EXAMINING THE CHALLENGES OF PERFORMANCE AUDITING

IN THE OFFICE OF THE AUDITOR GENERAL

BY

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ABSTRACT

The Auditor General has since 2007 produced and submitted 49 Value for Money (VFM) reports on various public sectors entities. Efforts to have these reports discussed by the relevant accountability committees have been considerably slow and only 5 reports has been discussed by the accountability committees (4 of them were discussed in the last year alone). This research examined the challenges of performance auditing in the Office of the Auditor General (OAG) Uganda. The study focused on examining the objectives of conducting performance auditing, the understanding of its significance on the operations of public sector entities, its challenges in Uganda and suggesting strategies aimed at addressing the challenges impacting performance auditing.

A cross sectional research survey was used in this study and both primary and secondary data were gathered. Primary data was obtained directly from a sample of 33 respondents in the OAG involved in VFM auditing by the use of questionnaires. Secondary data on the other hand was gathered from journal articles, textbooks, relevant websites and reports from the OAG Uganda.

The findings revealed that majority of respondents (90% on average) in all cases, agreed strongly that in assessing economy, the auditors check for financial and physical resources, looking at the timing of activities, quantity, quality and amount. Regarding efficiency, the focus is on productivity, unit cost (input/output relationship), and operating ratios. Priority in effectiveness is given to level, time, quality, price and customer satisfaction when carrying out performance audits. Results also revealed that performance auditing was important because it enhances public accountability, enhances and builds on financial auditing, helps managers to improve performance and adopting better management practices.

The study results highlighted a number of challenges which include: inadequate funds, staff retention, performance auditing being more of a research based subject, and inadequate prioritization by parliament to consider VFM reports submitted by the OAG because of limited sensitization as performance auditing is a relatively a new area.
Some of the approaches suggested to address the challenges impairing the practice of performance auditing by the OAG were strategies for attraction and retention of talent in VFM audits, continuous staff training, sensitization of Members of Parliament and provision of adequate funding aimed at facilitation of performance audits in the OAG.