring activity with management's responsibility for evaluating the effectiveness of control procedures for which other functional managers are responsible (Faridah et al., 2023). The definition of service delivery by (Ntirandekura et al., 2022) noted that when it comes to the Local Government Act, the Constitution and any other laws that are studied; there is no definition of the phrase (provision of services), either intentionally or out of ignorance. However, he said. (Ivan et al., 2023b) A service is a system or arrangement that provides for public needs, while a supply is the periodic performance of a service. The provision of services is therefore a system or arrangement for the periodic fulfillment of public needs. (T. Christopher, 2022) in his study defines service delivery as a deliberate mandatory decision by elected or appointed officials to serve or deliver goods and services to beneficiaries. Heskett (2011) defines service delivery as an attitudinal or dispositional sense with reference to the internationalization of values and norms as well as services.

Kampala Capital City Authority (KCCA) is a public benefit corporation wholly owned by the Government of Uganda. The company was established in 1972 under Decree No: 34. At the time of its establishment in 1972, the company was operating in three (3) major cities Kampala, Jinja and Entebbe. These laws were revised in 1995 by the KCCA statute and later the statute was incorporated into the laws of Uganda as CAP 317 (Laws of Uganda 2000). The primary objective was to revise the objectives, powers and structure of KCCA to enable the corporation to operate and provide water and sanitation services in its mandated areas on a sound commercial and viable basis (KCCA Annual Report 2015/2016) (Lydia et al., 2023).

In Uganda, the Kampala capital city office has expanded tremendously over the past ten years. This was due to the introduction of programs such as Service Delivery and Revenue Enhancement Programs (SEREP), Area Performance Contract (APC), Support Services Contract (SSC), stretch programs and funding of important departments such as the Internal Audit function. This generated revenue for 2015-2016 averaging UGX. 4.5 billion, an increase of 76% on the last financial year 2015/2016. However, the internal audit function is gaining significant strength in preventing wastage of organizational resources (Integrated Annual Report – “Continuous Improvement for Sustainable and Equitable Service Delivery; 2016). A total of 289 bogus workers were confirmed by an investigation into public sector organizations, including the Kampala Capital Authority, established by President Museveni in October (2009) to oversee public sector operations across the country (Frank et al., 2023). Despite the internal audit that has been carried out regularly over the years since the beginning of the Kampala Capital City Authority in order to improve the financial performance of the organization in relation to the selected funds, the Kampala Capital City Authority has been mismanaging funds (Moses et al., 2023). Organizations today still face many challenges despite the presence of internal audit teams. Government parastatals such as Kampala Capital City Authority have poor management of resources especially funds due to high fraud rates (Innocent et al., 2023). The audit findings should have been used by the management to ensure the growth of the organization, but management appears to be so reluctant to take immediate action, thus hindering the competitiveness and efficiency of the organization.

Statement of the problem

The internal audit department is created to investigate the problems of fraud, financial reporting and misappropriation of assets of organizations by ensuring the accuracy, objectivity and consistency of financial statements as a prerequisite for monitoring the proper financial performance of the organization (Ivan et al., 2023a). This has led to developments on the scene in organizations such as better financial record keeping, limited access to financial records by unauthorized persons, fraud detection and better financial management (Ntirandekura et al., 2022). This led to faster organizational growth. However, despite the establishment of an internal audit department in Kampala Capital City Authority and all the above benefits, the objectives are not being achieved at the expected level (Innocent et al., 2023). Organizations today still have weak control measures, a lot of fraudulent behavior by mostly top officials and hence poor service delivery, so against the above background, the researcher felt compelled to assess the contribution of internal audit to service delivery, which is not to rule out the Kampala Capital City Authority as a public subject and facing the mentioned challenges (Wegulo et al., 2023).

Specific Objectives

1. To find out the contribution of internal auditing towards the growth of Kampala Capital City Authority- Kampala Area
2. To examine the factors affecting service delivery in Kampala Capital City Authority- Kampala Area
3. To analyze the relationship between internal audit and service delivery of Kampala Capital City Authority- Kampala Area

Methodology

A cross sectional survey design was employed in this study. Both qualitative and quantitative approaches to data collection and analysis was employed in order to get an in-depth understanding of the phenomenon under investigation and to confirm completeness for instruments (A & Ahmed, 2019).

The study population of 200 Kampala Capital City Authority employees mainly those that work in different departments of the organization. This comprised of Kampala Capital City Authority branches in Kampala district (Nafiu et al., 2012). A sample size of 108 participated in this study. The sample size was derived using table for determining sample size by Krejcie and Morgan, (1970). Stratified random sampling was used to group the respondents and select the respondents from the different stratum (Nafiu et al., 2017). The corresponding sample distribution of the respondents was as shown in Table 1 below.

Table 1: Distribution of Sample Respondents

Category	Population (N)	Sample (S)
City Hall	100	35
Nakawa division	30	20

Central division	26	19
Kawempe division	24	18
Rubaga division	22	16
Total	202	108

The data source was primary data that was collected directly from the respondents of the selected Kampala Capital City Authority branches using a self-administered questionnaire and interview guide (Nafiu et al., 2017). A survey questionnaire was used in the study. The questionnaire was designed with reference to variables of the study consisting of structured questions, which enabled simple data analysis through tabulation with regard to frequencies and percentages. This profile was used to come up with questions to address the objectives of the study in quantitative (numerical) terms (Rasheed et al., 2022).

Internal audit items were accomplished by a 5 point Likert scale to measure internal controls. The scales ranged from “strongly disagree (1) to strongly agree (5)” and a total of all items computed from each respondent reflected internal control (Alex & Kazaara, 2023). Service Delivery items was accomplished by a five- response format which was used to measure the perceived service delivery performance by the government parastatal. Collected data was edited, coded, and entered into the computer using the Statistical Package for Social Scientists (SPSS) and was then scored (Nelson et al., 2022). The analysis involved Pearson correlation analysis and multiple regression analysis. Pearson correlation analysis was used to determine the relationship between the study variables Internal audit and Service delivery (Innocent et al., 2023). Alternatively, multiple regression analysis was used to establish the extent to which the independent variable (Internal audit) predicted the dependent variable (Service delivery).

RESULTS

Table 2: Detection of Fraud in the Organization

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	46	48.4	48.4	48.4
Agree	37	38.9	38.9	87.3
Not sure	10	10.5	10.5	97.8
Disagree	2	2.1	2.1	100.0
Strongly disagree	0	0.0	00.0	100.0
Total	95	100	100	

Source: Primary Data.2017

The table shows that 48.4 % of the respondents strongly agree and 38.9% agree. This implies that surely, internal auditing helps in the detection of fraud through constantly reviewing the accounting system in the corporation which improves its performance hence good services delivery. This indicates that review of the financial transactions in the Accounting system is a major function of internal audit. According to (Ivan et al., 2023a), internal controls are a means

by which an organization's resources are directed, monitored and measured. It plays an important role in preventing and detecting fraud and protecting organization's resources both physical and intangible.

Table 3: Organizations Quality and Effectiveness

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	0	00.0	00.0	00.0
Agree	60	63.2	63.2	63.2
Not sure	0	0.0	00.0	63.2
Disagree	35	36.8	36.8	100.0
Strongly disagree	0	0.0	00.0	100.0
Total	95	100	100	

Source: Primary Data 2017

The table indicates that 63.2% do agree and 36.8 % disagree. This implies that the KCCA Quality and effectiveness of business operations has come with the help of the internal auditing department as all financial statements will be put into account. Beyond the above fact, many respondents believe that the medium quality of internal audit promises the possibility of improving internal audit staff (Turyatamba et al., 2022). This directly contributes to the increase in the internal audit scope and related with the internal audit reporting relationship leading good service delivery of KCCA.

Findings on organizational competence.**Table 4: Organizations competence.**

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	0	00.0	00.0	00.0
Agree	70	74.0	74.0	74.0
Not sure	0	00.0	00.0	00.0
Disagree	25	26	26	100.0
Strongly disagree	0	0.0	00.0	100.0
Total	95	100	100	

Source: Primary Data.2017

The table shows that 74.0% of the respondents agree and 26% of the respondents disagree. This implies that internal auditing has helped to improve the KCCA competence in relation to the others in the market through improved service delivery (Innocent et al., 2023). (Ivan et al., 2023a), states that, having the right audit staff, it is then only a question of getting them to perform and ensuring that they continue to develop. The IIA Standard 1230 on continuing

professional development requires that internal auditors should enhance their knowledge, skills and other competencies through continuing professional development.

Findings on Financial Performance.**Table 5: Financial Performance in the KCCA.**

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	40	42.1	42.1	42.1
Agree	50	52.6	52.6	94.7
Not sure	0	0.0	00.0	94.7
Disagree	5	5.3	5.3	100.0
Strongly disagree	0	0.0	00.0	100.0
Total	95	100	100	

Source: primary data.2017

As per the table readings, 42.1% of the respondents strongly agree, 52.6% agree and 5.3% disagree with the subject. This implies that internal auditing improves the KCCA Financial Performance through proper accountability of resources allocated to line managers, billing and collecting revenue on time (Racheal, Kazaara, et al., 2023). This is also monitored through the Billing system which accounts for all customer transactions.

Table 6: Organizations Ethical and Integrity Values.

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	35	36.8	36.8	36.8
Agree	60	63.2	63.2	100.0
Not sure	0	0.0	00.0	100.0
Disagree	0	0.0	00.0	100.0
Strongly disagree	0	0.0	00.0	100.0
Total	95	100	100	

Source: Primary Data. 2017

From the table, 36.8 % of the respondents strongly agree and 63.2% agree with the question. This implies that internal auditing is used as a channel to communicate Ethical and Integrity values to the organization staff in relation to other departmental forums (Ivan et al., 2023b).

Table 7: Risk management in the organization.

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	25	26.3	26.3	26.3
Agree	65	68.4	68.4	94.7

Not sure	0	0.0	00.0	94.7
Disagree	5	5.3	5.3	100.0
Strongly disagree	0	0.0	00.0	100.0
Total	95	100	100	

Source: Primary Data.2013

The table indicates that 26.3% of the respondents strongly agree, 68.4 % agree and 5.3% disagree. This implies that with the introduction of internal auditing in the KCCA, risk levels have greatly reduced such as fraud, mismanagement of funds among others. The IIA emphasizes that organizations should fully understand that management remains responsible for risk management. Internal auditors should provide advice, and challenge or support management's decisions on risk, as opposed to making risk management decisions (Benard, 2023). The nature of internal auditing responsibilities should be documented in the audit charter (Ivan et al., 2023a). Risk management is a disciplined approach to the identification, analysis and mitigation of risks, which could prevent or inhibit an organization from achieving its objectives (Wegulo et al., 2023). Since budgeting is a planning and a control measure, when done properly, the risks are managed.

Table 8: Organizations economic performance, effectiveness and efficiency.

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	75	78.9	78.9	78.9
Agree	20	21.1	21.1	100.0
Not sure	0	0.0	00.0	100.0
Disagree	0	00.0	00.0	100.0
Strongly disagree	0	0.0	00.0	100.0
Total	95	100	100	

Source: Primary Data.2017

The table shows that 78.9% of the respondents strongly agree and 21.1% agree. This implies that the organizations performance has improved in comparison to others with the help of internal auditing. (Emmanuel et al., 2023) define effectiveness as the extent to which an institution achieves its policy objectives, operational goals and other intended effects.

Table 9: Showing Contribution of internal Audit towards the growth of Kampala Capital City Authority

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	65	68.4	68.4	68.4
Agree	0	0.0	00.0	68.4
Not sure	0	0.0	00.0	68.4
Disagree	30	31.6	31.6	100.0

Received: 14.05.2024

Accepted: 20.05.2024

Published on: 30.05.2024

Strongly disagree	0	0.0	00.0	100.0
Total	95	100	100	

Source: Primary data 2017

As per the above table, 68.4% strongly agreed of the response asserts that the current structure of internal audit has sufficiently contributed to the growth of the Corporation through good governance awareness, compliance checks, verification of supplier deliveries, verification of shortlists during staff recruitment to ensure the desired quality requirements are attained. However, 31.6% of the respondents disagree (Innocent et al., 2023). In principle, the board members and /or audit committee should support internal auditors to discharge its good governance role. In other words, the governing body should give attention to strengthen and support the internal audit function to bring about good governance and overall growth of the corporation through supporting the checks and balances being implemented by Internal Audit.

Table 10: Showing Corruption Hampers the Provision of Services

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	46	48.4	48.4	48.4
Agree	49	51.6	51.6	100.0
Not sure	0	0.0	00.0	100.0
Disagree	0	0.0	00.0	100.0
Strongly disagree	0	0.0	00.0	100.0
Total	95	100	100.0	

Source: Primary Data 2017

As per the above table, 48.4% and 51.6% of the respondents agreed and strongly agreed respectively that corruption hampers the provision of services since funds meant for these services are embezzled. This shows that embezzled funds by officials render the Kampala Capital City Authority- Kampala Area financially incapable to discharge its constitutionally assigned responsibilities without soliciting for help from the various donors and the Government of Uganda hence delaying and compromising service delivery. (F. Christopher et al., 2022) also found out that corruption affects the delivery of services since money meant for them is embezzled.

Table 11: Showing the Kampala Capital City Authority- Kampala Area lacks Finances to Buy the Services.

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	41	43.2	43.2	43.2
Agree	44	46.3	46.3	89.5
Not sure	4	4.2	4.2	93.7
Disagree	4	4.2	4.2	97.9
Strongly disagree	2	2.2	2.2	100.0

Received: 14.05.2024

Accepted: 20.05.2024

Published on: 30.05.2024

Total	95	100.0	100.0	
-------	----	-------	-------	--

Source: Primary Data 2017

Table indicates that the highest percentage that is 43.2% and 46.3% of the respondents agreed and strongly agreed respectively that the town council is unable to deliver services to residents because of lack of finances to buy the services. 4.2% were not sure, 4.2% and 2.2%¹ disagreed and strongly disagreed respectively and still believe that money is there but the way it is used is the problem (Moses et al., 2023). Basing on the highest percentage of respondents, this implies that the funds available are not enough to help in buying of services like buying laboratory chemicals, paying suppliers of pipes and fittings and so on hence hampering the delivery of services. Ahmed (2005) also found out that most local governments corporation in developing countries suffer from limited finance to fund their projects.

Table 12: Showing getting the right service provider is a challenge.

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	40	42.1	42.1	42.1
Agree	45	47.4	47.4	89.5
Not sure	6	6.3	6.3	95.8
Disagree	2	2.1	2.1	97.9
Strongly disagree	2	2.1	2.1	100.0
Total	95	100.0	100.0	

Source: Primary Data 2017

From the table above, 47.4% and 42.1% which are the highest percentages of respondents agreed and strongly agreed respectively that the Kampala Capital City Authority- Kampala Area faces a challenge of getting the right service provider with the equipment to do the job well. 6.3% were not sure whether it is a challenge and only 2.1% disagreed. This therefore implies that some of the services provided are not of the expected quality since some of the service providers do not have all the equipment's to do the job well this is evident through many busts and leakages due to connecting pipes that may not meet the required standards, or at some points residents get water with solid particles meaning the chemicals to refine water was not of adequate quality at the time to complete the purification process.

Table 13: Showing Poor communication with communities in Kampala Capital City Authority

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	18	18.9	18.9	18.9
Agree	50	52.6	52.6	71.5
Not sure	6	6.3	6.3	77.8
Disagree	21	22.1	22.1	100.0
Strongly disagree	0	0.0	0.00	100.0

Received: 14.05.2024

Accepted: 20.05.2024

Published on: 30.05.2024

Total	95	100.0	100.0	
-------	----	-------	-------	--

Source: Primary Data 2017

Table indicates that 52.6% and 18.9% of the respondents agreed and strongly agreed respectively that poor communication with communities in Kampala Capital City Authority- Kampala Area community has also hampered the delivery of services in the area, these were followed by 22.1% who disagreed, and only 6.3% were not sure whether poor communication is a factor hampering the delivery of services. This therefore implies that in some departments communication is still a problem due to the complaint from customers in the complaints book at the Kampala branches that water is rationed without informing them or water is turned off to enable various repairs without sending messages or using various plat forms to inform the customers.

Table 14: Showing the Kampala Capital City Authority Faces a Challenge of Limited Skilled Personnel.

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	48	50.5	50.5	50.5
Agree	28	29.5	29.5	80
Not sure	6	6.3	6.3	86.3
Disagree	13	13.7	13.7	100.0
Strongly disagree	0	0.0	0.00	100.0
Total	95	100.0	100.0	

Source: Primary Data 2017

From table above, the highest percentage of respondents that is 50.5% and 29.5% strongly agreed and agreed respectively that the Kampala Capital City Authority- Kampala Area faces a challenge of limited skilled personnel to meet the rising needs of local people. These were followed who disagreed and only 6.3% were not sure whether the Corporation faces a challenge of limited skilled personnel to meet the rising needs of local people or not. Basing on the highest percentage of respondents (50.5%), the study concludes that the Corporation cannot meet their required performance standards due to limited skilled personnel hence impacting adversely on the delivery of services. This was also found out by Parasuraman et al (1996) that the Kampala Capital City Authority- Kampala Area faces a challenge of limited skilled personnel due to customer care challenges at the office and in the field, sometimes graduate trainees are absorbed in the pay roll before efficient training due to the need for staff numbers to work in the field.

Table 15: Showing Projects are done according to or as demanded by the People.

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	8	8.4	8.4	8.4
Agree	10	10.5	10.5	18.9
Not sure	16	16.8	16.8	35.7
Disagree	49	51.5	51.5	87.2

Received: 14.05.2024

Accepted: 20.05.2024

Published on: 30.05.2024

Strongly disagree	12	12.6	12.6	100.0
Total	95	100.0	100.0	

Source: Primary Data 2017

Table 15 above shows that 51.5% and 12.6% of the respondents disagreed and strongly disagreed respectively with the view that projects are done according to or as demanded by the people. 16.8% of the respondents were not sure, 10.5% and 8.4% of the respondents agreed and strongly agreed respectively that projects are done according to or as demanded by the people. Basing on the highest percentage (51.5%), the study concludes that some projects are not done according to people's demand this is due to the various pressing priorities the Corporation has like extension of water to rural upcountry districts, purchase of more laboratory equipment and production chambers to increase production capacity and all this cannot allow the corporation to answer an immediate call of customers in Kampala Area whenever they deem fit.

Relationship between Internal Audit and Service Delivery

Table 16: Showing Accounts Monitoring Assists in Identifying symptoms of Fraud to promote smooth Service Delivery.

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	35	36.8	36.8	36.8
Agree	60	63.2	63.2	100.0
Not sure	0	0.0	00.0	100.0
Disagree	0	0.0	00.0	100.0
Strongly disagree	0	0.0	00.0	100.0
Total	95	100	100	

Source: Primary Data 2017

Table 16 above indicates that 63.2% and 36.8% of the respondents agreed and strongly agreed respectively that internal audit sets in motion the entire identification of symptoms of Fraud at different operational levels in in Kampala Capital City Authority. Since Accounts monitoring is one of the primary functions in internal control system, it implies that there is need for internal audit in facilitating fraud detection thus enhancing quality service delivery to customers without much interruptions in Kampala Capital City Authority.

Table 17: Showing internal audits Facilitates Efficient and Effective Service Delivery.

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	43	45.3	45.3	45.3
Agree	46	48.4	48.4	93.7
Not sure	6	6.3	6.3	100.0
Disagree	0	0.0	0.00	100.0

Received: 14.05.2024

Accepted: 20.05.2024

Published on: 30.05.2024

Strongly disagree	0	0.0	0.00	100.0
Total	95	100.0	100.0	

Source: Primary Data 2017

Table 17 shows that the highest percentage 48.4% and 45.3% of the respondents agree and strongly agree respectively that internal audit facilitates efficient and effective service delivery in Kampala Capital City Authority as public sector organization through taking the audit queries seriously and closing the gaps highlighted in the reports and only 6.3% were not sure about this. This implies that with a good plan, Kampala Capital City Authority for the local population in Kampala Area community can efficiently and effectively enjoy improved delivery of services to its citizens hence improving on standards of living.

Table 18: Showing internal auditing achieves Maximum Value for Expenditures on Services.

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	46	48.4	48.4	48.4
Agree	49	51.6	51.6	100.0
Not sure	0	0.0	00.0	100.0
Disagree	0	0.0	00.0	100.0
Strongly disagree	0	0.0	00.0	100.0
Total	95	100	100.0	

Source: Primary Data 2017

From table above, 51.6% and 48.4% of the respondents agreed and strongly agreed respectively that internal auditing helps to achieve the maximum value for expenditures on services to be delivered. Basing on the highest percentage of respondents, it implies that internal auditing plan enables the entities to identify and address all relevant issues pertaining to a particular internal control system before they publicize their procurement notices to potential suppliers of goods, works and services.

Table 19: Showing Relationship between internal audit and Service Delivery.

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	62	65.3	65.3	65.3
Agree	30	31.5	38.0	96.8
Not sure	3	3.1	0.0	100.0
Disagree	0	0.0	0.0	100.0
Strongly disagree	0	0.0	0.0	100.0
Total	95	100.0	100.0	

Source: Primary Data 2017

From table above, 65.3% of the respondents strongly agreed that there is a relationship between internal audit and service delivery; these were followed by 38% who also agreed. Therefore, the study concludes that there is a relationship between internal audit and service delivery. This is in agreement with Johan, (2006) who came up with slogans like; “he who fails to plan for service delivery, plans to fail delivering services to the public.”

Table 20: Showing Pearson Correlation between internal audit and Service Delivery.**Correlations**

		Internal audit	Service Delivery
Internal audit	Pearson Correlation	1.000	.715*
	Sig. (2-tailed)	.	.000
	N	95	95
Services Delivery	Pearson Correlation	.715*	1.000
	Sig. (2-tailed)	.000	.
	N	95	95

Correlation is significant at the 0.05 level (1-tailed).

Table 20 indicates that there is a very strong positive relationship between internal audit and service delivery at $r=0.715$ and at level of significance 0.05, this implies that the good internal audit practices improves on service delivery in the society (Nelson et al., 2023). Therefore, in order to improve on service delivery, there is need to develop an internal control system plan. The findings confirm to assertions by IIA, (2002) which states that internal control provides a foundation for accountability in government. It is further argued that internal controls are designed to ensure that a ministry, parastatals, agency or department carries out its required function effectively and efficiently, that its financial reporting (Racheal, Enock, et al., 2023), accountability for resourced allocated to the government unit and service delivery required from it is reliable and complies with relevant laws and regulations.

Conclusion

In conclusion, Internal Audit practices contribute to the growth of Kampala Capital City Authority, so the above factors must be built upon and encouraged for greater growth of the corporation in terms of new connection customers, wider service coverage through massive extension of water, increase in billing amounts and hitting sales targets and financial performance.

Factors affecting service delivery as highlighted above must be improved so as to reduce fraud, increase customer care and engagement to get to know the needs of customers, get the right suppliers for raw material and put the right staff at the key operational positions so as to achieve the set targets in service delivery which is the life blood of Kampala Capital City Authority.

There is a strong positive relationship between The Kampala Capital City Authority internal auditing and service delivery at $r=0.715$ at level significance 0.05, this implies that a better internal control system plan leads to better delivery of services while poor internal control system hampers the delivery of services. Therefore, internal control system is one of the primary functions of internal audits through compliance and control mechanisms with a potential to contribute to the success of Corporation operations and improved service delivery as a Government Parastatal empowered by the Ministry of Water, Lands and Environment for the primary purpose of providing quality water and Sewerage Services to the people of Uganda.

Recommendations

The findings revealed that there was a significant contribution of Internal Audit towards growth of the corporation. Kakuru (2001) argued that if internal controls are not well implemented, it will positively affect performance and productivity of a firm. Researcher therefore recommends that;

Board Members, Management and Staff of Kampala Capital City Authority should promote effective internal controls that facilitate financial accountability of resources allocated to the corporation and serve delivery;

There should be a clear organizational structure in the Corporation so that the work of internal auditors can be effective. Internal audit staffs in public enterprises have to be strengthened in size and quality. To strengthen the quality of internal audit service, sufficient fund should be allocated and professional trainings should be arranged. In addition to that, internal auditors should function together at the national level and should maintain and develop their profession. For its practicality, at least the Institute of Internal Auditors- Uganda Chapter was established and different professional certification programs are facilitated through the association like ICPA (Certified Internal Auditor). And this institute or a similar kind of forum can be used to exchange experiences, and enhances their professional capacity.

The head of internal audit should have regular access to all key documents and computer systems of the corporation and the internal auditors should be independent and seen to be independent from executive management of the bank. There should be no conflict of interest.

Board and Management of Kampala Capital City Authority must have set goals and those in authority must adhere to those goals so that performance is not compromised.

There should be clear information dissemination within the various departments in all local government on the control measures taken, so that each department would comply with the respective control systems.

References

- A, S. M. D. A. U. Y. N. L., & Ahmed, H. O. (2019). *On a Semi-Markov Model for Stock Exchange using Capital Assets*. 6(1), 138–144.
- Alex, I., & Kazaara, A. G. (2023). *Internal Controls and Financial Performance of Saccos in Wakiso District*. 7(3), 47–56.
- Benard, S. (2023). THE EFFECT OF PRODUCT QUALITY ON COMPETITIVENESS OF SMALL MEDIUM-SIZED ENTERPRISES (SMES) IN WESTERN UGANDA; REFLECTION ON IGARA TEA FACTORY, IN

- BUSHENYI DISTRICT. In *METROPOLITAN JOURNAL OF BUSINESS & ECONOMICS (MJB)* (Vol. 2, Issue 6).
- Christopher, F., Muhindo, M. E., & Nakalema, F. (2022). *Decentralization and Social Service Delivery in Uganda : Acritical Analysis of the Decentralization and Social Service Delivery in Uganda : Acritical Analysis of the literature review*. November.
- Christopher, T. (2022). *Financial Distress among Manufacturing Companies in*. 6(12), 104–110.
- Emmanuel, E., Rebecca, N., Kazaara, A. G., & Nicholas, K. (2023). *The Effects Of Job Training On Performance Of Local Government Employees In ganda : A Case Study Of Molo Sub- County , Tororo District .* 7(2), 65–73.
- Faridah, N., Kazaara, A. G., & Kazaara, A. I. (2023). *An Evaluation of the Effects of Advertising on Consumer Brand Awareness in an Organization , a Case Study of Mukwano Group of Companies*. 7(3), 206–212.
- Frank, M., Nelson, K., Kazaara, A. G., Deus, T., Christopher, F., & Catherine, M. (2023). *The Macroeconomic Determinants of Economic Growth in Uganda a Case Study Of Wakiso Distict*. 7(2), 147–159.
- Innocent, A., Kazaara, A. G., Nelson, K., Catherine, M., Micheal, T., & Deus, T. (2023). *Internal Auditing and Fraud Prevention in Organizations a Case Study of Nssf Kampala Area*. 7(2), 150–157.
- Ivan, M., Alex, I., & Deus, T. (2023a). Internal Auditing and Financial Performance Commercial Banks in Uganda: a Case Study of Centenary Bank Nansana Branch. *Metropolitan Journal of Business & Economics (Mjbe)*, 2(6), 34–49.
- Ivan, M., Alex, I., & Deus, T. (2023b). INTERNAL AUDITING AND FINANCIAL PERFORMANCE COMMERCIAL BANKS IN UGANDA: A CASE STUDY OF CENTENARY BANK NANSANA BRANCH. In *METROPOLITAN JOURNAL OF BUSINESS & ECONOMICS (MJB)* (Vol. 2, Issue 6).
- Lydia, N., Ariyo, D., Kazaara, G., Kazaara, A. I., Brenda, T., Moses, N., & Bafaki, G. (2023). Promotion of Small-Scale Industries and Development of Business. A Case Study; Masafu Subcounty (Busia). In *International Journal of Academic Multidisciplinary Research* (Vol. 7). www.ijeais.org/ijamr
- Moses, K., Kazaara, A. G., Kazaara, A. I., & Ismail, L. (2023). *External Auditing and the Financial Performance of Marianum Press Limited , Kisubi*. 7(3), 258–266.
- Nafiu, L. A., Oshungade, I. O., & Adewara, A. A. (2012). *Alternative Estimation Method for a Three-Stage Cluster Sampling in Finite Population*. 2(6), 199–205. <https://doi.org/10.5923/j.ajms.20120206.06>
- Nafiu, L. A., Ph, D., Ibitayo, L. D., Ph, D., Muyombya, S. M., & Sc, M. (2017). *On Empirical Power of Univariate Normality Tests under Symmetric , Asymmetric , and Scaled Distributions .* 18(1), 90–96.
- Nelson, K., Christopher, F., & Milton, N. (2022). *Teach Yourself Spss and Stata*. 6(7), 84–122.
- Nelson, K., Kazaara, A. G., & Kazaara, A. I. (2023). *Teach Yourself E-Views*. 7(3), 124–145.
- Ntirandekura, M., Friday, C., & Muhammad, M. (2022). Rewards and Staff Retention in Public Sector in Uganda: An Empirical Study from Kabale District Local Government. *International Journal of Academic Management Science Research*, 6(7), 165–170.

- Racheal, N., Enock, Z., & Kazaara, A. G. (2023). *Impact of quality financial reporting on an organization resource management: a case study of humuza holding limited kampala uganda 1*. 2(2), 408–425.
- Racheal, N., Kazaara, A. G., & Kazaara, A. I. (2023). *Impact Of Quality Financial Reporting On An Organization Resource Management : A Case Study Of Humuza Holding Limited Kampala Uganda*. 7(3), 335–343.
- Rasheed, Z., Khan, M., Abiodun, N. L., Anwar, S. M., Khalaf, G., & Abbasi, S. A. (2022). *Improved Nonparametric Control Chart Based on Ranked Set Sampling with Application of Chemical Data Modelling*. 2022.
- Turyatamba, C., Nelson, K., Prudence, K., & Ntirandekura, M. (2022). *The Effect of Product Quality on Competitiveness of Small Medium-Sized Enterprises (SMES) In South Western Uganda ; Reflection on Kayonza Growers Tea Factory , In Kanungu District .* 6(12), 152–159.
- Wegulo, N. A., Kazaara, A. G., Kazaara, A. I., Deus, T., Moses, N., & Charles, N. (2023). *Effect Of Public Sector Monitoring And Evaluation On Promoting Good Governance In Uganda , A Case Study Of Ministry Of Local Government*. 7(3), 227–239.