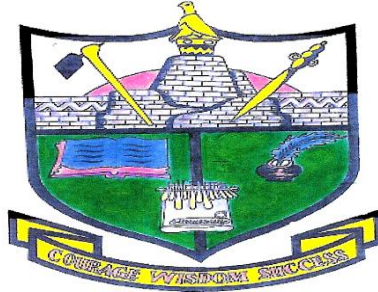


GREAT ZIMBABWE UNIVERSITY



MUNHUMUTAPA SCHOOL OF COMMERCE

DEPARTMENT OF ACCOUNTING AND INFORMATION SYSTEMS

Internal Controls and quality service delivery .A case of Redcliff Municipality.

RESEARCH PROJECT

BY

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Supervisor: **MR. C PHIRI**

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APPROVAL FORM

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13 March 2024



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Declaration Form

I, Mushati Edwin do hereby declare that this research project is to the best of my knowledge, my original work except to the extent indicated in the citation, references and by comments included in the body of the report, and that it has not been submitted in part or in full to any other university or any other institution of higher learning.

Edwin Mushati

05 January 2024

Student Signature:



Dedication

This research study is dedicated to my family and my friends for their unwavering support and endless motivation which has seen me this far. May the almighty Lord continue to bless you

Abstract

The study sought to evaluate the effect of internal controls on quality of service delivery for Municipality of Redcliff. The study reviewed past works in terms of which the theoretical framework, the conceptual framework and empirical framework were highlighted and highlighted the research methodology. The research was based on one organisation and the research participants were from 6 sections in the local authority on which a target population of 25 employees was used in this study in order for the researcher to draw conclusions at the end of the study. Convenience sampling method was used to obtain information from respondents. Interviews and observations were used as research instruments. The study showed that those employees have varying perspectives on the effects of internal controls on quality service delivery and the majority of the employees at Redcliff Municipality understood the concepts of internal controls and recognized their importance in maintaining transparency and ensuring compliance with regulations and organizational policies. While participants acknowledged the efforts made by Redcliff Municipality, some voiced their opinion that there is still room for improvement. Suggestions put forward include strengthening the segregation of duties, particularly in critical financial processes, to minimize the risk of fraud or error. Additionally, participants emphasized the importance of leveraging technology to automate and enhance internal control procedures. This may involve implementing robust financial management software or using data analytics tools to identify unusual patterns or anomalies in transactions. This was also supported by other employees who stressed the importance of effective coordination and collaboration among different departments and stakeholders within the municipality. The study recommends that Redcliff Municipality should prioritize the allocation of sufficient funds to implement robust internal controls and should adopt a participative approach that aligns with the expectations of the community. Engaging community members in decision-making processes and incorporating their feedback can lead to improved service delivery outcomes. Finally, the study recommended that Redcliff Municipality should invest in staff training and development initiatives. By enhancing staff expertise, the municipality can improve its ability to establish and monitor internal controls effectively, reducing vulnerabilities and potential weaknesses.

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Table of Contents

Release Form	i
Approval Form	ii
Declaration Form	iii
Dedication	iv
Abstract	v
Acknowledgements	vi
Table of Contents	vii
List of tables.....	x
List of figures.....	xi
List of appendices	xii
CHAPTER ONE	1
1.0 Introduction.....	1
1.1 Background of the Study	1
1.2 Statement of the problem	4
1.3 Justification of the study	4
1.4 Objectives of the Study	5
1.5. Primary Objective	5
1.6 Secondary Objectives	5
1.7 Research Questions	5
1.8 Significance of the Study	6
1.9 Assumptions of the Study	7
1.10 Limitations of the study	7
1.11 Delimitations.....	7
1.12 Definitions of Terms	8
1.13 Abbreviations and Acronyms	8
CHAPTER TWO	9
LITERATURE REVIEW	9
2.0 Introduction	9
2.1 Conceptual framework	9
2.2 Theoretical Framework	10
2.2.1 Stakeholder Theory	10
2.2.2 Resource dependency theory	11
2.2.3 Internal control theory	12
2.3 Empirical Review	14

2.3.1 Challenges experienced in implementing internal controls	14
2.3.3 Effects of internal control on the quality of service delivery	20
2.4 Summary	25
CHAPTER THREE	26
RESEARCH METHODOLOGY	26
3.0 Introduction	26
3.1 Research Philosophy	26
3.2 Research Design	26
3.3 Research Strategy	27
3.4 Time horizon	27
3.5 Targeted population	27
3.6 Sampling	28
3.7 Sample size	28
3.8 Type of data and source	29
3.8.1 Primary Data	29
3.8.2 Secondary Data	30
3.9 Research instruments	30
3.10 Data collection procedure	30
3.10.1 Case study	30
3.10.2 Interviews	30
3.10.3 Observations	31
3.11 Data analysis and interpretation	31
3.11.1 Data Analysis	31
3.11.2 Data Presentation	31
3.12 Validity and Reliability	32
3.12.1 Validity	32
3.12.2 Reliability	32
CHAPTER FOUR	34
DATA PRESENTATION, ANALYSIS AND INTERPRETATION	34
4.0 Introduction	34
4.1 Response rate	34
4.2 Demographics of questionnaire respondents	35
4.2.1 Gender distribution	35
4.2.2 Academic qualifications	36
4.2.3 Level of hierarchy	37

4.3 Interview results	37
4.4 Summary	48
CHAPTER FIVE	49
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	49
5.0 Introduction	49
5.1 Summary of the study	49
5.2 Summary of major findings	50
5.3 Conclusions	51
5.5 Recommendations	52
5.5.1 Recommendations from the research findings.....	52
Reference List	53

List of tables

TABLE	DESCRIPTION	PAGE
3.1	Targeted population	28

List of figures

FIGURE	DESCRIPTION	PAGE
2.1	Study of conceptual framework	9
3.1	Study sample size	29
4.1	Gender distribution	35
4.2	Academic qualifications of participants	36
4.3	Level of hierarchy of participants	37

List of appendices

DESCRIPTION	PAGE
Appendix 1: Letter of Consent	61
Appendix 11: Interview Guide A	62
Appendix 111: Interview Guide B	63

CHAPTER ONE

INTRODUCTION

1.0 Introduction

Internal controls are vital to ensuring the integrity of companies' operations and the trustworthiness of the financial information they report. The Sarbanes-Oxley Act of 2002 spurred internal controls in the aftermath of such scandals as those involving Enron and WorldCom to protect investors from corporate accounting fraud, W Kenton (2023). This research serves to identify how internal controls have an effect on the quality of service delivery in local authorities using the case of Redcliff Municipality. The following pieces of this chapter will bring out the research objectives, significance of this study. It will also provide a framework for the full investigation of the role of internal controls on service delivery of Redcliff Municipality.

1.1 Background of the Study

Effective internal controls play a crucial role in preventing fraudulent transactions and improving the financial performance of a business organization. These controls contribute to the efficiency of financial reporting, enhance business operations, and ensure compliance with policies. The study of internal control systems has emerged as a distinct field that draws on theories from various disciplines (Otoo, 2019a, b; Vu & Nga, 2022). Internal controls are processes established for the attainment of organizational objectives (Odunko, 2022). Local authorities worldwide are responsible for delivering a wide range of services to the public, and strong internal controls are necessary to ensure smooth service delivery. Research conducted in South Asia and Southwest Asia by Madhushani and Jayasiri (2021) has shown that internal controls positively impact the financial performance of companies and institutions which then affects the quality of service delivery which is supported by the views of studies done in South Asia by Madhushani and Jayasiri (2021) who concluded that Internal control systems had a positive impact on the financial performance of companies operating in the manufacturing industry in Sri Lanka..

Internal control mechanisms play a vital role in protecting a firm's assets, enhancing both financial and operational performance, and ensuring adherence to policies. (Hoai et al., 2022; Johnston & Zhang, 2018; Omar & Yussuf, 2021). Similar studies were carried out by Nugraha and Bayunitri, (2020) in Southwest of Asia showing that internal controls implemented within

any organization aim to oversee and establish secure and prosperous practices that lead to the success of the entity. The existence of a financial management system that allocates resources and evaluates performance is essential for service planning and delivery. Local governments heavily depend on robust internal controls to operate efficiently and offer vital services to the public. Given that citizens increasingly demand greater accountability and transparency in the utilization of resources, particularly taxpayer funds, strong internal controls are crucial (Wang, (2018). This is in support with the view of Dzomira (2017) who suggested that a the responsibility of a local authority includes the implementation of a well-functioning financial management system that mitigates financial mismanagement, ultimately impacting the quality of service delivery.

Oyetunji et al (2021) recommended in their study that Local government management should devise more efficient strategies to enhance the effectiveness and efficiency of internal controls. This is crucial for proper budget management. However, it is important to note that internal controls encounter various challenges, including inadequate accountability for day-to-day transactions and ineffective measures to apprehend individuals who engage in financial misconduct. These challenges are among the issues associated with the practice of internal control which is of the same view with Hoaiet al., (2022) who postulated that Inadequate and ineffective internal control mechanisms have led to instances of theft, financial losses, and fraudulent activities that have had a global impact on numerous companies as shown by a report which was done by The Chartered Institute of Public Finance and Accountancy (CIPFA) in 2019 which showed that fraud imposes an annual cost of at least \$40.3 billion on the public sector, with \$7.8 billion of that amount attributed to local governments. CIPFA further emphasizes that fraud is a prevalent concern in the public sector and poses an ongoing financial threat to local authorities. Similarly, studies have been done locally in Zimbabwe and the Auditor General's office, a constitutional entity, has consistently played a crucial role in uncovering instances of corruption within local authorities. Mlambo, (2021). Studies carried in Nigeria by Adekoya (2020) showed that inadequate financial management has been a significant factor in the underperformance and inefficiency of Local Government in achieving significant development. Additionally, many Local Governments encounter challenges due to a considerable disparity between the needs of citizens and the available financial resources. The study suggests that Local Government administrators should adopt modern internal control practices, similar to their counterparts in the private sector. By doing so, they can enhance

efficiency, financial capacity, transparency, and accountability in the delivery of goods and services.

Furthermore, it is crucial to establish a robust internal control mechanism to mitigate the occurrence of fraud, corruption, and wastage that negatively impact the Local Government system and its grassroots development. Additionally, Local Government entities should consistently develop accurate and dependable annual budgets, recognizing the significance of financial planning and control in effective financial management. Notably, challenges faced in the financial management of Nigerian local governments include the absence of bye-laws and other legal guidelines, as well as issues related to corruption and a lack of budget discipline. This is also happening in Zimbabwe's neighbouring country as Dlomo (2017) pointed out that weak internal controls in South Africa, the procurement of goods is predominantly marred by improper tender processes, disregard for established procedures, and inconsistencies, all of which are regulated by legal frameworks.

(Audeh, & Bani, 2019 recommended further research and justification for examining internal control effectiveness and also Madhushani & Jayasiri (2021) concluded that future research is needed to examine the relationship between internal control system and financial performance for other sectors on which this research will focus on service delivery of local authorities. Recommendations of Otoo et al., 2023 suggested that to offer a thorough and unambiguous examination of the connection between internal control systems and organizational effectiveness, additional empirical and theoretical research is required. It is important to note that the study focused solely on the banking sector, which possesses unique characteristics. As a result, the generalizability of the study's conclusions may be restricted. Wakiriba et al 2014 Based on his study, the researcher has identified a gap in understanding the relationship between internal controls and financial management in the public sector. Ong'unya and Abbey (2019) concluded that there is a strong and significant correlation between internal controls and the delivery of high-quality health services. This suggests that internal control plays a significant role in shaping the quality of health service delivery in Greater Uganda Local Government. However, it is important for future studies to explore this topic using alternative research designs. Additionally, since this study focused specifically on the context of Uganda local government, it would be valuable to examine this model in other local government settings as well and it would be worthwhile to apply the model to other areas or industries and

an assessment of available academic literature on how internal controls affect service delivery in local authorities in Zimbabwe indicates minimal research and then it was against this background that the researcher sought to explore Redcliff Municipality as there has been no studies carried out in regards to how their internal controls can affect their service delivery mandate and also it will be able give valuable insights and recommendations that are directly applicable to the local authorities in Zimbabwe at large.

1.2 Statement of the problem

The mandate of Local authorities is to provide service delivery to the general public and service delivery is increasingly deteriorating in local authorities due to different types of white-collar crime (Newsday, 2023). The Auditor general in her report of 2018 on local authorities she cited fifty nine governance issues where local authorities had high non-compliance with statutory regulations which led to high levels of fraud due to ineffective management policies and lack of appropriate supervision and also the 2021 Annual report highlighted several persistent governance issues, including the absence of essential policies, inadequate contract management, non-adherence to laws and regulations, and mismanagement of assets. The report emphasized the need for continued improvement in transparency and accountability across all Local Authorities. Redcliff Municipality also has faced internal control challenges over the years having been given adverse opinions reason being non-compliance and weak internal control in implementation of policies and adherence to the urban councils act chapter 29:15, financial loss due to misappropriation of estate funds and transactions which were not at arm's length, proper procurement procedures were not followed and this has also affected service delivery and for example for the past years there haven't been water services and many other essential services to the residence. Despite the importance of internal controls, many local authorities still struggle to implement and maintain effective internal controls systems. By studying the Municipality of Redcliff local authority as a case, this research aims to shed light on the specific challenges faced by the municipality in its policies and controls and how they affect their service delivery as well as how their situation can be improved.

1.3 Justification of the study

This study provided a comprehensive understanding of how internal controls impact service delivery in Zimbabwean local authorities is gained through this insight as they are all facing governance issues due to loopholes in their systems. The study also identified the challenges

faced by local authorities in implementing effective internal controls. The study is of interest to scholars, students and those charged with governance. The findings of the study can be used by organizations to improve their internal controls and to strengthen their service delivery. The findings can also be used by policymakers to develop policies and programs to help organizations implement and maintain effective internal controls and also this study broadened the researcher's knowledge and line of thinking and also there is a gap in knowledge with the existing studies that need to be filled in exploring how sound internal controls affects service delivery.

1.4 Objectives of the Study

1.5. Primary Objective

The primary objective of this study is evaluate the effect of internal controls on financial management of Redcliff Municipality local authority.

1.6 Secondary Objectives

- i. To identify challenges that are faced by local authorities in implementing effective internal controls.
- ii. To establish problems that have been faced by Local Authorities due to weak internal controls.
- iii. To determine effects of internal control on the quality of service delivery
- iv. To establish measures that can be put in place to improve the quality of service delivery at Redcliff Municipality

1.7 Research Questions

- i) What challenges are being faced by local authorities in implementing effective internal controls?
- ii) Which problems have been faced by Local Authorities due to weak internal controls?
- iii) What are the effects of internal control on quality of Service delivery?
- iv) What measures can be put in place to improve the quality of service delivery at Redcliff Municipality?

1.8 Significance of the Study

To Local Authorities

The significance of this study to Local Authorities in Zimbabwe lies in the potential insights it can provide to improve on their policies which enhances strong internal controls as it will highlight the measures that can be put in place to improve their main goal of giving quality services to the general public. This knowledge can inform the local authorities' decision-making processes, enabling them to make more informed choices in implementing their mandate of providing services to the residence

To Policy makers

This study will provide valuable insight on how internal controls affects quality service delivery to the Councillors and Management of Redcliff Municipality as their policies are the ones that affects how strong and weak the internal controls can be in strengthening their mandate as a local authority and this study can also contribute to the improvement of more comprehensive policies.

To the Researcher

The study is going to give an in-depth understanding to the researcher regarding the effects of internal controls on quality of service delivery in local authorities and measures that can be put in place to safeguard those control to achieve the visions of Redcliff Municipality.

To academia

The research would be accessed in the library for teaching purposes. Findings from this study will supplant existing literature on the effect of internal control on quality service delivery. By examining a specific case study, it provides a unique perspective on the potential benefits and challenges faced with weak internal controls.

1.9 Assumptions of the Study

- i. It was assumed that management negative awareness on internal controls is turned into positive ones.
- ii. It was insinuated that internal auditors would play a big role in appraising internal controls in Local authorities to create a sound organisational policy.
- iii. It was assumed that the researcher would access sufficient and appropriate information from management and councillors as they are the policy makers and those charged with governance

1.10 Limitations of the study

Time frame -There were time constraints since the researcher had challenges in getting leave days at work so that time will be created to attend to the research so the researcher used weekends and after work hours thereby posing longitudinal effects on the research

Confidentiality-Access of information from Redcliff Municipality was limited since the information is highly confidential but the researcher gave assurance to the respondents by adhering to the ethical considerations of the study. The researcher had no assurance that all the questionnaires will be fully completed or returned. The study was based on self-reported data from organizations. There is a risk that organizations may overstate their effectiveness in implementing and maintaining internal controls.

Limited resources- There was inadequate funds as costs such as traveling expenses, printing, photocopying, surfing the Internet, typing, binding expenses and bond paper.

1.11 Delimitations

This study focused on the effects of internal controls on financial management and did not cover all the aspects of internal controls as it will focus on the most relevant controls that affect service delivery such as such as segregation of duties, authorization procedures, and physical security controls .The study used the Theories of Internal Control System, stakeholder theory and Resource dependency theory. This study used the qualitative methodology and confined to focus mainly on managers, accountants, heads of departments, internal audit, IT and Finance

department to participate in the investigation using a targeted population of 55 people and also being confined to Redcliff Municipality covering the period from 2017 up to 2022.

1.12 Definitions of Terms

Internal controls

Internal controls are defined as policies and procedures that facilitates effective operations in an organisation.

Service delivery

Service delivery is a common expression which defines the distribution of social services and resources which citizens depend on to meet the poverty datum line

1.13 Abbreviations and Acronyms

ZIMRA -Zimbabwe Revenue Authority

ACFE - Association of Certified Fraud Examiners

CIPFA- Chartered Institute of Public Finance and Accountancy

1.14 Summary

This chapter provided an overview of the study's background and the problem that prompted the researcher to investigate the impact of internal controls on the quality of service delivery. It also outlined the research objectives, questions, assumptions, delimitations, and limitations. The subsequent chapter will delve into a comprehensive literature review on the effects of internal controls on service delivery.

CHAPTER TWO

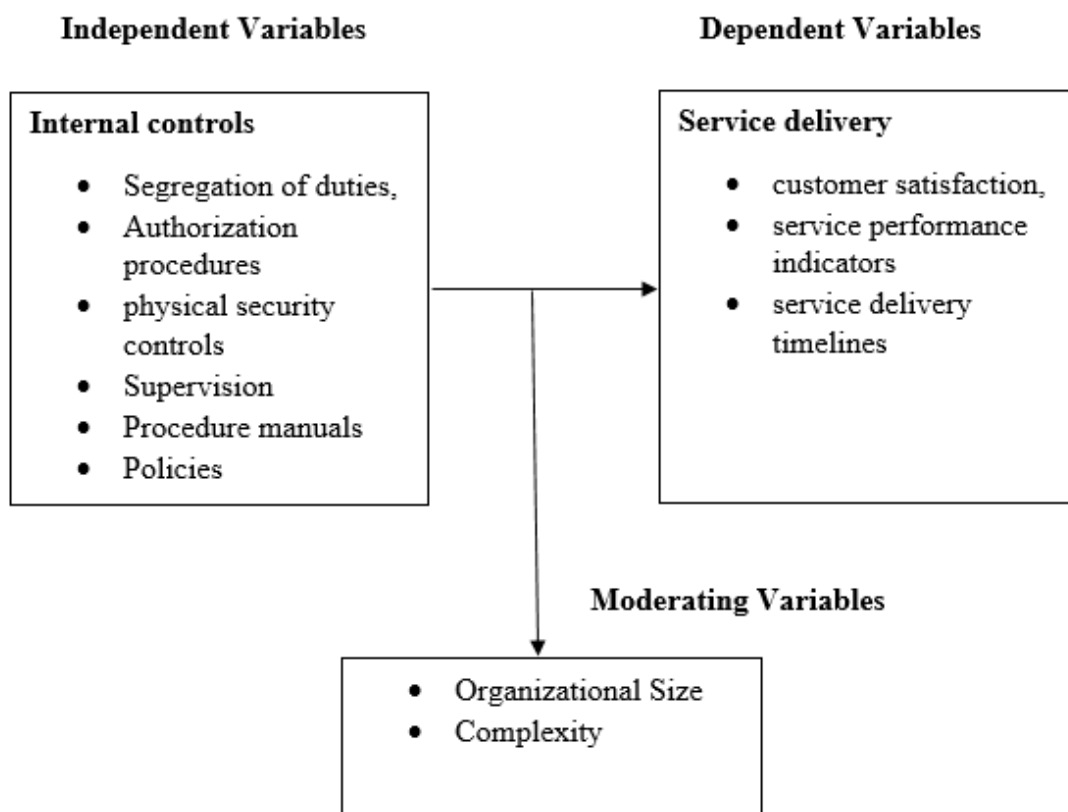
LITERATURE REVIEW

2.0 Introduction

In this chapter, a comprehensive understanding of existing knowledge and research related to the topic is provided. The chapter starts by introducing the conceptual and theoretical frameworks that form the basis for the research. By establishing these frameworks, the research questions and objectives are supported by a solid theoretical foundation. After discussing the conceptual and theoretical frameworks, the chapter goes on to examine relevant empirical studies. This analysis helps to identify any research gaps that exist in the current body of knowledge.

2.1 Conceptual framework

Figure 2. 1: Conceptual Framework



A well-functioning internal control system should offer managers enhanced accountability for their plans and reasonably ensure the achievement of set goals. It is important to note that effective systems encompass not only digital solutions but also mechanisms that can prevent

and detect fraudulent activities. Rashid (2022) concluded in his research that although, Despite the presence of internal control measures, instances of this type of crime continue to occur within organizations. Therefore, external auditors can play a crucial role in preventing such financial crimes by providing guidance and professional expertise through the provision of guidelines and standards.

Independent Variable: Internal Controls

This variable refers to the implementation and effectiveness of internal control mechanisms within an organization. It encompasses various components such as risk assessment, control environment, control activities, information and communication, and monitoring.

Dependent Variable: Service Delivery

This variable reflects the quality, efficiency, and effectiveness of services provided by the organization. It can be measured through factors like customer satisfaction, service performance indicators, or service delivery timelines.

Moderating Variables: Organizational Size and Complexity

These variables capture the size and complexity of the organization, which can impact the implementation and effectiveness of internal controls and subsequently affect service delivery.

2.2 Theoretical Framework

The study's theoretical framework involves the stakeholder theory, control theory and the resource dependence theory.

2.2.1 Stakeholder Theory

The stakeholder theory was first defined by Ian Mitroff, an organizational theorist, in 1983. However, Edward Freeman, a professor of business administration at the University of Virginia, is also credited with developing the concept of stakeholder theory in 1984. According to Freeman (1984), it is a management theory that emphasizes the significance of considering the interests of all stakeholders in a company, rather than just the interests of shareholders. According to this theory, a company should consider the well-being and concerns of its employees, customers, suppliers, and the local community in which it conducts its operations, as well as the interests of its shareholders. The theory suggests that by doing so, a company can create long-term value for all stakeholders, including shareholders.

According to Mcvea and Freeman (2001), the stakeholder theory is based on the idea that companies have a social responsibility to create value for society as a whole, not just for their shareholders. The authors argue that one of the key benefits of the stakeholder theory is that it encourages companies to take a long-term view of their business. By considering the interests of all stakeholders, a company can create a sustainable business model that benefits everyone involved.

Mugume and Oduor (2016) used the theory in their research in local government entities in Uganda. According to the authors, effective internal controls positively influence stakeholder satisfaction. Their study highlighted that when stakeholders perceive that their interests are protected through well-implemented internal controls, they tend to have more confidence in the municipality and its service delivery capabilities.

The stakeholder theory has a significant impact on service delivery. It emphasizes the importance of considering the interests of all stakeholders in a company, including employees, customers, suppliers, and the community in which it operates, as well as shareholders. By doing so, companies can create long-term value for all stakeholders, including shareholders.

In the context of service delivery, the stakeholder theory suggests that companies should take a holistic approach to business by considering the interests of all stakeholders, not just shareholders. Companies that adopt the stakeholder theory are more likely to engage in ethical business practices and to be more transparent about their operations.

In the case of Redcliff Municipality, stakeholders may include Kwekwe residents, government officials, and community organizations. This theory can be applied to the research by considering the various stakeholders in Redcliff Municipality. The research can explore how effective internal controls can enhance transparency, accountability, and fairness in service delivery, thereby increasing stakeholder satisfaction and meeting their expectations.

2.2.2 Resource dependency theory

This theory was formulated in 1978, the concept was created by Jeffrey Pfeffer and Gerald R. Salancik. Resource dependency theory is a sociological theory that explains how an organization's behaviour is influenced by the resources it acquires from its environment. The theory suggests that in order to obtain necessary resources, an organization must engage in transactions with other actors and organizations in its surrounding environment such as raw materials, labour, and capital. However, such transactions may create dependencies that are not always advantageous. As a consequence of unequal exchanges, disparities arise in power,

authority, and access to additional resources. To mitigate dependencies stemming from these disparities, organizations employ specific strategies aimed at strengthening their bargaining position in resource-related transactions. These strategies encompass political action, expanding production scale, diversification, and establishing connections with other organizations.

Research using resource dependency theory has sought to observe organizational adaptations to dependencies. Research by Chikowe and Sibanda (2019) used the theory to examine the effect of internal controls on service delivery in local authorities in Zimbabwe. They found a positive relationship between internal controls and service delivery outcomes, highlighting that effective controls enhanced the municipality's ability to allocate resources efficiently, ultimately improving service delivery.

This theory focuses on the municipality's dependence on various resources, including financial, human, and technological resources, to deliver services effectively. Internal controls can optimize resource allocation, minimize wastage, and improve the utilization of available resources, leading to better service delivery outcomes. In Redcliff Municipality, internal controls include budgeting processes, inventory management, and strategic planning.

2.2.3 Internal control theory

Internal controls play a crucial role in upholding the integrity of company operations and ensuring the reliability of financial information disclosed. The enactment of the Sarbanes-Oxley Act in 2002 was a response to scandals like Enron and WorldCom, aiming to safeguard investors from corporate accounting fraud (Kenton, 2023). The Internal control theory is a framework for understanding and evaluating the internal controls of an organization. Internal control theory, also known as the internal control framework, is a concept that guides organizations in establishing effective systems and processes to safeguard their assets, ensure reliability of financial reporting, and comply with relevant laws and regulations. The theory provides a framework that helps organizations identify, evaluate, and mitigate risks, as well as achieve desired objectives.

The internal control theory is based on several fundamental principles. First and foremost is the principle of accountability, which emphasizes that individuals within an organization should be responsible for their actions and should be held accountable for their decisions. This principle helps establish a culture of ethical behavior and integrity within the organization.

Another key principle is the separation of duties. This principle dictates that critical tasks and responsibilities should be divided among different individuals to prevent fraud, error, or abuse of authority. By separating key duties, organizations can reduce the risk of collusion, increase transparency, and establish robust checks and balances.

The theory also emphasizes the importance of documentation and record-keeping. Organizations are required to maintain accurate and complete records of their transactions and activities. This enables management to monitor and review operations, provides evidence for audits, and ensures compliance with legal and regulatory requirements.

Internal control theory also focuses on risk assessment and management. Organizations are encouraged to identify, analyse, and evaluate risks that may impact their ability to achieve objectives. By understanding and addressing these risks, organizations can implement controls and strategies to mitigate or eliminate them.

A key aspect of internal control theory is the concept of monitoring and feedback. This involves regularly assessing the effectiveness of internal controls and making necessary adjustments or improvements. Monitoring activities can include internal and external audits, management reviews, and ongoing evaluation of control procedures.

It's important to note that internal control theory is not a one-size-fits-all approach. Every organization is unique, and internal controls should be tailored to its specific needs, risks, and objectives. The theory provides a framework and guidelines for organizations to develop and maintain effective internal control systems that are appropriate for their circumstances.

Robert Anthony, a prominent accounting scholar, is known for his contributions to management accounting and control systems. He emphasized the importance of internal controls in financial management. His views on internal control theory were prevalent during the 1960s and beyond. Anthony highlighted that internal controls play a crucial role in ensuring the accuracy and reliability of financial information. He argued that effective internal controls provide a mechanism for managing risks, preventing errors, and deterring fraudulent activities.

Michael C. Jensen, an influential economist and researcher, has made significant contributions to the field of corporate governance and agency theory. Jensen's perspectives on internal control theory emerged in the 1980s and 1990s. He emphasized the role of internal controls in aligning managerial incentives with shareholder interests. Jensen argued that effective internal

controls enhance transparency, reduce agency costs, and help organizations achieve their performance goals.

The internal control framework was formulated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) during the mid-1990s. This framework, widely known as the COSO framework, provides a comprehensive approach to internal controls. It emphasizes the importance of internal control systems in achieving operational effectiveness, compliance with laws and regulations, and reliable financial reporting. The COSO framework has undergone

J. Edward Ketz, an accounting professor and author, has critically examined internal control theory and its limitations. His perspectives on internal control theory have been expressed in various publications from the 1990s onwards. Ketz has highlighted the risk of overreliance on controls and cautioned against the belief that internal controls alone can solve all organizational problems. He encourages a balanced approach that considers the potential effectiveness and limitations of internal controls.

Leslie O. Barnes, a management scholar, has contributed to the understanding of internal controls beyond financial reporting. Her perspectives emerged in the late 1990s and beyond. Barnes argues that internal controls should encompass elements such as operational efficiency, employee integrity, and ethical behaviour. She emphasizes that effective internal controls contribute to overall organizational performance, going beyond the narrow scope of financial reporting.

The research objectives in the study align with the principles of internal control theory. The objectives focus on identifying challenges in implementing effective internal controls, understanding the problems caused by weak controls, determining the impact of internal controls on service delivery, and establishing measures to improve service quality. These objectives support the internal control theory's emphasis on risk recognition and mitigation, safeguarding assets, and enhancing organizational performance. Overall, the research seeks to provide insights and recommendations for strengthening internal controls and improving service delivery in Redcliff Municipality.

2.3 Empirical Review

2.3.1 Challenges experienced in implementing internal controls

Saarinen and Rautiainen (2016) carried out a study focusing on the challenges faced by small and medium-sized enterprises (SMEs) in Europe when implementing internal controls. The

researchers explore factors such as lack of resources, complexity, and the need for customized solutions for SMEs. They conducted interviews and surveys with SME owners and managers to gather data on their experiences and difficulties. The findings highlight the importance of addressing these challenges to improve the effectiveness of internal controls in SMEs.

Axelsen and Søndergaard (2014) investigated the challenges encountered by public organizations in Denmark when implementing internal controls. The researchers examine factors such as lack of leadership commitment, insufficient resources, and resistance to change to highlight the specific challenges faced in this context. They used a mixed-methods approach, including interviews and surveys with employees and managers in Danish public organizations. The study recommends addressing these challenges through leadership commitment, adequate resource allocation, and effective change management strategies.

Steininger and Wegenast (2015) examined the implementation of internal control systems (ICS) in companies located in Austria. The researchers investigate the challenges encountered during the implementation process and identify factors such as resistance to change, lack of awareness, and insufficient training as major obstacles. They gathered data through interviews and surveys with managers and employees involved in implementing ICS. The study emphasizes the need for better change management strategies and increased awareness to overcome these challenges.

Mechelli and Secondi (2017) investigated the implementation of internal control systems in listed companies in Italy. The researchers examine the challenges faced by these companies and assess the effectiveness of control systems. They explore factors such as lack of integration with risk management, difficulty in assessing control effectiveness, and the need for continuous monitoring and evaluation. The researchers collected data through interviews, questionnaires, and financial statement analysis. The study emphasizes the importance of proper integration, evaluation, and monitoring to overcome these challenges and enhance the effectiveness of internal control systems.

Nilsson and Zimmermann (2018) carried out a comparative study exploring the challenges faced by companies in Germany and Sweden when implementing internal controls. The researchers examine factors such as cultural differences, legal frameworks, and organizational structures that influence the implementation process. Data is collected through interviews and surveys with managers and employees. The study highlights the need for organizations to adapt internal control practices to specific national contexts.

Marques and Panadés (2018) carried out a case study focusing on the challenges experienced by Spanish banks in implementing internal control systems. The researchers analyze the impact of regulatory requirements, organizational culture, and the complexity of banking operations. Data is collected through interviews with managers and documentation analysis. The study highlights the importance of aligning internal control systems with regulatory frameworks and organizational culture to overcome these challenges.

In 2019, the Association of Chartered Certified Accountants (ACCA), the Internal Audit Foundation, and the Institute of Management Accountants (IMA) collaborated to produce a report that examines the challenges of internal control in organizations. The report consolidates insights gathered from approximately 2,000 members of these professional bodies worldwide, providing valuable insights into the future of internal control. According to the report, organizations are facing distinct challenges in their internal control activities due to the ongoing impact of the pandemic, the unstable economic environment, regulatory changes, and advancements in data and technology. Among the key challenges identified, 50% of respondents highlighted a lack of adequately skilled staff, while 41% expressed concerns about how technological advancements are affecting existing internal controls. Additionally, 32% of respondents noted that a lack of executive emphasis on internal controls is impacting the overall management of internal control within organizations.

Abdulkadir (2014) studied the challenges of implementing internal control systems in the NGO sector in Kenya, with particular reference to FBOs in the coast region of the country. The research highlights the primary challenges faced in implementing internal controls in Faith-Based Organizations (FBOs), including limitations in financial controls, the extent of functionality of corporate governance controls, and the feasibility of ethics and compliance controls. The study concludes that FBOs have not fully integrated formal internal control systems, as commonly practiced in the corporate sector, into their control mechanisms. Nevertheless, management controls that combine internal controls with traditional welfare objectives are seen as a valuable initial step in enhancing management practices within the increasingly competitive NGO sector, including FBOs.

2.3.2 Problems experienced due to weak internal controls

Levi et al. (2017) carried out a study to determine the relationship between weak internal controls and financial fraud in European countries. The researchers collect and analyze data

from various sources, such as corporate reports, regulatory filings, and news articles, to assess the extent to which weak controls contribute to fraudulent activities. By examining specific cases of financial fraud within different European countries, the study sheds light on the vulnerabilities and challenges caused by weak internal controls. The researchers provide recommendations on how to strengthen internal control systems to prevent and detect financial fraud more effectively.

Thieme et al. (2019) investigated how weak internal controls affect corporate governance practices in European listed companies. The study examines the consequences of weak controls, such as lack of transparency, increased risk exposure, and reduced accountability within corporate governance structures. The researchers employ a mixed-method approach, combining quantitative data analysis and qualitative interviews with key stakeholders, including board members and auditors, to gain a comprehensive understanding of the challenges faced by European listed companies. The study provides insights into the necessary

Laig et al. (2020) carried out a study focusing on the impact of weak internal controls on the financial performance of European small and medium-sized enterprises (SMEs). By examining a sample of SMEs across different European countries, the researchers assess the consequences of weak controls on the financial stability and sustainability of these organizations. The study examines how weak controls contribute to reduced efficiency, increased operational risks, and lower profitability within SMEs. The researchers provide recommendations on how SMEs can enhance their internal control systems to improve their performance and mitigate the challenges posed by weak controls.

Fernandez et al. (2020) carried out a study on the impact of weak internal controls on fraudulent activities within Spanish small and medium-sized enterprises (SMEs). The researchers conduct surveys and interviews with SME owners and managers to understand the vulnerabilities and challenges arising from weak controls. The study highlights the financial and reputational risks faced by Spanish SMEs and suggests ways to strengthen internal controls to mitigate fraud-related issues.

Li et al. (2017) examined the relationship between weak internal controls and financial reporting quality in Canadian listed companies. The researchers analyse financial data and audit reports to identify instances of reporting errors and investigate the role of internal controls in contributing to such issues. The findings provide insights into the specific challenges faced by

Canadian companies and suggest ways to enhance internal control systems to ensure accurate financial reporting.

A study by Chen et al. (2019) focused on the impact of weak internal controls on fraudulent activities within Canadian small and medium-sized enterprises (SMEs). The researchers survey and interview SME owners and managers to understand the vulnerabilities and challenges arising from weak controls. The study sheds light on the financial and operational risks faced by Canadian SMEs and provides recommendations for strengthening internal controls to mitigate fraud-related issues.

Osei et al. (2018) study examined the relationship between weak internal controls and corruption in Sub-Saharan African countries. The researchers analyse data from various sources, including corruption indices and reports from organizations like Transparency International, to assess the extent to which weak controls contribute to corruption. The study sheds light on the challenges posed by weak internal controls and provides recommendations for strengthening control systems to combat corruption in the region.

Agyapong et al. (2019) investigated the impact of weak internal controls on financial mismanagement in Sub-Saharan African governments. The researchers analyse data from government financial reports and conduct interviews with government officials to understand the challenges faced. The study highlights the consequences of weak controls, such as misallocation of funds, embezzlement, and lack of accountability, and provides suggestions for improving internal control systems to enhance financial management in the region.

Adekunle et al. (2019) carried out a study on the impact of weak internal controls on financial management in Nigerian public sector organizations. The researchers examine data from government financial reports and conduct interviews with officials to explore the consequences of weak controls. The study highlights the risks of misappropriation, corruption, and financial mismanagement in the Nigerian public sector, and suggests ways to strengthen internal control systems to enhance financial management practices.

Onuoha et al. (2021) examined the implications of weak internal controls on financial reporting quality in Nigerian listed companies. The researchers analyze financial data and audit reports to identify instances of reporting errors and investigate the relationship with weak controls. The study reveals the challenges faced by Nigerian companies in ensuring accurate financial reporting and provides insights into strengthening internal control systems to enhance reporting quality.

Kibet et al. (2017) explored the relationship between weak internal controls and financial fraud in Kenya. The researchers analyze data from financial reports and conduct interviews with industry professionals to understand the extent to which weak controls contribute to fraudulent activities. The study sheds light on the specific challenges faced by Kenyan organizations and provides recommendations for strengthening internal control systems to mitigate fraud risks.

A study by Owino et al. (2020) focused on the implications of weak internal controls on governance in Kenyan non-profit organizations. The researchers examine data from governance reports and conduct surveys and interviews with non-profit organization stakeholders to understand the challenges arising from weak controls. The study highlights the risks of mismanagement, lack of accountability, and decreased transparency in non-profit organizations in Kenya. It provides insights into strengthening internal control systems to improve governance practices.

Mbwambo et al. (2018) examined the relationship between weak internal controls and corruption in the Tanzanian public sector. The researchers analyze data from corruption indices and conduct qualitative interviews with government officials to understand the role of weak controls in facilitating corrupt practices. The study sheds light on the specific challenges faced in Tanzania and provides recommendations for strengthening internal control systems to combat corruption.

Ngonyani et al. (2019) - This research focuses on the impact of weak internal controls on financial mismanagement in Tanzanian government agencies. The researchers analyze financial reports and conduct interviews with agency officials to identify instances of mismanagement and understand the link to weak controls. The study highlights the risks of misallocation of funds, embezzlement, and lack of accountability in Tanzanian government agencies. It suggests ways to strengthen internal control systems to improve financial management practices.

Botha et al. (2017) examined the relationship between weak internal controls and financial mismanagement in South African organizations. The researchers analyze data from financial reports and conduct interviews with management to understand the consequences of weak controls. The study highlights the risks of misappropriation, fraud, and poor financial management in South African organizations and provides recommendations for strengthening internal control systems to mitigate these challenges.

Kganyago et al. (2019) - This research focuses on the implications of weak internal controls on governance in South African municipalities. The researchers examine governance reports and conduct interviews with municipal officials to understand the challenges arising from weak controls. The study highlights the risks of corruption, inefficiency, and lack of accountability in South African municipalities. It provides insights into strengthening internal control systems to enhance governance practices.

2.3.3 Effects of internal control on the quality of service delivery

Lewis et al. (2018) investigated the relationship between internal control systems and service quality in European banks. It found that strong internal control systems positively influenced service quality, leading to higher customer satisfaction rates. Zaman and Jain (2019) explored the effects of internal control on service delivery in healthcare organizations across Europe. It concluded that well-implemented internal control mechanisms improved service quality, resulting in better patient outcomes and overall satisfaction.

A study by Wiesmeth et al. (2020) focused on the impact of internal control practices on the quality of public service delivery in European government agencies. The findings highlighted that effective internal control mechanisms led to higher levels of accountability, transparency, and ultimately, improved service delivery. Voparil and Bernstei (2021) examined the relationship between audit committee effectiveness and service quality in various European service organizations. It revealed that well-functioning audit committees positively influenced internal control systems, leading to enhanced service quality and customer satisfaction.

Vogel and Henstra (2019) carried out a study focused on the role of internal control in enhancing service quality in European hospitality chains. The findings highlighted that effective internal control systems influenced various aspects of service quality, including responsiveness, reliability, and personalization. Viglia and Pera (2021) investigated the impact of internal control measures on service quality in European financial institutions. It concluded that robust internal control practices positively affected service delivery by ensuring data

Wood et al. (2018) examined the relationship between internal control systems and service quality in healthcare organizations in the United States. It found that well-implemented internal control systems positively influenced service quality, leading to improved patient outcomes and satisfaction. Logsdon and Wood (2019) carried out a study focused on the impact of internal control practices on customer service in U.S. retail chains. It revealed that effective internal control measures contributed to better customer service by ensuring accuracy,

efficiency, and consistent service delivery. Tompkins and Few (2020) explored the role of internal control in enhancing service quality in U.S. banking institutions. The findings showed that strong internal control mechanisms positively impacted service delivery by ensuring data security, fraud prevention, and compliance with regulations.

Khan et al. (2017) examined the impact of internal control on service quality within the banking sector in Pakistan. It found that strong internal control practices positively influenced service quality by promoting efficiency, accuracy, and customer satisfaction. Ahmed and Malik (2019) focused on the relationship between internal control measures and service quality in Pakistan's healthcare sector. The findings suggested that effective internal control mechanisms contributed to better service quality by ensuring patient safety, clinical outcomes, and overall satisfaction. Mahmood et al. (2020) explored the role of internal control in enhancing service quality within the retail industry in Pakistan. It highlighted that well-established internal control systems positively influenced service quality by ensuring accurate inventory management, timely customer service, and consistent product availability. Ali and Khan (2021) investigated the relationship between internal control practices and service quality in Pakistani government agencies. It revealed that effective internal control measures played a critical role in enhancing service quality by promoting transparency, accountability, and responsiveness.

Sharma et al. (2018) examined the impact of internal control on service quality within the healthcare sector in India. The findings revealed that effective internal control practices positively influenced service quality by ensuring patient safety, efficiency of operations, and overall satisfaction. Kumar and Mishra (2020) investigated the role of internal control in enhancing service quality within Indian telecommunication companies. The findings indicated that robust internal control systems positively impacted service quality by ensuring uninterrupted service delivery, prompt customer support, and efficient complaint resolution.

Müller et al. (2018) examined the relationship between internal control systems and service quality in banking institutions in Switzerland. It found that strong internal control systems positively influenced service quality by ensuring data security, compliance with regulatory requirements, and customer satisfaction. Schneider and Fischer (2019) focused on the impact of internal control practices on service quality in healthcare organizations in Switzerland. The findings suggested that effective internal control measures contributed to better service quality outcomes, including patient safety, timely care delivery, and overall satisfaction. Fischer et al. (2021) investigated the relationship between internal control measures and service quality in

logistics companies in Switzerland. It revealed that effective internal control mechanisms played a significant role in improving service quality by ensuring accuracy in logistics processes, on-time delivery, and customer satisfaction.

Asiedu (2015) carried a study focused on the implementation of internal control mechanisms in Ghana's public sector and its effects on the quality of service delivery. The researcher found that when internal control systems are effectively implemented, there is a significant positive impact on service quality. This suggests that having proper controls in place can improve the overall delivery of services in Ghana. Mensah et al. (2017) examined the relationship between internal control systems and service quality in Ghana. They discovered that effective internal control mechanisms are crucial for ensuring high-quality service delivery. By having strong controls in place, organizations can better manage risks, detect and prevent fraud, and ensure compliance with regulations. This, in turn, leads to improved service quality for customers or clients. Owusu-Ansah and Anaba (2018) explored the impact of deficiencies in internal control on the quality of service delivery in Ghana. The researchers discovered that when internal control mechanisms are lacking or ineffective, it significantly hampers the quality of service delivery. Deficiencies in internal control can lead to increased errors, fraud, and mismanagement, which can negatively affect the overall quality of services provided by organizations in Ghana.

Agyei et al. (2016) carried out a study focused on the banking sector in Ghana and investigated the relationship between internal control practices and service quality. The researchers found that a strong internal control system positively influences the quality of banking services. Proper internal controls, such as regular monitoring and evaluation, strict adherence to policies, and effective risk management, help ensure accurate and reliable service delivery. Enhanced service quality leads to increased customer satisfaction and trust in the banking institutions.

A study by Ansong et al. (2020) focused on the public transportation sector in Ghana and investigated the effects of internal control practices on service quality. The researchers found that implementing proper internal control mechanisms positively impacts service delivery in the public transportation sector. Measures such as driver monitoring systems, regular vehicle maintenance, and efficient trip scheduling contribute to reliable and safe transportation services. Improved service quality leads to greater customer satisfaction and confidence in the public transportation system.

Kyuli (2017) carried out a study in the banking sector in Kenya and investigated the relationship between internal control practices and service quality. The researcher found that effective internal control measures, such as strong risk management systems, regular monitoring, and proper documentation, are essential for ensuring high-quality banking services. By implementing these internal control mechanisms, banks can minimize operational risks, detect and prevent fraudulent activities, and provide reliable and efficient services to customers. Enhancing service quality positively influences customer satisfaction and trust in the banking sector. Otieno and Karanja (2020) examined the impact of internal control practices on service quality in the healthcare sector of Kenya. They found that well-implemented internal control mechanisms significantly contribute to improving service quality in healthcare institutions. This includes proper supervision, feedback systems, and adherence to healthcare protocols. Effective internal controls enable healthcare providers to deliver consistent and standardized care, ensure patient safety, and respond effectively to patient needs. As a result, improved service quality leads to higher patient satisfaction and improved healthcare outcomes in Kenyan healthcare settings.

Mutwiri and Nyabwanga (2019) investigated the effects of internal control practices on service quality in Kenya. The researchers found that robust internal control systems positively impact service quality in telecommunication companies. This includes accurate billing processes, effective complaint handling procedures, and reliable network maintenance. By implementing these internal control measures, telecommunication companies can ensure accurate billing, resolve customer issues promptly, and maintain a reliable and high-quality service network. Improved service quality leads to increased customer satisfaction and loyalty within the Kenyan telecommunications sector.

Ogutu (2018) examined the impact of internal control on service quality in the public transportation sector of Kenya. The findings demonstrated that proper internal control mechanisms, such as driver monitoring systems, regular vehicle maintenance, and efficient trip scheduling, significantly contribute to enhanced service delivery in public transportation. By implementing these internal controls, transportation companies can ensure safe and reliable services, minimize delays and disruptions, and improve overall service quality. Consequently, this leads to increased customer satisfaction and confidence in the Kenyan public transportation system.

Maharaj and Ramasar (2016) examined the impact of internal control systems on service quality in the banking sector of South Africa. The researchers focused on analyzing the relationship between internal control practices, such as risk management processes and internal audits, and service quality in banking institutions. The findings suggested that effective internal control mechanisms positively influence service quality by minimizing operational risks, ensuring accuracy and reliability in financial transactions, and providing a consistent and seamless banking experience for customers.

Kekwaletswe and Mpeta (2018) investigated the effects of internal control on service quality in the healthcare sector of South Africa. They examined the relationship between internal control practices, including strict adherence to healthcare protocols, proper supervision, and comprehensive recordkeeping, and service quality in healthcare institutions. The findings highlighted that well-implemented internal control mechanisms contribute to improved service quality by ensuring patient safety, effective care delivery, and efficient management of healthcare resources.

Mofokeng and Agyei (2017) explored the impact of internal control practices on service quality in the telecommunications industry of South Africa. The researchers examined the relationship between internal control mechanisms, such as accurate billing systems, effective complaint handling processes, and strong network maintenance, and service quality in telecommunications companies. The findings indicated that robust internal control systems positively influence service quality by ensuring accurate billing, prompt customer issue resolution, and reliable network performance.

Liyellomo and Frances (2019) investigated the effects of internal control on service quality in the public transportation sector of South Africa. They examined the relationship between internal control practices, such as driver monitoring systems, regular vehicle maintenance, and efficient scheduling, and service quality in public transportation companies. The findings revealed that effective internal control mechanisms contribute to enhanced service delivery by ensuring passenger safety, operational efficiency, and timely and reliable transportation services.

Mukiringi and Muzvidziwa (2016) examined the impact of internal control systems on service quality in the banking sector of Zimbabwe. The researchers investigated the relationship between internal control practices, such as governance structures, risk management processes, and internal auditing, and service quality in banks. The findings showed that effective internal

control mechanisms positively influence service quality by ensuring accurate financial transactions, protecting customer information, and enhancing customer satisfaction and trust.

Chidavaenzi and Ziyambi (2019) investigated the effects of internal control on service quality in the healthcare sector of Zimbabwe. They examined the relationship between internal control practices, such as adherence to policies and procedures, documentation systems, and staff supervision, and service quality in healthcare institutions. The findings demonstrated that well-implemented internal control mechanisms contribute to improved service quality by enhancing patient safety, optimizing resources, and ensuring effective care delivery.

Chivasa and Sigauke (2020) investigated the impact of internal control practices on service quality in the telecommunications industry of Zimbabwe. The researchers examined the relationship between internal control mechanisms, such as accurate billing systems, complaint management processes, and network maintenance, and service quality in telecommunications companies. The findings highlighted that robust internal control systems positively influence service quality by ensuring accurate billing, prompt issue resolution, and reliable network performance.

2.4 Summary

This chapter presents a summary of the key findings from the literature review. It establishes the conceptual framework, and provides a solid theoretical foundation for the study. By doing so, it sets the stage for the subsequent chapters and lays the groundwork for a well-rounded research. Moving forward, the next chapter will centre on outlining the research methodology.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter centered on the methodology employed by the researcher to gather data from the specific population. It encompassed the research philosophy, research design, approach, and sampling techniques utilized. The chapter also addressed the research instruments employed for data collection and outlined the methods for data analysis and presentation. Moreover, ethical considerations undertaken by the researcher were discussed as part of the conclusion.

3.1 Research Philosophy

Interpretivism research philosophy was used in conducting this study. Saunders et al (2017) alluded that Interpretivism emphasizes that humans are different from physical phenomena because they create meanings. This approach is based on naturalistic approach of data collection such as interviews and observations as it seeks to create new, rich observations and interpretations of the social world and contexts. As informed by the research paradigm, the study used the inductive research approach backed by qualitative research strategy which is supported by the views of Denzin and Lincoln (2011) who pointed out that Qualitative research is often associated with an interpretive philosophy. The objectives of this study aimed at determining the effects of internal control on the quality of service delivery. Similar studies conducted in Indonesia and Nigeria by Mohammad et al, (2013) and Kaplan and Norton (2018) respectively applied qualitative research strategy and established valid results.

3.2 Research Design

Machona (2017) defined research design as procedures implemented in collecting, interpreting, analyzing and reporting data when conducting a research which is supported by Kumar (2014) who pointed out that a research design refers to the plans and procedures that are adopted by the researcher to obtain solutions to research questions objectively, validly, economically and accurately. This study adopted a descriptive research design. Research design is a plan, specifying the methods and procedures to be used in collecting and analyzing data. Descriptive studies deal with the questions of who, what, when, where and how. This design assisted the

researcher to obtain information concerning the phenomena by drawing conclusions from the facts discovered.

3.3 Research Strategy

The researcher used the qualitative research approach in carrying out the research. Linkoping (2018) defined qualitative research approach as a process which facilitates giving an in-depth understanding of the subject matter and added that it mainly seeks to answer questions “what and how” hence helped the researcher to obtain information on how the internal controls can affect the quality of service delivery in Redcliff community. Tenny et al (2022) pointed out that qualitative research is a research that provides and explores an in-depth insight into real world problems such as those affecting Redcliff Municipality. This research used questionnaires and interviews as data collection techniques as supported by Saunders et al (2017) who suggested that qualitative research is often used as a synonym for any data collection technique such as an interview or data analysis procedure that generates or uses non-numerical data.

3.4 Time horizon

The cross sectional time horizon was used for this research. Saunders et al., (2016) suggested that it is a snapshot of phenomena. The researcher chose this time horizon since the study is part of the university course work which has to be accomplished within a limited time frame. A Longitudinal time horizon could not be chosen because it needs more time to follow.

3.5 Targeted population

Mohamed (2019) suggested that a target population serves as the essential resources that enable the researcher to derive conclusions at the conclusion of the study. This viewpoint aligns with Rahman's (2016) suggestion that the target population represents a comprehensive set of individuals from whom the researcher can obtain solutions and form the basis of conclusions. In this particular study, a target population of 25 employees was utilized to facilitate the researcher's ability to draw conclusions at the study's conclusion.

Table 3.1 below shows the study targeted population

Table 3.1

Description	Number of employees
Internal audit	2
Councilors	3
Finance department	9
Engineering department	5
Central Administration(HR) department	2
IT Section	4
Population Size	25

3.6 Sampling

Etikan and Bala, (2017) defined sampling as how the researcher selects participants from a large population to respond to research instruments administered by the researcher. The researcher used Non probability sampling techniques method called Convenience sampling as it is often associated with case study research design and qualitative research. Convenience sampling helps to overcome the limitations which are associated with the research for example using workmates, friends and family as part of the sample which makes it easier than using unknown individuals.

3.7 Sample size

Saunders et al., (2016) it may be possible to analyse and collect data from every possible case or group member, this is termed a census. The sample size was computed using the Morgan and Krejcie (1970) sample calculator as cited in Chikanda (2018). Morgan and Krejcie sample size calculator which was accessed over the internet and a size of 24 was obtained for this research as shown on figure 3.0 below:

Figure 3.1 below shows the study sample size

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.—*N* is population size. *S* is sample size.
Source: Krejcie & Morgan, 1970

Source: Krejcie and Morgan, 1970

3.8 Type of data and source

The researcher will use both primary and secondary data

3.8.1 Primary Data

The data gathered by researcher first-hand and the researcher is going to use observations and interview to collect primary data. Saunders et al., (2016) defined interviews as a general term including all data collection techniques in which each person is asked to respond to the same set of questions in a predetermined order. The interviews will be used for this research because of its ability to reach a wider group of respondents. An interview is meant to record and analyse people's opinions, experiences, beliefs and ideas on relevant topics (Huma and Nayeem, 2017).

3.8.2 Secondary Data

The data that have been obtained and compiled by another individual, and are available to the public. The researcher is going to use the Auditor General's report as secondary data as this gives a deeper insight into the social phenomena.

3.9 Research instruments

The researcher used interviews and observations in carrying out this research to attain various views, perceptions, experiences and thoughts with regards to analyse how internal controls affect financial management and because of its ability to reach a wider group of respondents and there is confidentiality and anonymity as there is assurance that data from respondents will be protected and kept private which promotes trust, honesty, and more accurate data collection.

3.10 Data collection procedure

Data collection involves gathering information from various pertinent sources to address the research problem and assess the resulting outcomes. The researcher used primary data collection method on which interviews and observations will be used to carry out this study and the researcher will demonstrate a commitment and put forth effort to accommodate the participant's schedule. However, there may be challenges in scheduling that arise from the availability of both the researcher and the participant. On several occasions, the researcher had to reschedule the interview multiple times due to the participants' other commitments. and will use simple language, and short questions which are specific so as to avoid respondents providing answers which are not relevant to the research.

3.10.1 Case study

A case study is an in-depth investigation about a person, group, situation or occurrence. The researcher is going to use a case study of Redcliff Municipality as it will give detailed information and also allowing for being inquisitive of situations which are hard to investigate.

3.10.2 Interviews

On interviews the researcher used structured interview questions as it follows a strict procedure of asking a list of predetermined questions to the participants, and recording the answers using

standardised techniques. This will help the respondents not to divert from the asked questions and give irrelevant information. Yin (2014) emphasized that Researchers conducting case study designs need to consider the schedules and availability of the individuals being interviewed. As Yin pointed out, interviewees may not be willing to answer all interview questions. However, in this study, the researcher expected that all participants would willingly participate and cooperate.

3.10.3 Observations

The researcher utilized observation as a data collection method. This approach facilitated the acquisition of comprehensive information regarding the implementation of internal control systems and financial record-keeping practices aimed at enhancing the delivery of quality services to the residents of Redcliff.. Observations will done checking on procurement regulations and procedure manuals of Redcliff Municipality. Through an observation the researcher will just check audit records, findings and recommendation done at Redcliff Municipality in the previous years.

3.11 Data analysis and interpretation

3.11.1 Data Analysis

Tisdell and Merriam (2016) cited that quantitative data is data that is conveyed through words. The study used three types of qualitative data as pointed out by Beck, (2019) which are: identifying recurring patterns, analyzing critical incidents and categorizing data. The researcher started by identifying recurring patterns so that possible themes or patterns are identified. The researcher then sub divided the data collected into elements. Since the research followed the interpretivist approach, the researcher analyzed data using discourse analysis which pays great attention to context. The results obtained after categorizing the data were then used to answer the research questions with regards to effects internal controls on quality service delivery.

3.11.2 Data Presentation

Kajjirwa (2016) highlighted that data analysis is of great importance in evaluating the data that has been gathered by the researcher and is done is done by assessing and analyzing each component of the results. Data was also organized and presented using tables, histograms, graphs and charts. Tables, histograms, graphs and charts were applied because they are easy to

interpret and are more meaningful even to laymen. Microsoft excel was also used to calculate percentages which showed various responses of the interviewees for some questions. Excel software was also used to enable wide spectrum of data to be compressed into few tables easy to manage for further analysis. To ensure accuracy and completeness on the responses obtained, the data collected was thoroughly analyzed. Microsoft excel data was also used for easier analysis, comparison and interpretation.

3.12 Validity and Reliability

3.12.1 Validity

To improve validity in this study, the researcher employed questionnaires distributed to departments responsible for analyzing and implementing internal controls within Redcliff Municipality. Additionally, interviews were conducted with senior managers. According to Tsalapatas et al. (2014), data validity refers to the extent to which the scores obtained from a measure accurately represent the intended variables. Both the interview questions and questionnaires were carefully designed based on the study objectives and relevant research questions to ensure validity, focusing solely on providing information pertinent to the research topic. Furthermore, validity and accuracy were enhanced through a thorough inspection of the questionnaires, checking for errors or any potential misrepresentations of data before its presentation.

3.12.2 Reliability

Saunders et al., (2016) defined reliability as the degree to which data collection method or techniques will yield reliable findings, similar observations would be made or conclusions reached by other researchers or there is transparency in how sense was made from the raw data pilot test of the interview guide was conducted by the researcher to ensure that questions were specific and unambiguous so that intended results for the research study are obtained. The pilot study allowed for quality checks and test of possible errors that may have impact on the research results.

3.13 Ethical considerations

Research ethics encompass the principles and guidelines that govern the conduct of researchers regarding the rights and well-being of individuals who participate in or are impacted by a

research project (Saunders et al., 2016). The researcher will explain the purpose of the research to all participants in this study at Redcliff Municipality and informed consent to be obtained so that the participants will have a clear understanding of the purpose, potential risks of their involvement in the study.

Research participants need assurance that the data obtained from them will be used with confidentiality and their identities being kept anonymous and the researcher gave assurance that their names will be kept with confidentiality and the interviewees were not pressured into answering the questions. The researcher also did not ask sensitive and intimidating questions.

To ensure the rights of Redcliff Municipality were not infringed, the researcher will obtain authority and consent from the organisation to proceed with the study. All study participants will participate voluntarily in this study as there will be no financial reward awarded to motivate them to participate in the study or to give biased responses. The researcher will have to acknowledge the sources and work done by others in researching through referencing.

In order for the research to be fruitful the researcher will have to adhere to the aforementioned ethics.

3.14 Summary

This chapter outlined the research methodology employed, including the research strategy and design utilized to conduct the study. It discussed the implementation of an interpretivism philosophy, the selection of a targeted population consisting of 25 participants, and the use of non-probability convenience sampling techniques. The chapter also described the research instruments used for data collection, along with the methods for data analysis, presentation, and ensuring data validity and reliability. The subsequent chapter will present the findings derived from the collected data.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

The research study's findings are presented in this chapter. In order to offer insights, the chapter explores the interpretation and analysis of the data that was gathered. The response rate is the first topic covered in this chapter. The demographics of the respondents are then examined, including their age, gender, experience, and level of education. The next section of the chapter examines the conclusions drawn from the staff interviews.

4.1 Response rate

In this study, 24 participants were interviewed, and it is noteworthy that all of them managed to provide comprehensive and meaningful responses. This high interview response rate can be attributed to several factors. Firstly, the researcher employed a rigorous and effective case study research design that ensured the participation and engagement of all participants. There was clear and concise communication about the study objectives, procedures, and expected time commitment from the participants. Furthermore, the researcher established a rapport with the participants, creating a supportive and open environment that encouraged them to share their insights and experiences.

Additionally, the researcher's sample selection played a role in achieving a favorable response rate. By targeting individuals who were highly motivated and interested in the research topic, the researcher increased the likelihood of active participation. Additionally, timely scheduling and flexibility in accommodating the participants' availability contributed to the high response rate. By offering flexible interview times and locations, the researcher accommodated the needs and constraints of the participants, thus facilitating their participation.

Overall, the successful accomplishment of obtaining responses from all 24 participants in this qualitative research study suggests that the researcher effectively engaged and motivated the participants, creating an environment conducive to open and meaningful dialogue. It demonstrates the researcher's commitment to rigor and may enhance the credibility and validity of the study findings.

4.2 Demographics of questionnaire respondents

4.2.1 Gender distribution

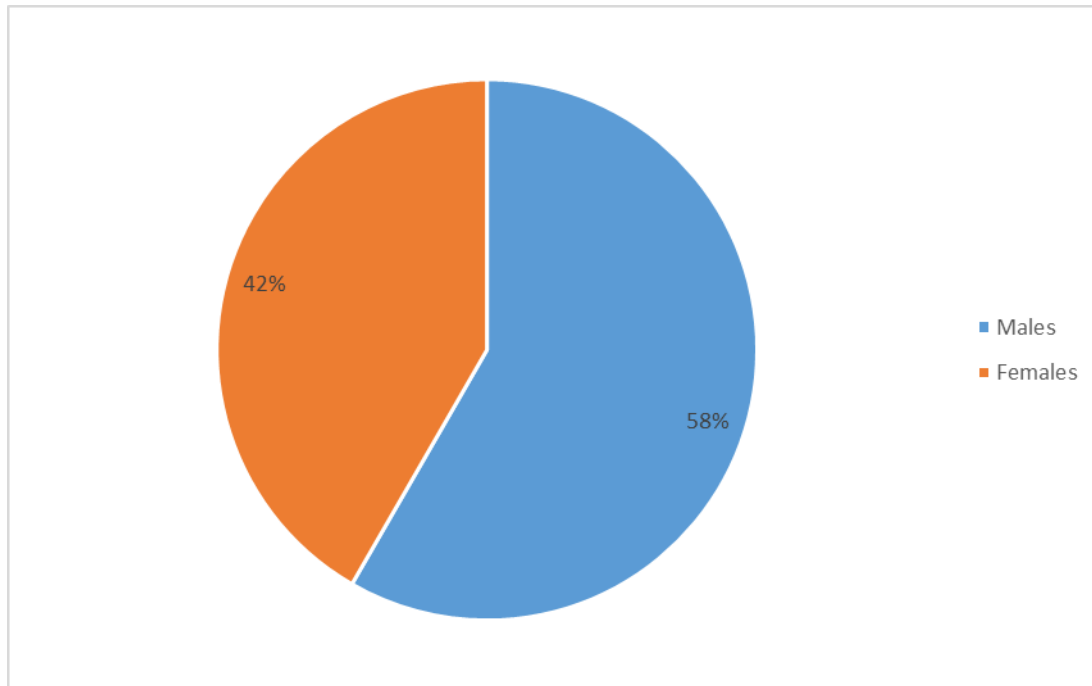


Figure 4. 1 showing gender distribution

Source: Research data (2023)

The study consisted of 10 female participants and 14 male participants. Thus, the males represented 58.3% of the sample whilst the females represented 41.7%.

4.2.2 Academic qualifications

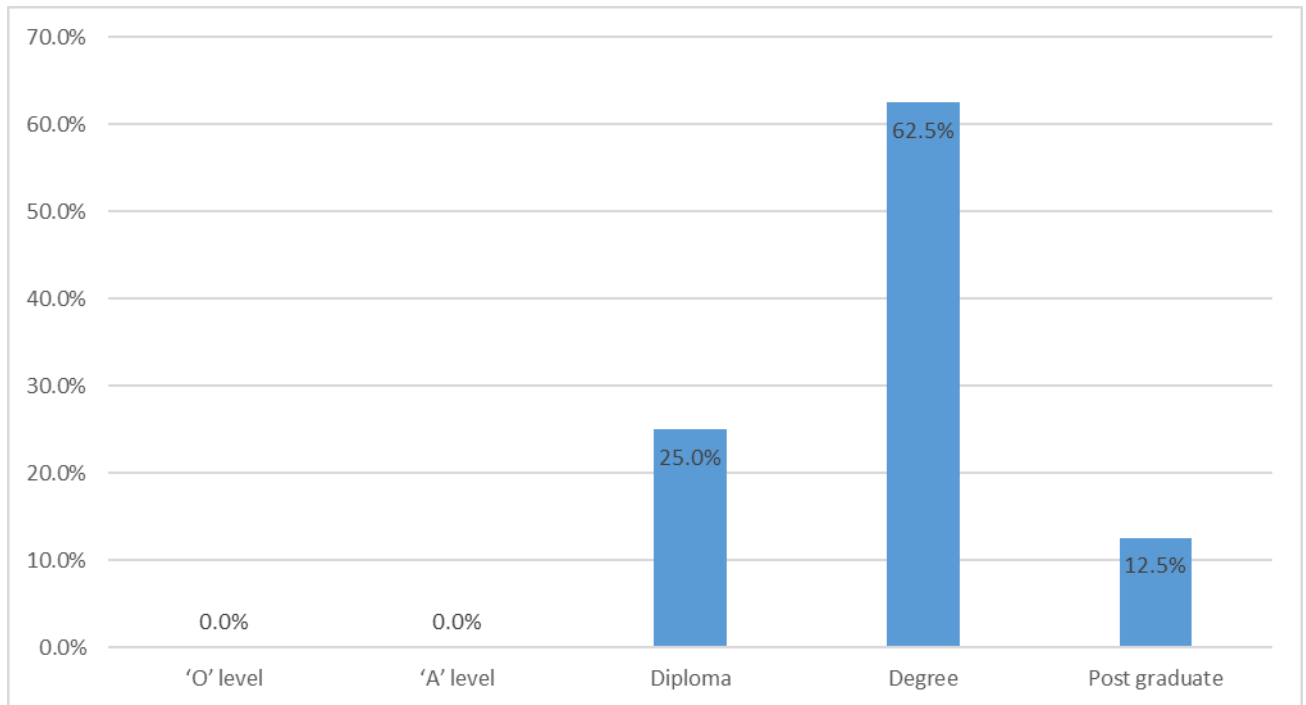


Figure 4. 2 showing academic qualifications of participants

Source: Research data (2023)

There were no participants with this O level as the highest academic qualification. Similarly, there were no participants with 'A' level qualifications. There were six participants who held a diploma as their highest academic qualification. The percentage (25.0%) represents the proportion of participants with a diploma among the total group. Fifteen participants held a degree as their highest academic qualification. The percentage (62.5%) represents the proportion of participants with a degree among the total group. Three participants had postgraduate qualifications, such as a master's or Ph.D. degree. The percentage (12.5%) represents the proportion of participants with postgraduate qualifications among the total group.

4.2.3 Level of hierarchy

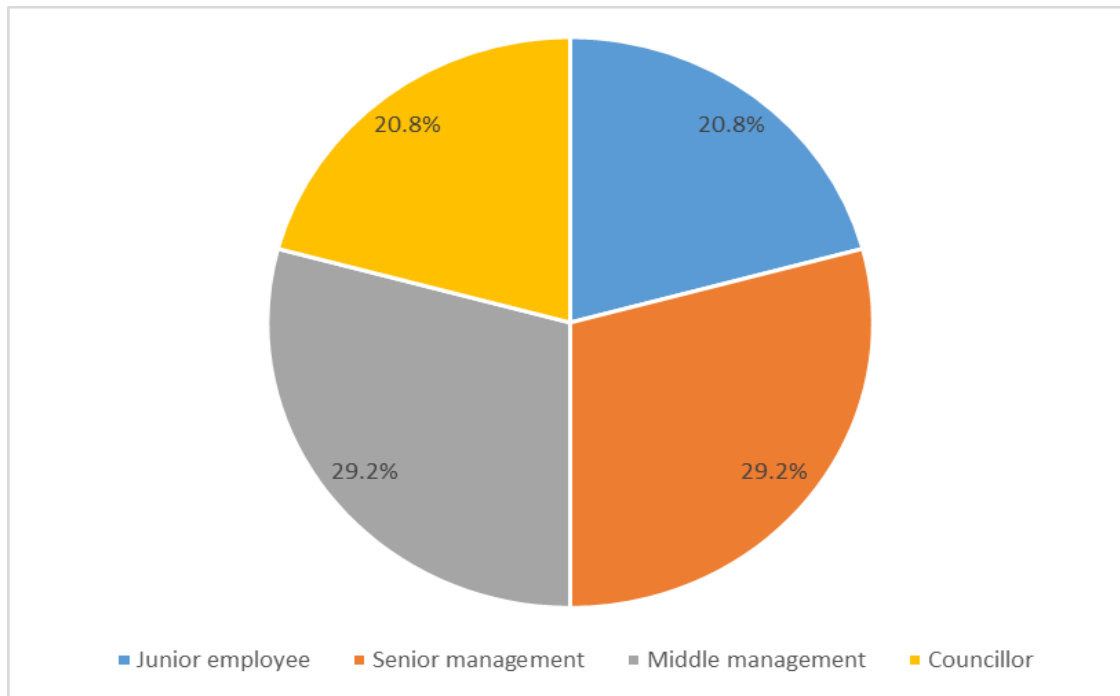


Figure 4. 3 showing level of hierarchy of participants

Source: Research data (2023)

The study had five participants who hold positions at the junior level within the organization. The percentage (20.8%) indicates the proportion of junior employees among the total group of participants. The research involved seven participants who occupy senior management positions. The percentage (29.2%) represents the proportion of senior management participants in the study. The study had seven participants who hold middle management positions. The percentage (29.2%) represents the proportion of middle management participants among the total group. Five participants were councilors and represent 20.8% of the sample.

4.3 Interview results

The interview results were analyzed to gain insights into the participants' understanding of the terms "internal controls" and "service delivery." Out of the 24 participants, a majority conveyed a basic understanding of these concepts. Through a thorough analysis of the data, the researcher identified common themes and patterns in the participants' responses.

Regarding the term "internal controls," the majority of the participants showcased a fundamental understanding of this concept. They described internal controls as a system or set of procedures implemented within an organization to ensure the accuracy, reliability, and

integrity of financial and operational processes. Participants highlighted the role of internal controls in mitigating risks by detecting and preventing errors or fraudulent activities. Some participants also emphasized the importance of internal controls in promoting accountability within the organization.

Moreover, participants recognized that internal controls are essential for maintaining transparency and ensuring compliance with regulations and organizational policies. They acknowledged that internal controls provide a framework for monitoring and evaluating organizational processes, thus assisting in identifying areas that require improvement. The participants overall conveyed an understanding that internal controls contribute to the overall efficiency and effectiveness of an organization's operations.

Turning to the term "service delivery," the participants' comprehension varied to some extent. While the majority linked the term to the provision of goods or services by an organization, they also emphasized the importance of effective and efficient delivery. Participants defined service delivery as meeting or exceeding customer expectations through the timely and quality provision of products or services.

Many participants highlighted the need for excellent customer service in service delivery, placing emphasis on factors such as responsiveness and resolving customer queries or issues promptly. Furthermore, participants highlighted the significance of delivering services in a manner that ensures customer satisfaction. They acknowledged that service delivery involves not only meeting customer needs but also anticipating and exceeding them whenever possible.

A few participants demonstrated a limited understanding of these terms. This suggests a potential gap in their knowledge or the need for further clarification and training in these areas. Additionally, some participants shared unique perspectives based on their specific industry or organizational experiences, offering valuable insights into the practical implementation of internal controls and service delivery within their respective contexts.

A few participants were quoted. Respondent 1 said, "Internal controls, to me, are the checks and balances within an organization that ensure everything is running smoothly. It's about having systems in place to detect and prevent errors or fraud. It's like having someone constantly watching over the financial and operational processes." Respondent 2 also said, "When I think of internal controls, I think of rules and protocols that help maintain transparency

and accountability. It's about having policies and procedures that guide how things are done, and making sure everyone follows them to avoid any risks or issues." Another respondent, respondent 3 said, "Internal controls are the mechanisms in place to safeguard a company's assets. It's about having controls that reduce the risk of errors and protect against potential fraud. They help ensure the integrity and accuracy of financial records."

The majority of participants emphasized that internal controls establish a robust framework for employees to follow organizational policies and procedures. This ensures consistency in service delivery and reduces the likelihood of errors or deviations from standard practices. By adhering to established controls, employees are better equipped to provide high-quality services consistently.

Participants highlighted that internal controls contribute to streamlined processes by eliminating unnecessary steps, redundancies, and bottlenecks. This leads to increased operational efficiency, saving time and resources. The participants noted that when internal controls are in place, employees can focus on their tasks without worrying about procedural issues, resulting in faster and more effective service delivery.

Several interviewees stressed that internal controls play a key role in fostering accountability and transparency within organizations. By enforcing control mechanisms, individuals are held responsible for their actions and are accountable for the quality of their work. This promotes a culture of professionalism and discourages negligence or misconduct, ultimately contributing to higher service delivery standards.

Literature supports these findings. The study by Wiesmeth et al. (2020) focused on European government agencies and found that effective internal control practices were associated with increased accountability, transparency, and improved service delivery. In addition, the research conducted by Voparil and Bernstein (2021) explored the relationship between audit committee effectiveness and service quality in European service organizations. Their findings indicated that well-functioning audit committees positively influenced internal control systems, leading to enhanced service quality and customer satisfaction.

The consistent implementation of internal controls ensures that services are delivered in a standardized manner, regardless of the employee performing the task. Participants expressed that this consistency leads to reliable service delivery, which is crucial in maintaining customer satisfaction and loyalty. By following internal controls, organizations can establish a reputation for providing dependable services. These findings are corroborated by the literature. Lewis et

al.'s (2018) study, which concentrated on European banks, discovered that effective internal control systems improved service quality and raised customer satisfaction levels. In a similar vein, Zaman and Jain's (2019) study looked at how internal control affected the provision of healthcare in enterprises throughout Europe. According to the findings of their study, internal control mechanisms that are properly put in place enhance service quality, which in turn improves patient outcomes and satisfaction levels. The aforementioned results underscore the need of internal controls in ensuring dependable and uniform service provision across diverse industries.

The interviews revealed that internal controls are instrumental in identifying and mitigating potential risks within service delivery processes. By implementing control measures, organizations can proactively identify vulnerabilities, weak points, or fraudulent activities. This allows for timely interventions, corrective actions, and the prevention of errors or intentional wrongdoing, minimizing the negative impact on service quality.

Effective internal controls were consistently mentioned as a means to build customer confidence. By demonstrating the implementation of control mechanisms, organizations signal their commitment to providing high-quality services. This fosters trust and creates a positive perception among customers, increasing their confidence in the reliability and integrity of the services delivered. These results are backed up by the literature. Strong internal control systems, by guaranteeing data security, regulatory compliance, and customer satisfaction, have a favorable impact on service quality, according to a study by Müller et al. (2018). In a similar vein, Schneider and Fischer's (2019) study found that efficient internal control mechanisms improved patient safety, prompt care delivery, and overall satisfaction. Fischer et al. (2021) also looked into the connection between logistics companies' service quality and internal control methods. They found that by guaranteeing correctness in logistical procedures, on-time delivery, and customer satisfaction, efficient internal control mechanisms significantly improved service quality.

Discuss the following findings:

When queried about the challenges faced by local authority in implementing effective internal controls, the participants highlighted several challenges that hinder the successful implementation of internal controls within Redcliff Municipality. First and foremost, the issue of limited financial resources was consistently mentioned. Many participants expressed that insufficient funding poses a significant barrier to adopting and maintaining robust internal

control mechanisms. Limited budgets may restrict the allocation of resources required for comprehensive training programs, advanced technological solutions, and the employment of specialized internal audit personnel, all of which are essential for effective internal controls. The literature analysis, which looks at the difficulties public organizations in Denmark have adopting internal controls, validates these conclusions. In their study, Axelsen and Søndergaard (2014) noted that prevalent problems in this setting were resistance to change, a lack of commitment from the leadership, and insufficient resources. They used a mixed-methods approach in their research, interviewing and surveying managers and staff at Danish public enterprises. The report suggests that in order to overcome these obstacles, leadership commitment should be encouraged, sufficient resources should be allocated, and successful change management techniques should be put into place. These results emphasize how important it is to deal with financial resource constraints as a barrier to putting strong internal controls in place. Organizations must have the money to devote to the specialist staff, technology, and training required for efficient internal controls.

Additionally, participants cited the challenge of a lack of staff expertise and capacity within Redcliff Municipality. They emphasized the need for personnel with specialized knowledge and skills in designing and implementing internal control systems. However, the absence of such expertise can limit the authority's ability to establish and monitor internal controls effectively, leaving them vulnerable to potential weaknesses and risks.

This was corroborated by Steininger and Wegenast's (2015) study into the use of internal control systems in Austrian businesses. Key challenges faced during the implementation process were determined by the researchers to be resistance to change, ignorance, and inadequate training. They collected information by surveying and interviewing managers and staff members who were involved in ICS implementation. In order to overcome these obstacles, the study emphasizes the need for enhanced change management techniques and raised awareness. It implies that taking these elements into consideration can improve the process of implementing internal control systems and increase their efficacy.

Furthermore, participants pointed out that resistance to change within Redcliff Municipality can hinder the implementation of effective internal controls. Introducing new control measures often requires organizational and cultural shifts, which may face resistance from employees or stakeholders accustomed to existing practices. Overcoming this resistance and ensuring buy-in from all levels of the organization can be a challenging and time-consuming process.

Participants also pointed out the resistance to change within Redcliff Municipality as a significant hurdle. Implementing effective internal controls often requires organizational and cultural shifts, which may be met with resistance from employees or stakeholders who are accustomed to existing practices. Overcoming this resistance and ensuring buy-in from all levels of the organization can be time-consuming and challenging.

Another challenge identified by participants is the presence of organizational silos and fragmented processes within Redcliff Municipality. When internal controls are not implemented consistently across all departments, it can lead to inconsistencies, gaps, and reduced effectiveness. Achieving coordination and collaboration between different departments and functions is crucial for establishing a comprehensive internal control environment.

In line with these findings, Mechelli and Secondi (2017) conducted a study on the implementation of internal control systems in listed companies in Italy. The researchers explored the challenges encountered by these companies and assessed the effectiveness of their control systems. They identified factors such as lack of integration with risk management, difficulty in assessing control effectiveness, and the need for continuous monitoring and evaluation. To gather data, the researchers employed various methods, including interviews, questionnaires, and analysis of financial statements. The study emphasizes the importance of proper integration, evaluation, and monitoring to overcome these challenges and enhance the overall effectiveness of internal control systems. By addressing these factors, organizations can work towards improving coordination, assessing control effectiveness, and achieving a more comprehensive internal control framework. Lastly, participants highlighted the importance of regular monitoring and enforcement mechanisms for effective internal controls. Without appropriate monitoring and enforcement of control activities, there is a risk of non-compliance, fraud, or misconduct going undetected, thereby weakening the overall control structure. The absence of a strong monitoring and enforcement framework can undermine the effectiveness of internal controls.

Participants shared their opinions and ideas about the issues that developed as a result of lax internal controls inside the company during the interviews. After the interview data was analyzed, a number of recurrent themes showed up, underscoring the difficulties that Redcliff Municipality was facing as a result of lax internal controls. Financial mismanagement and a lack of responsibility was the first noteworthy issue brought up by the attendees. They voiced

worries about cases of financial misappropriation or misallocation brought about by inadequate oversight and monitoring of financial procedures. The public's confidence in the municipality's management was damaged by these occurrences, which also cost it money.

The literature review supports these findings by highlighting the relationship between weak internal controls and fraudulent activities. Levi et al. (2017) conducted a study examining the extent to which weak controls contribute to financial fraud, using data from various sources. Their research sheds light on the vulnerabilities and challenges posed by weak internal controls and provides recommendations for strengthening these systems to prevent and detect fraud more effectively. Similarly, Fernandez et al. (2020) focused on the impact of weak internal controls on fraudulent activities in Spanish small and medium-sized enterprises (SMEs). Their study emphasizes the financial and reputational risks faced by SMEs and suggests approaches to enhance internal controls and mitigate fraud-related issues. Additionally, Li et al. (2017) investigated the relationship between weak internal controls and financial reporting quality in Canadian listed companies. Their research analyzed financial data and audit reports to identify instances of reporting errors and assess the role of internal controls in contributing to these issues. The findings provide insights into the specific challenges faced by Canadian companies and propose measures to strengthen internal control systems and ensure accurate financial reporting. Overall, these studies highlight the consequences of lax internal controls, such as financial mismanagement and fraud, and emphasize the importance of developing robust systems to prevent and detect such occurrences.

Additionally, participants identified issues related to procurement and contract management as a critical problem arising from weak internal controls. They cited irregularities in the procurement process, including favoritism in vendor selection and a lack of transparency in awarding contracts. These problems had a direct impact on the quality of services provided by the municipality and hindered its ability to fulfill its responsibilities effectively. The review of the literature backs up these findings. In a 2019 study, Agyapong et al. examined information from official government interviews and financial reports. Their study draws attention to the negative effects of lax controls, including improper financial allocation, embezzlement, and a lack of responsibility. The report offers recommendations for enhancing financial management through better internal control systems. In a similar vein, Adekunle et al. (2019) concentrated on how inadequate internal controls affected financial management in public sector enterprises in Nigeria. They interviewed authorities and examined data from official government financial records for their investigation. The study draws attention to the dangers of financial

mismanagement, corruption, and theft in Nigeria's public sector. Additionally, it offers suggestions for bolstering internal control frameworks to improve financial management procedures.

Operational inefficiencies also emerged as a significant concern associated with weak internal controls. Participants indicated that without proper controls in place, there were instances of inadequate documentation, lack of standardized processes, and inconsistent record-keeping. These issues contributed to delays, errors, and duplication of efforts, thus impeding the municipality's efficiency in delivering services.

Personnel management was another area highlighted by the participants as a consequence of weak internal controls. They mentioned instances of nepotism and favoritism in hiring and promotion decisions, leading to discontent among employees and a lack of morale within the workforce. Furthermore, inadequate controls around performance evaluation and accountability allowed underperforming individuals to remain in positions where their effectiveness was compromised.

Moreover, weak internal controls were identified as a risk factor for fraud and corruption. Participants reported cases of embezzlement, kickbacks, and misuse of resources due to insufficient checks and balances within the municipality. These incidents not only had a detrimental financial impact but also tarnished the reputation of the municipality and eroded public confidence.

These conclusions are corroborated by the literature review. In a study published in 2017, Botha et al. examined information from management interviews and financial records. Their analysis draws attention to the dangers that South African companies face from fraud, theft, and inadequate financial management. In order to lessen these difficulties, the study offers suggestions for enhancing internal control mechanisms. Kganyago et al. (2019) similarly concentrated on the effects of lax internal controls on municipal government in South Africa. They interviewed municipal officials and looked over governance reports for their investigation. The report emphasizes the dangers of inefficiency, corruption, and a lack of accountability. It offers guidance on how to improve governance procedures by fortifying internal control systems. These results highlight the value of strong internal controls in reducing the likelihood of fraud and corruption.

The employees were asked about the measures that have been implemented to enhance internal controls within the organization. The responses gathered from the participants revealed several

initiatives that have been undertaken to bolster internal controls. One of the notable measures highlighted was the introduction of a comprehensive training program. This program aims to educate employees about the significance of internal control mechanisms and their role in ensuring transparency and accountability. By equipping staff with the necessary knowledge and awareness, the municipality hopes to foster a culture of compliance and ethical behavior.

Alongside training, a centralized system has been implemented to streamline the monitoring and tracking of financial transactions. This system encompasses regular audits and assessments to identify potential weaknesses and ensure compliance with regulatory requirements. Participants indicated that this centralized approach has facilitated better control and oversight of financial processes, contributing to improved internal controls.

Another significant step taken by Redcliff Municipality is the establishment of an internal audit department. This department is responsible for conducting regular reviews of financial processes, ensuring adherence to policies and procedures, and identifying areas for improvement. Participants spoke highly of this development, recognizing it as an essential component in enhancing internal controls.

Furthermore, participants noted the implementation of a whistleblower policy as a noteworthy measure in promoting transparency and mitigating risks. This policy provides employees with a safe platform to report any suspected instances of fraud, misconduct, or irregularities. The improved communication channels have fostered trust among employees and contributed to creating a more open and accountable work environment.

While participants acknowledged the efforts made by Redcliff Municipality, some voiced their opinion that there is still room for improvement. Suggestions put forward include strengthening the segregation of duties, particularly in critical financial processes, to minimize the risk of fraud or error. Additionally, participants emphasized the importance of leveraging technology to automate and enhance internal control procedures. This may involve implementing robust financial management software or using data analytics tools to identify unusual patterns or anomalies in transactions.

Participants also highlighted the significance of ongoing training sessions to reinforce knowledge and raise awareness of internal control practices. Regular training programs could address emerging risks, update employees on changes in regulations, and refresh their understanding of internal control procedures.

In an effort to get opinions and thoughts on potential improvements to the municipality's service delivery, the researcher also conducted interviews with the participants. Many themes that represented the actions that participants thought could enhance Redcliff Municipality's service delivery were revealed by examining the interview data. The significance of better communication and community engagement was stressed by the attendees, to start. Residents' wants and concerns must be actively heard by the municipality, and they must be asked for their input and included in decision-making processes. Increased community satisfaction would result from the municipality's services being in line with community expectations thanks to this participative approach.

Secondly, participants highlighted the significance of investing in staff training and development. They suggested that continuous training programs, workshops, and capacity-building initiatives could enhance the skills and knowledge of municipal employees, thereby improving their ability to deliver quality services. The participants also stressed the importance of fostering a culture of professionalism, accountability, and ethical conduct within the municipality, which would enhance service standards and instill trust among the community members.

Moreover, participants emphasized the adoption of technology solutions as a means to streamline processes and improve efficiency. They suggested implementing digital platforms for service requests, online payment systems, and data management systems to enhance transparency, accessibility, and timeliness in service delivery. Upgrading infrastructure and equipment was also identified as a necessary step to support the effective provision of services.

Another significant measure highlighted by the participants was the establishment of performance indicators and benchmarks to monitor service quality. They suggested developing key performance indicators (KPIs) to track progress, measure outcomes, and hold the municipality accountable for service delivery standards. Regular performance evaluations and customer satisfaction surveys were also recommended to capture feedback and identify areas for improvement.

Lastly, participants stressed the importance of effective coordination and collaboration among different departments and stakeholders within the municipality. Breaking down silos and fostering cross-functional teamwork was seen as crucial to ensure seamless service delivery. Establishing strategic partnerships with external organizations and leveraging community resources were also seen as potential avenues to enhance service provision.

During the interviews, the researcher conducted in-depth discussions to gather insights and perspectives on the types of internal controls deemed essential for ensuring the delivery of high-quality services. Throughout the analysis of the interview data, several common themes emerged, reflecting a consensus among the participants regarding the crucial internal controls that Redcliff Municipality should implement. The first significant area highlighted was the necessity of establishing clear and robust financial controls. Participants emphasized the importance of implementing rigorous budgetary processes to effectively manage resources and ensure responsible financial practices within the local authority. Additionally, they stressed the need for continuous monitoring of expenditure and the importance of conducting regular financial audits to detect and prevent fraud or misappropriation of funds.

The second theme that emerged from the interviews revolved around effective procurement and contract management controls. Participants emphasized the significance of developing fair and transparent processes when selecting vendors or contractors to ensure the highest quality standards. They also stressed the importance of ongoing monitoring and evaluation of contract performance, along with strict adherence to agreed-upon terms and conditions.

Human resource management controls emerged as another critical aspect highlighted by the participants. They emphasized the need for rigorous recruitment processes to select qualified individuals capable of delivering quality service. Additionally, participants highlighted the importance of regularly evaluating employee performance to identify areas for improvement and provide necessary training and capacity-building opportunities. These measures aimed to enhance the skills and capabilities of the workforce, contributing to improved service delivery.

The participants also underscored the need for robust information technology (IT) controls. They emphasized the necessity of securing sensitive data through encryption and access controls to protect against unauthorized access. Regular updates to software and hardware systems were highlighted as vital to address any potential vulnerabilities and ensure the smooth and secure functioning of IT infrastructure. Moreover, participants stressed the importance of establishing backup and recovery procedures to mitigate the risk of data loss or system failures, enabling uninterrupted service delivery.

Lastly, effective monitoring and evaluation mechanisms stood out as another significant aspect discussed during the interviews. Participants emphasized the importance of regularly assessing performance and gathering feedback from service recipients. This continuous feedback loop

allows Redcliff Municipality to identify strengths and weaknesses and make informed policy decisions to enhance service quality and responsiveness. Moreover, these mechanisms foster accountability and transparency, reinforcing public trust in the local authority.

4.4 Summary

This chapter contained the research study's findings. The chapter examined the interpretation and analysis of the collected data in order to provide insights. The first subject addressed in this chapter was the response rate. Following that, the interviewees' age, gender, experience, and educational attainment were scrutinized. The chapter's conclusions from the staff interviews were reviewed in the subsequent section.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter provides key findings and contributions of this study by focusing on summaries of previous chapters. This chapter is made up of the conclusions of the research, bearing in mind why the research was conducted in the first place. The chapter is of importance as it provides a room for not only concluding the research but also to give recommendations and the suggestions for further study. On the basis of these findings and the conclusions, this chapter also makes recommendations to enhance management on detection and prevention of occupational fraud in the private sector industry. In this chapter the researcher makes inferences and conclusions of the research using the information obtained from the findings as discussed in chapter four.

5.1 Summary of the study

The purpose of the current study was to evaluate the effect of internal controls on financial management of Redcliff Municipality local authority. The secondary goals were to determine how internal controls affect the quality of service delivery, what obstacles local authorities face in implementing effective internal controls, what issues local authorities have encountered as a result of lax internal controls, and what steps can be taken to improve the quality of service delivery at Redcliff Municipality. The resource dependence theory, internal control theory, and stakeholder theory served as the foundation for the study's theoretical framework. The study employed the stakeholder theory by taking into account the diverse groups of stakeholders within Redcliff Municipality. It was employed to investigate how good internal controls can improve service delivery's accountability, transparency, and fairness—thereby raising stakeholder satisfaction and living up to expectations. The notion of resource reliance was employed to determine how much the Redcliff Municipality relies on different resources, such as human, financial, and technological resources, in order to efficiently provide services. Better service delivery results can be achieved through internal controls that maximize resource allocation, reduce waste, and enhance the use of already-available resources. The objectives of the study were in line with the internal control hypothesis. The objectives are to discover challenges to the implementation of strong internal controls, comprehend the issues brought about by lax controls, ascertain how internal controls affect the provision of services, and

devise strategies to raise the caliber of those services. These goals corroborate the internal control theory's focus on asset protection, performance improvement, and risk identification and mitigation. The research philosophy employed in this study was interpretivism. The study employed an inductive research approach supported by a qualitative research strategy, all in accordance with the research paradigm. Additionally, a descriptive study was used.

5.2 Summary of major findings

This study has found that the majority of the employees at Redcliff Municipality understood the concepts of internal controls and service delivery. Participants recognized that internal controls are essential for maintaining transparency and ensuring compliance with regulations and organizational policies. Turning to the term "service delivery," the participants' comprehension varied to some extent. While the majority linked the term to the provision of goods or services by an organization, they also emphasized the importance of effective and efficient delivery. Participants defined service delivery as meeting or exceeding customer expectations through the timely and quality provision of products or services. The study also found that internal controls are instrumental in identifying and mitigating potential risks within service delivery processes. By implementing control measures, organizations can proactively identify vulnerabilities, weak points, or fraudulent activities.

The study identified several challenges faced by Redcliff Municipality in implementing internal controls. Limited financial resources were consistently mentioned as a major obstacle. Participants expressed that a lack of funding makes it difficult to adopt and maintain robust internal control mechanisms. Insufficient budgets can limit resources for training programs, technological solutions, and specialized internal audit personnel, all of which are crucial for effective internal controls. Furthermore, the study highlighted the issue of a lack of staff expertise and capacity within the municipality. Participants stressed the need for personnel with specialized knowledge and skills in designing and implementing internal control systems. However, the absence of such expertise can impede the authority's ability to establish and monitor internal controls effectively, thereby increasing vulnerability to potential weaknesses and risks.

The study also found that a participative approach to service delivery aligned with community expectations would lead to increased community satisfaction. Participants stressed the importance of investing in staff training and development to improve skillsets and deliver quality services. They also emphasized the need to foster a culture of professionalism,

accountability, and ethical conduct within the municipality. Technology solutions were suggested to streamline processes and enhance transparency, accessibility, and timeliness. The establishment of performance indicators and benchmarks, as well as coordination and collaboration among departments and stakeholders, were seen as crucial. The study also identified clear and robust financial controls, effective procurement and contract management controls, human resource management controls, robust IT controls, and monitoring and evaluation mechanisms as essential internal controls for quality service delivery.

5.3 Conclusions

The conclusions of the research can be summarized as follows:

- Majority of the employees at Redcliff Municipality understood the concepts of internal controls and recognized their importance in maintaining transparency and ensuring compliance with regulations and organizational policies.
- Internal controls play a crucial role in identifying and mitigating risks within service delivery processes. Implementing control measures enables organizations to proactively identify vulnerabilities, weak points, and fraudulent activities, thereby enhancing the overall integrity of service delivery.
- Limited financial resources pose a significant challenge for Redcliff Municipality in implementing robust internal controls. Insufficient funding hinders the adoption and maintenance of effective control mechanisms, including training programs, technological solutions, and specialized internal audit personnel.
- The municipality faces a lack of staff expertise and capacity in designing and implementing internal control systems. The absence of specialized knowledge and skills impedes their ability to establish and monitor controls effectively, leaving them vulnerable to potential weaknesses and
- A participative approach to service delivery that aligns with community expectations can lead to increased community satisfaction.
- Investing in staff training and development is crucial to improving skillsets and delivering quality services.
- Fostering a culture of professionalism, accountability, and ethical conduct within the municipality is vital.
- Implementing technology solutions can streamline processes, enhance transparency, accessibility, and timeliness.

- Establishing performance indicators and benchmarks, as well as promoting coordination and collaboration among departments and stakeholders, are essential for effective service delivery.
- The presence of clear and robust financial controls, effective procurement and contract management controls, human resource management controls, robust IT controls, and monitoring and evaluation mechanisms are necessary internal controls for ensuring quality service delivery.

5.5 Recommendations

5.5.1 Recommendations from the research findings

Based on the conclusions of the research, the following recommendations are made for Redcliff Municipality:

Allocate adequate financial resources

Redcliff Municipality should prioritize the allocation of sufficient funds to implement robust internal controls. Adequate funding will enable the municipality to invest in training programs, technological solutions, and specialized internal audit personnel, strengthening their ability to establish and maintain effective control mechanisms.

Enhance staff expertise and capacity

Recognizing the lack of specialized knowledge and skills in designing and implementing internal control systems, Redcliff Municipality should invest in staff training and development initiatives. By enhancing staff expertise, the municipality can improve its ability to establish and monitor internal controls effectively, reducing vulnerabilities and potential weaknesses.

Foster a participative approach to service delivery

To maximize community satisfaction, Redcliff Municipality should adopt a participative approach that aligns with the expectations of the community. Engaging community members in decision-making processes and incorporating their feedback can lead to improved service delivery outcomes.

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APPENDIX 1

LETTER OF CONSENT

GREAT ZIMBABWE UNIVERSITY SCHOOL OF COMMERCE



Dear Respondent

My name is Edwin Mushati, studying for a Master of Commerce Degree in Professional Accounting and Corporate Governance GRAD/ICSA at Great Zimbabwe University. As part of the requirements for completing my degree, I am expected to carry out a research on a topic that addresses practical issues related to my field of study and subsequently make appropriate recommendations. My research topic is entitled:

“INTERNAL CONTROLS AND QUALITY SERVICE DELIVERY”

I assure you that the information you are going to provide shall be treated with privacy and confidentiality and it is exclusively going to be used for academic purposes and shall not be published or transferred to whomsoever. Do not put any name or identification on this questionnaire. Answer all questions as indicated by ticking the option that applies.

Your positive response to the success of the research will be greatly appreciated.

Regards

Edwin Mushati (M205827)

APENDIX 11

INTERVIEW GUIDE



RESEARCH PROJECT INTERVIEW GUIDE (A)

INSTRUCTIONS

- i) Please tick [✓] the appropriate response box
- ii) Do not write your names on the questionnaire
- iii) For any query contact me on +263 779 543 065

1. Gender

Male [] Female []

2. Age range

20 - 30 years [] 30 – 40 years [] 40-50 years [] 50 and above []

3. Highest academic qualification

'O' level [] 'A' level [] Diploma [] Degree [] Post graduate []

4. How long have you been in the organization?

Less than one year [] Less than 5 years [] 5 -10 years []
11-15 years [] more than 15 years []

5. Which department are you in?

Finance [] Central Administration (HR) department [] IT Section []

Engineering [] Councilor [] Internal Audit []

6. Which level are you in on the organization hierarchy?

Junior employee [] Senior management [] Middle management [] Councillor []

APENDIX 11I

INTERVIEW GUIDE (B)



RESEARCH PROJECT INTERVIEW GUIDE

1. What do you understand by the term internal controls and service delivery?
2. What are the effects of internal controls in providing quality service delivery?
3. What type of internal controls that can be placed in order to fulfil the mandate of Local authority in providing quality service delivery?
4. What are the problems that have been faced by Redcliff Municipality due to weak internal controls?
5. What measures can be put in place to improve the quality of service delivery at Redcliff Municipality?
6. What measures have been put in place so far to improve internal controls at Redcliff Municipality?
7. What challenges that being are faced by local authorities in implementing the above stated effective internal controls?

END OF INTERVIEW THANK YOU