

**Journal of Management Sciences, Innovation, and Technology (JMSIT)**

<https://journals.cut.ac.zw/index.php/JMSIT>

**Evaluating implementation of financial audit recommendations on performance of local authorities in Zimbabwe.**

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**Abstract**

*The research aims to establish the relationship between the implementation of audit recommendations and the performance of local authorities. The study is guided by audit theories which generally emphasize the need to implement audit recommendations to improve the performance results of local authorities. The research used pragmatism philosophy which uses a mixed research choice. 238 Closed ended structured Likert scale questionnaires were administered and 11 interviews were conducted until saturation was reached. The structural equation model was used as the analysis method for quantitative data to extract both factors unobserved or latent variables and also tests direct and indirect effects. The qualitative data in this study was analysed by using the thematic analysis method because it provides in-depth insights and contextual understanding of the research topic. The research findings showed that implementation of audit recommendations positively impacts performance by improving service delivery. Furthermore, the research adds to the current body of knowledge by highlighting factors that affect implementation of audit recommendations named as local authorities' committees' skills composition, local authorities' committees' diversity, staff competence, staff attitude. While this research focused on the local authorities, further research can investigate the current trends regarding the implementation of audit recommendations in the central government in Zimbabwe.*

**Keywords:** Implementation, Audit recommendations, Performance, Local authorities.

## **Introduction**

Globally there have been increased concerns of implementation of audit recommendations. Different scholars and writers from Australia, America, Europe, Asia and Africa raise concerns on non-implementation of audit recommendations (Atuhumuza, 2016; Zhou et al, 2016; Muhammad et al; 2017; Australian National Audit Office, 2019; Melanie et al, 2019; EUROSAL, 2021; Rodakos et al, 2021). Audit recommendations vary in scope and complexity, consequently, the implementation task may require coordination across a range of programme delivery and support functions within an entity (Australian National Audit Office, 2019). The benefits of audit reports are **reduced** and performance of the entities remains poor, if audit recommendations are not implemented within the agreed time frames ([www.anao.gov.au](http://www.anao.gov.au)). According to Melanie et.al (2019) factors which affect non implementation of audit recommendations are lack of knowledge, lack of motivation and low value care. Globally researchers discovered that regulation, internal controls characteristics of internal audit departments, organizational structure and staffing issues are affecting non implementation of audit recommendations in Italy and Europe (EUROSAL, 2021; Rodakos et al, 2021). Furthermore, Muhammad et al (2017) observed that board composition and regulatory factors affected non implementation of audit recommendations in Indonesia.

Researchers concur that staffing issues, organizational factors, nature of findings, individual factors and nature of recommendations are the causes of non-implementation of audit recommendations (Alabede, 2012; Atuhumuza, 2016; Duplessis, 2017; Zhou et al 2016 and Wadesango et al 2017). Furthermore, Atuhumuza (2016) noted increased accountability, improved health services and better-quality education as results of implementing audit recommendations.

Non- implementation of audit recommendations by municipalities in Zimbabwe, Europe and South Africa have resulted into continued malpractices, deep seated malfeasance especially in accounting procedures and procurement processes, corruption, mismanagement of public funds, poor corporate governance, non-submission of financial statements for audit and poor service delivery (Auditor General Reports 2017-2023, EUROSAL, 2020, Matlala & Uwizeyimana, 2020). Audit's reports are shelved with scant regard to the content of the recommendations (Mhike, 2015 & Australian National Audit Office, 2020). It has further been stated that Parliament through its portfolio committees had the responsibility to scrutinize and recommend litigation on culprits (Mangwana, 2019; Pamungkas et al, 2019 and Melanie at al 2019)

Despite the provisions in the Constitution that mandate the Parliament to take action in ensuring that Auditor General's recommendations are implemented, the Local Authorities have continued to receive the same audit opinions. The analysis of the Auditor General's reports from 2017 -2023 shows the decrease in implementation rate from 21% in 2017 to 6 % in 2023. The Auditor General's reports from 2017-2023 also highlight an increase in recurring audit observations from 21% in 2017 to 57 % as of 31 December 2023. This shows a decrease in implementation as of 31 December 2023.

The trend analysis from Auditor General's reports of 2017-2023 indicates that the qualifying audit opinion has increased from 17% in 2017 to 30% in 2023. Thus, the qualifying audit opinion has increased by 13%. The unmodified audit opinion has decreased from 28% in 2017 to 2% in 2023. This indicates there has been a decrease in unmodified opinion of 26%. Hence this is evidence that there were a lot of irregularities which were raised by the auditor General from 2017- 2023 but of concern is that these irregularities were not addressed by the local

authorities, consequently affecting the performance of local authorities.

The disclaimer opinion has increased to 7% in 2023 from 5% in 2017. The disclaimer opinions have increased by 2% from 2017- 2023. The adverse opinion has increased to 60% in 2023 from 50% in 2017. Adverse opinions have increased by 10%. In 2023 alone the Auditor General had 2 unmodified opinions, 29 qualified opinions, 7 disclaimers and 58 adverse opinions. Therefore, it can be noted that a lot of irregularities identified were not implemented, because only two local authorities had clean reports out of a total of 86 local authorities audited in 2023.

According to the Herald of 1 July 2019; Muzulu, 2020 and Mupanga, 2020, the Auditor General noted that lack of good governance continued to dog most councils. This is evidenced by the Auditor General in her 2019 audit report that the following three local authorities were operating without key policy and procedures manuals for three consecutive years since 2016. Hence this can be highlighted that the situation is like this due to lack of implementation of Auditor General's recommendations that policy and procedures manuals should be implemented.

According to the Auditor General, some local authorities had outstanding statutory obligations of \$22 901 682. As from 2017 to December 2023 the councils had not been able to pay obligations resulting in accumulation of costs. This implies that the councils were not taking heed to the auditor general's recommendations hence accumulated costs constituted poor service delivery. The costs range from salaries and wages, remittances and statutory deductions as well as other obligations respectively. Hence, this has a negative impact on the budget of local authorities and performance due to non-implementation of audit recommendations in local authorities.

Almost 90% of revenue collected is spent on costs and only 10% on development projects (Auditor General Reports 2017-2023). Hence according to Chitambara (2020) and the Auditor General's report of 2023 local authorities in Zimbabwe are in the eye of a storm for lack of transparency and accountability in the management of public funds because they are not implementing auditor general's recommendations.

The 2023 auditor general report on local authorities highlighted that governance issues dominated much of the audit findings as they increased from 61 issues in 2020 to 190 in 2023, revenue collection and debt recovery issues increased from 37 to 81 between 2020 and 2023, whilst procurement issues increased from 12 in 2021 to 21 in 2023 and service delivery issues rose from 2 in 2020 to 23 in 2023, employment issues rose from 12 in 2020 to 14 in 2023 as well as management of assets rose from 0 in 2020 to 25 in 2023. Therefore this is a clear indication that audit recommendations are not being implemented by local authorities because audit findings have risen for these noted years. Hence recurrence of audit findings and non-implementation of audit recommendations cannot be ruled out consequently this has adverse effects on performance of local authorities. There is a challenge in implementing audit recommendations in local authorities and this has constituted gross misappropriation of funds and poor service delivery (Makombe, 2020; Mutandwa & Hendriks, 2022). Zimbabwe Coalition on Debt and Development (ZIMCODD)'s analysis of the 2022 findings of the Auditor General on local authorities further highlights that public sector auditing remains a cornerstone for the realization of sound public sector governance anchored on public accountability, transparency, integrity, efficiency and effectiveness in all matters and decisions involving public funds.

According to audit reports local authorities are struggling to properly account for public funds as evidenced by recurrence of audit observations and the non-implementation within the agreed time frames. According to the Auditor General in her 2020 report, there is room for improvement in accountability and transparency in all the Local Authorities. This can be achieved if among other things, audit recommendations are implemented. Several authors concur that an efficient and effective internal control system, cooperation of the audit committee and regulatory laws affected non implementation of audit recommendations in Nigeria, Europe and America (Alabede, 2012; EUROSAT, 2021 and Melanie et al, 2019).

## **Literature Review**

### **Theories supporting the study**

Several theories have been reviewed among others are agency theory, policeman theory, lending credibility theory, quasi -judicial theory, the theory of inspired confidence and the institutional theory (Haapamaki, 2022; Lammer & Garci, 2017; Agoglia et al, 2015; Togbolo et al, 2020; Dennis, 2015; Aliu et al, 2018; Mattei et al, 2021). Agency theory and institutional theory appear to be the crucial and important theories of accountability and institutions. They explain the development of audit as well as institutions and their vital roles in today's economy as stated by Martin (2018). In this study, the institutional theory acts as the normative organization's adaption of the institutional practice force of the organizations, to which accountants are attached to produce financial reports, which are shaped by accounting standards (Baker et. al, 2014; Lammers & Garcia, 2017; Haapamaki, 2022). In this paper, an agency relationship therefore occurs when one or more principals such as the owner (stakeholders) engage another person as their agent (local authorities) to complete a task on their behalf. The agency theory also is used to apply to the relationship between the auditors and the local authorities where the local authorities as the principles engage the work of auditors who would be in the capacity of agents. Auditors are supposed to audit the books of accounts diligently and come up with findings, risks and recommendations which the local authorities are supposed to implement in the interest of stakeholders (the citizens) and auditors as well.

### **Empirical Literature review**

Globally, empirical studies indicate that the determinants that affect successful implementation of audit recommendations vary (ANAO, 2018; Shukeria, 2017; Shamsuddin, 2016; Duplessis, 2016; Dugassa, 2018; Atuhumuza, 2016; Wadesango et al, 2017; Matlala & Uwizeyimana, 2020; Msenga, 2021; EUROSAT project, 2021; Rodakos et al, 2021). Audit recommendations vary in scope and complexity consequently the implementation task may require coordination across a range of programme delivery and support functions within an entity (Australian National Audit Office, 2015; Pamungkas et.al 2019). The benefits of audit reports are reduced and performance of the entities remains poor, if audit recommendations are not implemented within the agreed time frames ([www.anao.gov.au](http://www.anao.gov.au); Msenga, 2021). Various scholars discovered that regulations, internal controls characteristics of internal audit departments, organizational structure, staffing issues, auditor type, audit opinion, firm performance, environmental transparency and public accountability affected non implementation of audit recommendations in Europe, Italy and Malaysia (EUROSAT, 2021; Rodakos et al, 2021; Shukeria, 2017; Shamsuddin, 2016 and Doan & Ta 2022). Scholars noted unstable foundation in terms of unclear goals and unclear strategies, immaturity of the local authority, lack of relevancy of the implementation, staff resistance, low management priority, insufficient resources, uselessness of the recommendation, availability of resources, lack of audit monitoring processes, absence

of authority, and staffing problems, quality of audit recommendations, management commitment, monitoring and follow up of audit recommendations auditor professional designation, due diligence, client relations, documentation and tracking of audit recommendations as factors that affect implementation of audit recommendations in South Africa and Ethiopia (DuPlessis, 2016; Msenga, 2021; Matlala & Uwizeyimana, 2020; Katuli, 2019; Dugassa, 2018; Mihret & Woldeyohannis; 2007, Orkaido & Moges, 2022). The core role of local government is to provide basic services such as water, sanitation and electricity to its citizens. Failure by the local authorities to implement audit recommendations would force authorities not to deliver its services as expected, (Dzomira, 2020; Mwilima, 2018). Therefore it is essential that implementations must be done.

Attributes of non-implementation of audit recommendations include organizational factors, nature of findings, individual factors, financial constraints, staffing issues, complex issues, nature of recommendations, reputational risk, backlog on reports of accountability committees that span over five years, inadequacy of laws, abuse of office leadership, technical and financial support in Uganda, Southern Africa and Zimbabwe (Atuhumuza, 2016; Aikin, 2012; Nandugga, 2019; Quampah et al, 2021; Kewo & Afia, 2017; Wadesango et al, 2017; Johanisi, 2017; Zhou & Zinyama, 2012; Sulaiman, 2011; Wamaji, 2015; Suwanda, 2015; Manaf, 2015). It is further highlighted that non implementation of audit recommendations decapitates Local authorities with the ability to provide efficient and effective service delivery to the public (Bubilek, 2017; Furqan, 2019).

### **Local authorities' committees' skills composition and Implementation of audit recommendations**

Poor oversight and performance monitoring of local authorities' committees and the failures of audit has been implicated in the state of distress and failures of many local authorities (Akhidime, 2015; Financial Reporting Council, 2018). Local authorities' committees which have more experience in terms of audit skills, risk skills and leadership skills are more likely to demand high quality audit work and oversight roles (Ogoun & Perelafeya, 2020). Conclusion can be drawn that higher levels of local authorities' committees' expertise led to higher monitoring and oversight incentives (Kirsch, 2018).

Studies conducted in Australia and America by The Australian Audit Office (2021) and Melanie et al (2020) respectively, in public institutions of the two continents indicated organisational factors such as lack of motivation and low value care value care of recommendations made by audit by staff and management as factors that affect implementation of audit recommendations. These studies were conducted in public institutions of developed continents hence this study aimed to find out other organisational factors that affect implementation of audit recommendations in a developing country and precisely, committees' skills' composition.

### **Local authorities' committees' diversity and Implementation of audit recommendations**

Scholars elaborate that local authorities' committees' diversity refers to heterogeneous composition of the committees in term of gender, age, race, education, experience, nationality, lifestyle, culture, religion and many other facts that make each of us unique as individuals (Alabede, 2016; Subhan & Waqar, 2019). Local authorities' committees' diversity helps to enhance network ties and skills to advise and monitor implementation of audit recommendations (Tugman & Leka, 2019; Ferdinand, 2009).

Matlala & Uwizeyimana (2020) in South Africa conducted research in 2020 and noted poor governance, financial mismanagement, and embezzlement as factors that affect implementation of audit recommendations. The study conducted by Matlala & Uwizeyimana did not elaborate on how local authorities' committees' diversity affects implementation of audit recommendations. Matlala & Uwizeyimana (2020) used the longitudinal time horizon in their research whilst the researcher of this study used the cross-sectional time horizon. It is plausible to note that this study was conducted for the period 2017-2023 and it aims to elaborate how committee diversity in local authorities affects the implementation of audit recommendations.

### **Staff competency and Implementation of audit recommendations**

For auditors to effectively implement their recommendations there is need for competent and decided staff within the finance or accounting department and the organization as a whole (Australian National Audit Office, 2014; Wadesango et al, 2019). It is more difficult to implement audit recommendations when the present staff is not knowledgeable, skilled or experienced enough in handling audits and implementing audit recommendations (Jachi & Yona, 2019; Mulyana et al, 2021; Koeswayo, 2016). Staff competency has also contributed to a significant backlog in the implementation process (Aikins, 2012; Katuli, 2019).

In Europe EUROSAI (2021) discovered that regulations, internal controls characteristics of internal audit departments, organizational structure and staffing issues affected non implementation of audit recommendations in Italy. Issues such as weak regulatory frameworks, institutional fragmentation and bureaucratic resistance were found as hindrances to implementation of audit recommendations in Europe by De Zoysa (2022). In Asia, factors including cultural norms, weak enforcement mechanisms and limited capacity have been identified as barriers to implementation of audit recommendations by Kassem (2020). The studies mentioned above were conducted in private institutions though the scholars mention staffing issues as one of the factors that affects implementation of audit recommendations. Hence this study was conducted to elaborate on the effects of staff attitude on implementation of audit recommendations in local authorities which are public institutions, in Zimbabwe.

### **Staff Attitude and Implementation of audit recommendations**

The general lack of cooperation by staff in an organization is a challenge when implementing the recommendations (Rahmati & Dain, 2019; Aikins, 2012). It is mainly the duty of staff to implement audit recommendations (Wadesango et.al, 2019; Mwilima, 2018; Rahmati & Dain, 2019; Aikins, 2012). Doan & Ta (2022) noted that as long as staff is supportive to the audit section, it is easier for it to adopt audit suggestions and recommended practices.

In Zimbabwe according to Gwisai (2020); Muponda & Chimhenga (2021); Chitimbe (2022) and Mhlanga & Chitimbe (2023) determinants of non-implementation of audit recommendations are lack of political will, presence of weak institutional capacity and oversight mechanisms which can result in challenges in monitoring and ensuring the implementation of audit recommendations. Ndlovu (2020) and Gwisai (2024) further highlight those financial constraints, budgetary limitations, prevalence of corruption and lack of accountability in the public sector as impediments of implementation of audit recommendations. It is plausible to note that this study seeks to elaborate on how staff attitude affects implementation of audit recommendations in Zimbabwe's local authorities. Analysis from scholars above highlights that there is scarce literature on how staff attitude affects implementation of audit recommendations in local authorities in Zimbabwe hence this study

seeks to address that.

## Relationship between implementation of audit recommendations and performance

### Concept of performance in local authorities

Performance of local authorities is often evaluated based on service delivery metrics such as access to clean water, sanitation facilities, waste management services and road maintenance (Nhundu & Chitiyo, 2022; Madhekeni, 2022; EUROSAI, 2020). Service delivery in local authorities in Zimbabwe is a crucial measure of performance that reflects governance effectiveness, public service provision and overall community satisfaction (Kamonjola, 2018; Chilunjika & Chikasha, 2021; Machingauta, 2021). Service delivery has five components which are accessibility of services, affordability of services, sustainability of services, accountability and quality of services (Nhema, 2015; Madhekeni, 2022; Mawowa, 2021; Atuhumuza, 2016; Australian National Audit Office, 2020; EROSAI, 2020). This study is going to note service delivery with its five components as measures of performance in local authorities in Zimbabwe.

An analysis of the relationship between implementation and performance is discussed below. There exist significant positive relationships between non-implementation of audit recommendations and the performance of the organization (Gramling et al, 2004; Pizzini et al, 2012). Non-implementation results in reduced effectiveness of the control system of the organization. This therefore encourages fraud, misuse, mismanagement of funds and poor service delivery. It also contributes to reduced profits and poor performance of the organization. Non implementation of audit recommendations weakens the internal control systems with poor segregation of duties and accountability and this creates loopholes for risk such as fraud and other loss of organization resources that would result in reduced profits (Burnaby & Hass, 2011; Regoliosi & Martino, 2019)

Though other scholars mentioned above take note of the relationship between performance and implementation, this study seeks to measure performance of local authorities in terms of service delivery. Also, this study covers diverse groups of local authorities in Zimbabwe which are local boards, rural district councils and urban councils. Therefore, this research is a diverse study of how implementation of audit recommendations affects performance of local authorities in Zimbabwe.

### Conceptual Framework

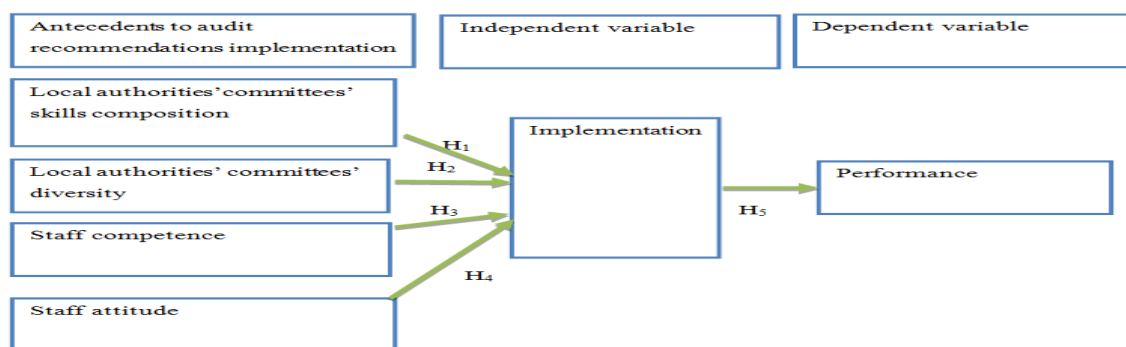


Figure 1: Researcher's compilation (2025)

This study focused on how local authorities' committees' skills composition, local authorities' committees' diversity, staff competence and staff attitude antecedently affect implementation (which is an independent variable) of audit recommendations on performance of local authorities. The performance of the local authorities was dependent on the independent variable, implementation, as shown in the diagram above.

The conceptual framework in the study was framed using the Principal Agency theory, the Institutional theory and the Reinforcement theory. The conceptual framework above depicts the factors that affect implementation of the Auditor General's recommendations. The contextual factors (antecedents to implementation of audit recommendations) are categorized as local authorities' committees' skills composition, local authorities' committees' diversity, staff competence and staff attitude. The conceptual framework above further links the independent variable (implementation) to the dependent variable which is performance. In the conceptual framework it is hypothesized that once the independent variable and the contextual factors are addressed by the local authorities it will eradicate the challenge of non-implementation of audit recommendations on performance of local authorities.

## **Research Methodology**

The researcher made use of pragmatism research philosophy meaning mixed research design. Out of a population of 610 employees who were under research, a sample of 238 was chosen using the Krejcie & Morgan table (1970) [model](#). A structured questionnaire that participants self-administered was used to collect data and 172 questionnaires were completed in full and sent back hence 72% of respondents responded which deemed it acceptable according to Pickett et al (2018). Interview guides were used to collect qualitative data and point of saturation was reached at the 11<sup>th</sup> interviewee. Stratified and purposive samplings were methods used. Participants were chosen based on the appropriate persons considered to give reliable feedback. The research made use of both primary and secondary data to ensure validity and reliability of data. The researcher made use of interviews and closed ended likert scaled questionnaires as instruments of data collection. Structural equation method was used as the analysis method for quantitative data. The structural equation method is an advanced modelling technique which factors unobserved or latent variables and also tests direct and indirect effects. Thematic analysis method was used for qualitative data. As the interviews were few the researcher captured interviews returns in SPSS version 25 as string data and copied to web-based word cloud generator to extract word cloud used to give pictorial impression on results showing popularity rate as themes as well as verbatim quotes. Mixed method was used in this study because it provided a more detailed and contextualized picture of the phenomenon under study and developed a more nuanced understanding of the researcher's topic as well as increased the reliability and generalizability of the researcher's findings by analysing both quantitative and qualitative data in the study.

## **Results**

### **Socio-demographic results**

It is important for the research to give a summary of respondents' characteristics since this may help readers to assess whether data was collected from a representative sample or not depending on the degree of heterogeneity in respondent characteristics. Demographic features also help in validation of research results through an analysis of educational background and experience respondents held. To this effect information such as gender, education, experience



and departments which respondents came from was sought. Table 4.2 below illustrates socio-demographic variables of respondents.

Table 1 illustrates socio-demographic variables of respondents.

		Count	Column N %
gender of respondents	Female	59	34.4%
	Male	113	65.6%
	Total	172	100.0%
department of respondents	Finance	47	27.0%
	Audit	46	26.2%
	administration	79	46.7%
	Total	172	100.0%
highest level of education	postgraduate	97	56.6%
	graduate	61	35.2%
	diploma	14	8.2%
	ACCA	0	0.0%
	CIMA	0	0.0%
	Total	172	100.0%
duration in local authority	below 1 year	12	7.4%
	1-5 years	37	21.3%
	5-10 years	11	6.6%
	10-20 years	90	52.5%
	above 20 years	21	12.3%
	Total	172	100.0%

Source: Researcher's results (2024)

The results showed that 113 (66%) of the respondents were male and 59 (34%) of the respondents were female. This indicates that there are more men working than women. In African societies, generally men dominate women in the working class as men are viewed as breadwinners for their respective families (Sear, 2021). This could be an indication why there is much resistance in implementation of audit recommendations because males are generally considered to be resistant to changes and norms (Sear, 2021).

### Results on implementation factors

The research sought to ascertain organizational factors which influence implementation of audit recommendation in local authorities. Interviews were conducted to gain a deeper understanding of factors influencing implementation of audit recommendations. The items which came out of interviews together with existing literature were then captured in the structured questionnaire to allow proper quantification of such themes. Interviews show diverging views among them limited council committee's skills to play the crucial oversight role on council executive, committee diversity, implementing staff competencies as well as attitudes of staff. **Interviewee 5** clearly captured these factors through the following comprehensive statement:

*“Implementation of crucial audit recommendations has been hampered by a multiplicity factor, but mostly because of selfish interests of both council members and management executives of local authorities. Chief among them being the need to conceal underhand dealings by both councillors and top council employees, but some however bothers on ignorance exacerbated by limited skill composition among councillors who should play an oversight role and limited diversity of council composition. Councillors are elected on the basis*

*of their public popularity ...saying what people want to hear...yet they lack key competencies to execute their mandate....''.*

**Interviewee 9** concurred to the above view and had to capture his feelings through the following statement;

*“Both council and senior executive seem to collude in milking local authorities dry as they deliberately decide not to implement audit recommendations as they believe that implementation will plug off loopholes, they use to take advantage of...despite fair skills committee composition they deliberately choose not to implement....”*

Sifting through all the twelve interviews conducted shows committee skill composition as topping the list followed by very limited committee diversity as well as staff attitudes towards their work. A generated word cloud with all ideas which came from conducted interviews in presented in Figure 2 below:



Figure 2: Factors contributing to non-implementation of audit recommendations

Source: Results (2024)

The results from the above word cloud shows that limited skills among council committees contribute to non-implementation of audit recommendations. This theme is centralized and has a huge font size as captured by “*Commskills*” in the word cloud. The least popular theme is staff attitude as shown by theme “*staffattid*” in the word cloud which has the lowest font size. This therefore implies that this theme had the least mention in interviews conducted.

These four major themes from preliminary interviews were included in a closed ended questionnaire. The results from administered questionnaires allowed the researcher to quantify how respondents felt out the dimensions in relation to audit recommendation implications in local authorities. Table 4.9 below summarizes results from a structured questionnaire.

**Table 2: Descriptive stats implementation factors**

Descriptive Statistics							
CODE	VARIABLE	N	Minimum	Maximum	Mean	Mean response	Std. Deviation
CSC	committee skills	172	1	4	2.77	Neutral	.995
CD	committee diversity	172	1	4	2.61	Neutral	1.116
CMP	staff competencies	172	1	5	3.37	Neutral	1.073
STA	staff attitudes	172	2	5	3.54	Agree	1.234
Overall					3.16	neutral	
	Valid N (listwise)	172					

Source: Researcher's results (2024)

Table 2 shows descriptive statistics for factors contributing to non-implementation of audit recommendations. Committee skills composition had a mean score of 2.77 (3) which corresponds to neither agree nor disagree mean response. This implies that respondents held divergent views though the overall impression points to neither agree nor disagree. The standard deviation of 0.995 which is way above shows that the responses were widely dispersed around the mean with some respondents from some local authorities agreeing to the limitedness of skills in council committees while others disagree. This is further evident by a wide range of 3. Committee diversity and staff competences also had mean responses of approximately 3 which once again correspond to neither agree nor disagree, and the huge standard deviation of above 0.5 shows that responses were widely dispersed around the mean response of neutral. On staff attitudes, a mean score of 3.54 (4) corresponds with agreed mean response which imply that the overall impression was local authorities employees 'attitudes determine whether or not to implement audit recommendations. The overall mean response of 3.16 shows that respondents neither agree nor disagree to the four factors having caused non-implementation of audit recommendations.

## Results on implementation levels of audit recommendations

The research sought to ascertain audit recommendations implementation in local authorities and to address this data was solicited through interviews and structured questionnaires. Interview results show four dimensions of audit recommendations. Sifting through interview data shows that they are those to do with accountability, those to do with areas for further training and competencies, those to do with need for stakeholder consultation, communication, and those on reporting.



Figure 3: Implementation levels of audit recommendations

Source: Researcher's results (2024)

The word cloud above shows that the most recurring theme as shown by the font size and centrality location is recommendations on training and competence enhancement were fully implemented “*trainfullyimp*”, this is followed by “*Accpartially*” which pertains to implementation of recommendations on accountability in local authorizes. This implies that this dimension seems to be partially implemented. The least popular was on “*recoreportimplemented*”, which signifies that recommendations on reporting were implemented. This had however few mentions. One interviewee (interviewee 3) had to capture implementations of audit recommendation in councils through her statement below;

*‘Most local authorities are reluctant to implement audit recommendations as they feel that transparency may plug their avenues to loot. Very few local authorities has implemented recommendations on inclusivity, stakeholder consultation on key issues, while on reporting financial statements of most local authorities are still in shamble with a number of local authorities opting not to invite auditors, City of Harare being an examples and the government had to withhold approval of their budget to force them to comply. Accountability is at rock bottom....’*

The five dimension of local authority’s implementation levels of audit recommendations were examined in a structured questionnaire and the results are presented in table 4.10 below;

**Table 3: Descriptive Statistics on implementation levels**

CODE	VARIABLE	N	Minimum	Maximum	Mean	Mean response	Std. Deviation
IMP1	implementation of recommendations on accountability	172	1	3	1.57	Partially implemented	.849
IMP2	implementation of recommendations on training and competency	172	1	3	1.87	Partially implemented	.640
IMP3	implementation of recommendations on consultation	172	1	3	1.84	Partially implemented	.748
IMP4	implementation of recommendations on communication	172	1	3	1.92	Partially implemented	.796
IMP5	implementation of recommendations on reporting	172	1	3	1.84	Partially implemented	.806
	Valid N (listwise)	172					

Source: Researcher’s results (2024)

### Performance of local authorities

The research also sought to ascertain performance levels of local authorities as measured by accountability, service delivery (health and education), social amenities as well as transparency in the operations of local authorities. Interview data showed four key themes emerging from interviews namely corruption prevalence, transparency levels, health services, financial performance as well as education quality. Data has been presented in figure 4.4 below



Figure 4: Performances of local authorities

Source: Researcher’s results

A look at figure 4.4 above shows that the theme “corruincreased” had a huge font size and was centrally located imply that this was a theme with most mentions. This therefore means that corruption has increased across most local authorities as most interviewees mentioned this theme. The least popular theme was the health service declined as captured by the theme “*healthserdeclined*”. This means that this theme had few mentions. Table 4 summarises the descriptive results.

**Table 4: Descriptive statistics on performance of local authorities**

code	Variable	Descriptive Statistics					
		N	Mini mum	Maxi mum	Mean	Mean response	Std. Deviation
PEF1	implementation has increased accountability	172	1	4	2.57	Neutral	1.114
PEF2	implementation has improved health service delivery	172	1	4	2.53	Neutral	.997
PEF3	implementation has improved quality of education	172	1	12	3.08	Neutral	2.623
PEF4	implementation has improved financial performance of local authority	172	1	4	3.02	Neutral	.948
PEF5	implementation has improved transparency	172	1	5	2.93	Neutral	1.207
PEF6	implementation has resulted in decrease in corruption	172	1	5	2.61	Neutral	1.206
	Valid N (listwise)	172					

Source: Researcher’s results (2024)

Table 4, shows that all performance measures for local authorities show a mean response of approximately 3 as shown by increased accountability with mean response of 2.57, improved health service delivery with 2.53, improved education quality 3.08, improved financial performance with 3.02, improved transparency 2.93 and decrease in corruption 2.61. All these mean responses correspond with neither agree nor disagree which means that respondents were indifferent, some agreeing to improved performance whilst some disagreed. The huge standard deviations show that respondents held divergent views on performance with some feeling that their local authorities performed well why others were of the opinion that their local authorities did not perform.

### Hypotheses results and path coefficients

The research sought to establish the influence of contextual factors on implementation of audit recommendation in local authorities and had five hypotheses namely

H<sub>1</sub>: Committee skills composition is positively related to audit recommendations implementation.

H<sub>2</sub>: committee diversity statistically influence implementation of audit recommendations

H<sub>3</sub>: Staff competence statistically influence implementation of audit recommendations

H<sub>4</sub>: Staff attitudes positively influence audit recommendations in local authorities in local authorities

H<sub>5</sub>: Implementation of audit recommendations positively affects performance of local authorities.

Data was analysed using AMOS with SPSS Version 25. The research result therefore shows that all the hypotheses were confirmed. Table 5 summarises research returns.

**Regression Weights: (Group number 1 - Default model)**



Hypothesis	Path	Estimate	S.E.	C.R.	P	Decision
H <sub>1</sub>	CSC→ IMP	.662	.058	1.469	***	Supported
H <sub>2</sub>	CD → IMP	.681	.045	1.473	***	Supported
H <sub>3</sub>	CMP→ IMP	-.302	.026	-1.445	***	Supported
H <sub>4</sub>	STA→ IMP	.052	.004	1.086	***	Supported
H <sub>5</sub>	IMP→ PEF	.496	.749	1.478	***	Supported

Source: Researcher's results (2024)

Table 5 shows that committee skills composition was found to be positively related to audit recommendation implications as shown by the standardized regression weight (SRW) of 0.662 which implies that a unit improvement in skills composition of committee will lead to a massive 0.66-unit improvement in audit recommendation implementation, while the opposite is true. On the other hand, council committee diversity in form of age, sex, and ethnicity was found to be positively related to implementation of audit recommendation in local authorities as reflected by a SRW of 0.681 which once again shows a very strong positive relationship. However, staff competencies were found to be negatively related to audit recommendations implementation as reflected by a SRW of -0.302 which shows that a unit improvement in staff competencies results in a 0.30 decline in implementation of audit recommendation. Staff attitudes towards their work was found to be statistically significant in explaining variability in audit recommendations implementation as shown by a SRW of 0.052 at 5% margin of error. This implies that a unit improvement in staff attitudes results in a 0.05-unit improvement in audit recommendations implementations. The opposite is true. Similarly, audit recommendations implementation was found to be positively related to performance of local authorities as reflected by a SRW of 0.496. The model fit summary as presented by table 6 below shows that it was robust as chi-square divided by degrees of freedom should ideally be less than 3 for a model to be significant in explaining variability in outcome variable. Further the RMSEA should ideally be less than 0.08 and this study was found to have 0.07 which once again confirms the model as fit.

### Model Fit Summary

**Table 6: Model Fit summary**

Fit indices	Original model	Modified Model	Commended	Sources
$\chi^2/DF$	2.689	2.458	$\leq 3.00$	
GFI	0.872	0.908	>0.900	Reisinger and
AGFI	0.868	0.933	>0.900	Mavondo (2007),
NFI	0.866	0.914	>0.900	Hooper et al. (2008)
TLI	0.881	0.923	>0.900	Hair et al. (2010)
CFI	0.943	0.977	>0.900	
RMSEA	0.074	0.072	< 0.08	

The first index, the chi-square/degrees of freedom ratio ( $\chi^2/\text{df}$ ), is reduced from 2.689 in the original model to 2.458 in the modified model. A value of less than or equal to 3.00 is generally considered acceptable, indicating a good model fit. The improvement in this value demonstrates that the modifications enhanced the model's alignment with the observed data. The Goodness of Fit Index (GFI) increased from 0.872 in the original model to 0.908 in the modified model, surpassing the recommended threshold of 0.900. This index measures how well the model fits the sample data without considering model complexity. A GFI above 0.900 indicates that the model explains a substantial portion of the variance in the data. The Adjusted Goodness of Fit Index (AGFI), which adjusts the GFI for model complexity, also improved from 0.868 to 0.933, exceeding the acceptable threshold of 0.900 and suggesting a better balance between model fit and parsimony.

The Normed Fit Index (NFI), which compares the proposed model with a null model, improved from 0.866 to 0.914, again surpassing the threshold of 0.900. Similarly, the Tucker-Lewis Index (TLI), also known as the Non-Normed Fit Index (NNFI), rose from 0.881 to 0.923. This index penalizes complex models and a value above 0.900 reflects an excellent fit. The Comparative Fit Index (CFI), another widely used indicator that is less affected by sample size, increased from 0.943 to 0.977. This suggests a strong improvement and confirms that the modified model is highly consistent with the data. Finally, the Root Mean Square Error of Approximation (RMSEA), which assesses the model's approximation error per degree of freedom, decreased slightly from 0.074 to 0.072. Both values are below the recommended maximum threshold of 0.08, indicating a reasonable error of approximation and supporting model adequacy.

Fit indices improved in the modified model and met or exceeded the recommended thresholds suggested by scholars such as Reisinger and Mavondo (2007), Hooper et al. (2008), and Hair et al. (2010). This implies that the changes made to the original model significantly enhanced its structural validity, confirming that the model provides a robust and accurate representation of the relationships among contextual factors, audit implementation, and performance in Zimbabwe's local authorities.

The results from this study can be summarised through Figure 5 which illustrate how contextual factors affect implementation of audit recommendations implementation and ultimately local authorities' performance. Note that the four dimensions of contextual factors (committee skills composition CSC, staff competences –CMP, Committee Diversity (CD), and staff attitudes (STA) were all found to be statistically significant in explaining implementation of audit recommendations and its subsequent effect on performance of local authorities as measured by service delivery.

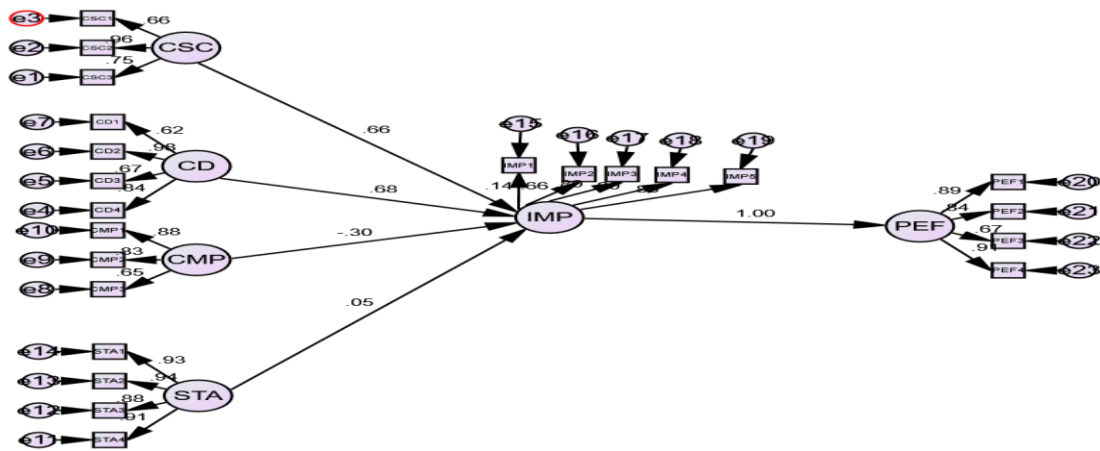


Figure 5: main path diagram

### Main Path

In the path diagram, contextual factors (CSC, CD, CMP, and STA) directly affect implementation of audit recommendations in local authorities, while IMP (audit recommendations implementation) is directly related to local authorities' performance.'

Figure 5 presents the main path diagram illustrating the effects of implementing financial audit recommendations on service delivery performance in local authorities in Zimbabwe. The structural model is based on Structural Equation Modelling (SEM), and it identifies five key latent constructs: Committee skills composition (CSC), Committee diversity (CD), Staff competence (CMP), Staff attitude (STA), and Implementation of Audit Recommendations (IMP) and Performance of Local Authorities (PEF) as the ultimate dependent variable. Each of these latent variables is measured using multiple observed indicators, shown as rectangles in the diagram, while the circular nodes represent the latent constructs.

The diagram indicates that four contextual factors CSC, CD, CMP, and STA have direct effects on the implementation of audit recommendations (IMP). Among these, Committee diversity (CD) shows the strongest positive effect on implementation with a standardized path coefficient of 0.68, followed closely by Committee skills composition (CSC) at 0.66. These results suggest that high committee skills composition and committee diversity significantly enhances the likelihood that audit recommendations will be implemented. These two factors are, therefore, essential internal enablers of good governance and accountability within local authorities.

Interestingly, the model shows a negative path coefficient from staff competence (CMP) to implementation (-0.30), suggesting that highly competent staff have tendencies of harbouring implementation of audit recommendations. This unexpected result may point to a scenario where competent local authorities' staffs uses their competence to commit corruption and in turn harbour implementation of audit recommendations hence there is need for training and



workshops to assist in organizational culture change in local authorities to enhance awareness on implementation of audit recommendations. At the same time staff competence in local authorities is highly recommended and cannot be downplayed for highly competent staff helps an organization to reach its mandate and goal. On the other hand, staff attitude (STA) has a very weak positive influence on implementation, with a path coefficient of just 0.05. This implies that staff attitude may not exert sufficient influence or pressure on local authorities to implement audit recommendations effectively.

The implementation of audit recommendations (IMP) is shown to have a perfect positive correlation (1.00) with the Performance of Local Authorities (PEF). This indicates that all effects of the contextual variables on performance are fully mediated by the implementation process. In other words, improvements in service delivery performance are entirely dependent on whether or not the audit recommendations are actually implemented. This highlights the centrality of implementation in translating governance reforms into tangible public service improvements. Therefore, even if local authorities possess competent staff, operate with discipline, or show signs of accountability and compliance, these factors only contribute to performance when they lead to the actual execution of audit recommendations.

### **Implications of this study**

#### **Implications for policy**

Capacity building programs and resources should be provided to local authorities to enhance staff competencies and foster positive attitudes towards the audit process and the implementation of recommendations. This could involve training programs, knowledge-sharing platforms and the dissemination of best practices. Policies should be developed to encourage and incentivize the effective implementation of audit recommendations, recognizing and rewarding local authorities that demonstrate significant improvements in performance thus service delivery and accountability. The Central Government should formulate and promulgate policies and regulations that criminalize non-implementation of audit recommendations by local authorities within the stipulated time, where non adherence to implementation of audit recommendations will meet significant punishment.

#### **Implications for practice**

Local authorities should prioritize the development and maintenance of council committees with diverse compositions and members possessing relevant skills and expertise. This can be achieved through targeted recruitment, training and continuous professional development programs for committee members. Strategies should be implemented to foster positive attitudes towards the audit process and the implementation of recommendations. This could include awareness campaigns, change management initiatives and incentive structures that encourage accountability and a commitment to continuous improvement. Local authorities should establish robust monitoring and evaluation mechanisms to track the implementation of audit recommendations and assess their impact on organizational performance. This would enable timely corrective actions and facilitate continuous improvement.

#### **Implications for theory**

Further research is needed to explore the underlying reasons for the negative relationship between staff competencies and the implementation of audit recommendations. This counterintuitive finding warrants deeper investigation to understand the dynamics and potential

mediating factors involved. The study proposes a framework that integrates contextual factors and that explain audit recommendation implementation in local authorities. Future studies should consider incorporating additional contextual factors, such as organizational culture, leadership styles, and resource availability to gain a more comprehensive understanding of the factors influencing audit recommendation implementation. Longitudinal studies should be conducted to examine the long term effects of audit recommendation implementation on the performance of local authorities, as well as the sustainability of the observed improvements.

### **Implications for research methodology**

-Exploring the underlying reasons for the negative relationship between staff competencies and the implementation of audit recommendations. The counterintuitive finding that highly competent staff may be more inclined to question or resist audit recommendations warrants further investigation to understand the dynamics and potential mediating factors involved.

-Examining the long term effects of audit recommendation implementation on the performance of local authorities. A longitudinal study could be conducted to assess the sustainability of the observed improvements in performance over an extended period and identify any potential challenges or factors that may influence the long- term impact.

### **Contribution to existing body of knowledge**

This study makes significant contributions by developing a practical framework for implementing audit recommendations aimed at improving the performance of local authorities. It addresses critical systemic challenges and offers policy implications that can lead to meaningful reforms in governance practices. By providing empirical evidence through case studies, it not only enriches academic discourse but also serves as a valuable resource for practitioners and policymakers seeking to enhance the effectiveness of local governance in Zimbabwe. This comprehensive approach ensures that the study is relevant not only academically but also practically, aiming for real improvements in public administration and service delivery within local authorities.

### **Conclusion**

In addressing the objectives of the study, several key aspects were thoroughly investigated: To examine the factors that affects the implementation of audit recommendations: The research identified that committee skills composition, committee diversity, staff competencies, and staff attitudes are critical factors influencing the implementation of audit recommendations. The study found that councils with diverse committees possessing the relevant skills and expertise were more likely to implement audit recommendations effectively.

To determine the relationship between the implementation of audit recommendations and the performance of local authorities: The research confirmed a positive relationship between the implementation of audit recommendations and improved service delivery. The successful adoption of audit recommendations led to better performance in local authorities, particularly in terms of accessibility, affordability, sustainability, accountability, and the overall quality of services provided.

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