

**RELATIONSHIP BETWEEN AUDITORS'S INDEPENDENCE AND AUDIT QUALITY IN MBALE
MUNICIPAL COUNCIL UGANDA, THE MODERATING ROLE OF AUDITOR'S CAPACITY**

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**A RESEARCH THESIS SUBMITTED TO THE SCHOOL OF POST GRADUATE, IN PARTIAL
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DOCTOR OF PHILOSOPHY IN THE SCHOOL OF BUSINESS AND ECONOMICS, DEPARTMENT
OF BUSINESS ADMINISTRATION (ACCOUNTING OPTION), KISII UNIVERSITY**

2023

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DEDICATION

I dedicate this work to my dear wife, Mrs. Lydia Masakala my lovely children; Peter, Paul, Mercy, Isaac, Peace and Faith Masakala for their inestimable support and encouragement throughout this journey. This study would have little meaning if not for all of you.

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ABSTRACT

Audit quality is a major concern in organizations worldwide and it has been a vital subject in recent time to the development and execution of local municipal councils' strategies. Auditors should operate in the primary shareholders' best interests while taking the general public interest into consideration. This study was conducted to examine the relationship between auditor's independence and audit quality in Mbale Municipal Council (MMC) Uganda, the moderating role of auditor's capacity. The study specifically aimed to address the following objectives: To establish the relationship between programming independence and audit quality, the relationship between investigative independence and audit quality and the relationship between reporting independence and audit quality in Mbale Municipal Council. The study also examined the moderating role of auditor's capacity in the relationship between programming, investigative, reporting independence and audit quality. The theories of agency and stewardship served as the study's compass. The post-positivist philosophy served as the study's compass. A mixed technique approach was used in the research. Stratified sampling was used to choose 423 respondents from a target population of 1158. A systematic interview schedule and closed-ended questionnaires were used to gather the study's primary data. A test-controlled research conducted at Soroti (MMC) on 10% of the sample was used to verify the instrument's dependability. The Cronbach's alpha (α) value of the average CVI of 85.5% and 0.882 were used to calculate the reliability coefficient of the instruments. While content analysis (coding, categorizing, developing themes) was used to evaluate qualitative data, descriptive statistics (frequencies, percentages, means, standard deviation) and inferential statistics (correlation analysis and regression) were used to study quantitative data. The results of the study showed that the independence of the auditor in terms of reporting, programming, and investigation had a favorable and substantial impact on audit quality. The results also showed that the association between the auditor's independence and audit quality was moderated by the auditor's capacity. The study came to the following conclusions: auditors must maintain and exercise command over programming independence; investigative independence is essential to preventing financial misstatement as well as providing assurance on the financial statements; and reporting independence must be given the respect it deserves. Further, it was concluded that auditors should have the necessary experience and an understanding of company's businesses. The researcher recommended that the Ministry of Local Government (MoLG) should offer auditors an opportunity to be guided by the audit processes and the Parliament should put a law that requires the use of computerized auditing software or mobile applications in audit programming, investigative and reporting. The MoLG should mandate all Local Government Units with direct access to their staff and all sources of information. Additionally, the researcher advises against the habit of leaving important details out of the formal report in favor of including them in an informal one. In addition, audit reporting software should be used in all aspects of their operations, and audit reporting hierarchy should be expedited and respected.

TABLE OF CONTENTS

DECLARATION AND RECOMMENDATION.....	ii
DECLARATION OF NUMBER OF WORDS.....	iii
PLAGIARISM DECLARATION.....	iv
COPYRIGHT	v
DEDICATION.....	vi
TABLE OF CONTENTS.....	ix
LIST OF TABLES	xvi
LIST OF FIGURES	xix
LIST OF APPENDICES.....	xix
CHAPTER ONE	xxiii
INTRODUCTION	xxiii
1.1 Background to the Study.....	xxiii
1.1.1Auditors’ Independence	xxv
1.1.2Auditors’ Capacity	xxvii
1.2 Statement of the Problem.....	xxvii
1.3 Objectives of the Study.....	xxix
1.3.1General Objective.....	xxix

1.3.2 Specific Objectives.....	xxix
1.4 Hypothesis of the Study.....	xxix
1.5 Significance of the Study.....	xxx
1.6 Scope and Justification of the Study.....	xxxii
1.7 Limitations of the Study.....	xxxii
1.8 Assumptions of the Study.....	xxxii
1.9 Operational Definition of Terms.....	33
CHAPTER TWO	35
LITERATURE REVIEW.....	35
2.1 Theoretical Review.....	35
2.1.1 Agency Theory.....	35
2.1.2 Stewardship Theory.....	37
2.2 Empirical Literature Review.....	39
2.2.1 Audit Quality.....	39
2.2.2 Programming Independence and Audit Quality.....	43
2.2.3 Investigative Independence and Audit Quality.....	46
2.2.4 Reporting Independence and Audit Quality.....	50
2.2.5 Auditor's Capacity and Audit Quality.....	54
2.3 Summary of Research Gaps.....	57

2.4 Conceptual Framework	55
CHAPTER THREE	57
RESEARCH METHODOLOGY.....	57
3.1 Research Philosophy	57
3.2 Research Design.....	58
3.3 Study Area	59
3.4: Target Population.....	59
3.5 Sample and Sampling Design	60
3.5.1 Sampling Frame	60
3.5.2 Sampling Procedure	61
3.5.3 Sample Size.....	61
3.6 Data Collection	62
3.6.1 Instrumentation	63
3.6.1.1 Questionnaire Survey.....	63
3.6.2.2 Interview	64
3.6.2.3 Validity	Error! Bookmark not defined.
3.6.2.4 Reliability of Research Instruments.....	66
3.6.2 Data Collection Procedures.....	67

3.7 Data Analysis	68
3.7.1 Assumptions of the Regression Model	76
3.7.1.1: Test for Normality	76
3.7.1.2: Test for Multicollinearity.....	76
3.7.1.3: Test for Autocorrelation.....	76
3.8 Ethical Considerations	77
CHAPTER FOUR.....	78
DATA ANALYSIS AND DISCUSSION OF FINDINGS	78
4.1 Response Rate	78
4.2 Screening and Preparation	79
4.2.1 Analysis of Data Entry Errors.....	79
4.2.2 Analysis of Outliers	82
4.2.3 Analysis of Out-of-Range Values	83
4.2.4 Analysis of Missing Data.....	83
4.2.5 Analysis of Normality.....	84
4.3 Demographic Characteristics of the Respondents	85
4.3.1 Profile of Respondents	85
4.3.1.1 Gender of Respondents.....	85
4.3.1.2 Age of Respondents.....	86

4.3.1.3 Education of Respondents	87
4.4 Demographic Characteristics of Mbale Municipal Council (MMC).....	87
4.5 Descriptive statistics for the Various Variables Under Investigation	88
4.5.1 Audit Quality in MMC	88
4.5.2 Auditor’s Independence in MMC	90
4.5.2.1 Programming Independence.....	91
4.5.2.2 Investigative Independence	101
4.5.2.3 Reporting independence and Audit Quality in MMC.....	112
4.5.3 Auditors’ Capacity in MMC	119
4.6 Correlation Analysis	120
4.7 Diagnostic Tests.....	122
4.7.1 Tests of Normality	122
4.7.2 Collinearity Test	122
4.7.3 Autocorrelation Test	123
4.8 Regression Analysis.....	124
4.8.1 Programming Independence and Audit quality in MMC	124
4.8.2 Investigative Independence and Audit Quality in MMC.....	126
4.8.3 Reporting Independence and Audit Quality in MMC.....	128
4.8.4 Multiple Regression Model Summary	130

4.8.5	Analysis of Variance ANOVA)	130
4.8.6	Regression Coefficients	131
4.8.7	Auditors' Capacity in the Relationship between Auditor's independence and Audit Quality in MMC	133
4.8.7.1	Auditor's Capacity in the Relationship between Programming Independence and Audit Quality in MMC	134
4.8.7.2	Role of Auditor's Capacity in the Relationship between Investigative Independence and Audit Quality in MMC	136
4.8.7.3	Role of Auditor's Capacity in the Relationship between Reporting Independence on Audit Quality in MMC	138
4.9	Comparison of the Direct Model and the Indirect Model on the Basis of Regression Outputs	140
4.10	Summary of Hypotheses Testing Results	143
CHAPTER FIVE		144
SUMMARY, CONCLUSION AND RECOMMENDATIONS		144
5.1	Discussion of Findings	144
5.1.1	The relationship between Programming Independence and Audit Quality	144
5.1.2	The Relationship between Investigative Independence and Audit Quality	147
5.1.3	The relationship between Reporting Independence and Audit Quality	150
5.1.4	The Moderating Role of Auditor's Capacity in the Relationship Between Auditor's Independence and Audit Quality	153

5.2	Conclusions.....	155
5.3	Recommendations.....	158
5.4	Future Research	161
	REFERENCES.....	163
	APPENDICES	183

LIST OF TABLES

Table 2.1: Research Gaps Matrix	Error! Bookmark not defined.
Table3.1 Target Population	60
Table 3.2: Sample Size	62
Table 3.3: Reliability Coefficients After Piloting.....	67
Table: 3.4: Summary of Statistical Tests for Hypotheses and Interpretations.....	73
Table 4.1: Response Rate	78
Table 4.2: Data Entry Errors.....	80
Table 4.3: Tests of Normality	84
Table 4.4: Gender of Respondents.....	86
Table 4.5: Age of Respondents.....	86
Table 4.6: Education of Respondents	87
Table 4.7: Descriptive Statistics on Audit Quality	89
Table 4.8: Descriptive Statistics of Measured Items of Programming Independence.....	91
Table 4.9 Descriptive statistics for Investigative Independence.....	102
Table 4.10 Descriptive Statistics for Reporting Independence.....	112
Table 4.11: Descriptive Statistics on Auditors' Capacity	119
Table 4.12: Correlational Results	121
Table 4.13: Tests of Normality	122
Table 4.14: Multicollinearity Test	123
Table 4.15: Autocorrelation Test.....	124
Table 4.16a: Model Summary for Programming Independence and Audit Quality.....	124

Table 4.16b: ANOVA for Programming Independence and Audit Quality	125
Table 4.16c: Coefficients for programming independence and audit quality.....	125
Table 4.17a: Model Summary for Investigative Independence and Audit Quality.....	126
Table 4.17b: ANOVA for Investigative Independence and Audit Quality	127
Table 4.17c: Regression Coefficients for Investigative independence and Audit Quality.....	128
Table 4.18a: Regression Model Summary for Reporting Independence and Audit Quality.....	128
Table 4.18b: ANOVA for Reporting Independence and Audit Quality	129
Table 4.18c: Regression Coefficients for Reporting Independence and Audit Quality	129
Table 4.19a: Multiple Regressions of Auditor’s Independence and Audit Quality.....	130
Table 4.19b: Anova Results of Auditor’s Independence and Audit Quality	131
Table 4.19c: Coefficients of Auditor’s Independence and Audit Quality	132
Table 4.20a: Moderating Effect of Auditor’s Capacity on Programming Independence and Audit Quality ...	134
Table 4.20b: ANOVAa on Auditor’s Capacity, Programming Independence and Audit Quality	135
Table 4.20c: Coefficientsa of Auditor’s Capacity, Programming Independence and Audit Quality	135
Table 4.21a: Moderating Role of Auditor’s Capacity in the Relationship between Investigative Independence and Audit Quality	136
Table 4.21b: ANOVAa on Auditor’s Capacity, Investigative Independence and Audit Quality.....	137
Table 4.21c: Coefficientsa of Auditor’s Capacity, Investigative Independence and Audit Quality.....	137
Table 4.22a: Model Summary of Auditor’s Capacity on Reporting Independence and Audit Quality	138
Table 4.22b: ANOVAa on Auditor’s Capacity, Reporting Independence and Audit Quality	138
Table 4.22c: Coefficientsa of Auditor’s Capacity, Reporting Independence and Audit Quality	139
Table 4.23a: Model Summary for Overall Moderating Effect of Auditor’s Capacity.....	140
Table 4.23b: ANOVAa for Overall Moderating Effect of Auditor’s Capacity	141
Table 4.23c: Coefficientsa Overall Moderating Effect of Auditor’s Capacity.....	141

Table 4.24: Summary of Hypotheses Testing Results 143

LIST OF FIGURES

Figure 2.1: Conceptual Framework	55
Figure 4.1: Outliers	83

LIST OF APPENDICES

APPENDIX I: Questionnaire.....	183
APPENDIX II: Interview Guide for key Informants.....	189
APPENDIX III: Risk Mitigation Plan for Conduct of Research Amidst COVID-19 Pandemic	190
APPENDIX IV: Research Permits.....	191
APPENDIX V: Map of Mbale Municipal Council.....	197

LIST OF ABBREVIATIONS AND ACRONYMS

AC	-	Audit Committee
ACCA	-	Association of Chartered Certified Accountants
AG	-	Auditor General
AGO	-	Auditor General's Office
ANAO	-	Australian National Audit Office
AO	-	Accounting Officers
APPC	-	Australian Public Policy Committee
BC	-	Before Christ
CPA	-	Certified Public Accountants
CVI	-	Content Validity Index
DV	-	Dependent Variable
et al.	-	And Others
FSA	-	Financial Statement Audit
FY	-	Financial Year
GAAP	-	Generally Accepted Accounting Standards
GAAS	-	Generally Accepted Auditing Standards
GAO	-	Government Accountability Office
GFC	-	Global Financial Crisis
GoU	-	Government of Uganda
IFAC	-	International Federation of Accountants
ILO	-	International Labor Organization
IV	-	Independent Variable

LC	-	Local Council
LGUs	-	Local Government Units
MFMA	-	Municipal Finance Management Act
MMC	-	Mbale Municipal Council
NAS	-	Non-Audit Services
OAG	-	Office of the Auditor General
OC	-	Audit Committee
PCAOB	-	Public Company Accounting Oversight Board
PwC	-	PricewaterhouseCoopers
REC	-	Research and Ethical Committee
SA	-	Single Audit
SOEs	-	State Owned Entities
SPSS	-	Statistical Package for Social Scientists
TCA	-	Transport and Cooperative Affairs
UK	-	United Kingdom
UN	-	United Nations
UNCST	-	Uganda National Council for Science and Technology
VFM	-	Value for Money

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

There is a growing contest challenge defining financial reporting as "true and fair," considering that corporate accounting increasingly uses estimations and judgments. Yet, there is a need to create continuity between successive audit reports and provide greater transparency over divergent approximations (Donald, 2019). Whereas there has been significant and rapid growth in regulation related to the audit profession since the year 2002(Knechel, 2016), the auditing profession also continues to grapple with the two major recurrent problems in the inspection process, inadequate proof and documentation and lackof challenge by external auditors. (Adwa, 2018). This shows that audit quality has gaps.

According to DeFond (2014), audit quality is the degree of assurance that, subject to the financial reporting system and the intrinsic characteristics of the business, the financial statements fairly portray the company's core economics. Tuovila et al. (2020) define it as well as the execution of audits "offering a reasonable degree of certainty that the audited financial statements and related information are accurate in compliance with Generally Accepted Standards of Accepted Accounting Standards (GAAS).

The disclosures are (1) prepared in accordance with GAAP, or generally accepted accounting principles, and (2) do not materially mislead, whether due to errors or fraud. The Institute of Singapore Chartered Accountants (2022) refers to it as the center of the International Auditing and Assurance Standards Board's (IAASB) activity as the global standard-setter for auditing. According to IAASB (2020), quality audits require auditors to demonstrate suitable values, ethics, and attitudes in addition to having the necessary expertise, experience, and time allotted to them to do the audit work.

Although it is stated that an auditor has the primary responsibility for conducting a quality audit, Gary (2014) argues that the idea of audit quality is far more expansive. According to Krenchel, the public perception of audit quality is based on two key characteristics: independence (objectivity) and competence (expertise). One of the most crucial elements that the International Auditing and Assurance Standards Board (IAASB) outlines in its Framework for Audit Quality is the auditor's independence.

According to Verschoor (2018), recent audit scandals involving Big 4 clients have brought audit quality—or lack thereof—into severe doubt. Verschoor claims that PricewaterhouseCoopers LLP (PwC) was recently found to have committed audit misconduct in the Colonial Bank case, which resulted in damage assessments of \$625 million. Additionally, KPMG has been in the news for unethical actions, subpar audit quality, and unreported liabilities and accounting problems. Numerous such incidents are documented in the UK, China, Germany, and other countries where the Big 4 are more reputable and have more clout with the authorities. In particular, Jong et al. (2021) contend that engagement partner style impacts have a substantial impact on the financial reporting quality of audited enterprises, even in the stringent German audit environment.

The audit regulator in South Africa believes that audit quality is declining due to increased concerns about the issue (Baah & Fogarty, 2018) (Harber & Marx, 2020). They contend that the main contributing factor is the independence of the auditor, which is mostly caused by audit firms' unnecessarily long tenures. Even with the regulator's response of requiring audit firm rotation (MAFR), audit quality is still a problem. The incidence of fraud and other financial crimes in Nigeria has resulted in a decrease in the trust that the public places in financial statements and their capacity to carry out their necessary duties (Enofe et al., 2013). This is a result of the inadequate reporting and auditing procedures.

In Egypt, while numerous empirical research demonstrates that in rigorous legal regimes, large audit companies deliver greater audit quality. The Egyptian market is facing serious quality gaps with many local audit firms having a negative association with audit quality (El-Dyasty & Elamer, 2020).

In Tanzania, Scarion (2019) avowed that while Confidence in the veracity and integrity of financial accounts is supported by quality audit. Recent waves have seen deteriorating audit quality in the public sector. Ethical behaviour has become the greatest of concerns emanating from audit conduct. Many auditors have the necessary skills and training for the job, but ethical conduct has been consistently compromised (Sanda, 2020; Manyama, 2020). To that effect, Masanja (2020) notes that compliance with auditing ethical principles has been very poor in the country.

1.1.1 Auditors' Independence

The willingness of an auditor to disclose flaws in audited financial statements is known as their independence (Dandago & Rufai, 2014). In actuality, this idea can be compared to independence, which cannot be observed immediately. Enofe et al. (2014) noted that the auditor's independence may be harmed on numerous instances. Undue dependence on an audit client (audit fee represents more than 10% of the total fees of the auditor firm) can compromise the auditor's independence, relationships with family or other loved ones, and ownership of shares or other investments. In addition, loans to and the client, the acceptance of products and services, the existence or threat of litigation, outside influences, the performance of other services, and the receipt of compensation from a party other than the client stand in the way of auditor's independence as well.

The investigative independence of the auditor is one of the core tenets of their independence. Auditors should ideally act in the primary shareholders' best interests while taking the general public interest into consideration. Academic researchers observe that successful investigative independence has the likelihood to enhance accountability in public sector financial management in achieving better audit quality, which is urgently required in Ugandan local governments. However, this has not yielded any effects.

Deloitte (2013) opined that investigative independence requires better internal control systems. It entails controls designed to enhance smooth operations and enact company policies. To ensure an actionable internal control system in the organisation, the board of directors should take full responsibility (ACCA, 2017). Olagunju (2011) asserts that the auditors' right to decide whether to disclose to the public any material they feel should be shared is protected by reporting independence. Directors of the company work to prevent the auditors from disclosing any instances in which they have misled shareholders by fabricating accounting data. The likelihood of an auditor's independence being compromised is highest in circumstances like this. This implies that a key signal is the audit fee premium of the 'do a deal' arrangement, which compromises economic auditor-client bonding ensures auditor's independence.

South Africa's municipalities, for the five years from 2009/10 – to 2013/4, established a significant relationship between attaining a clean audit result and governance (Mokoko et al., 2018). However, in Kenya, Chiggai (2016) observed that practices during internal audits help an organisation attain its objective in an orderly, trained way to deal with, assess, and enhance the adequacy of audits. Meanwhile, in Tanzania, Manyama (2020) was concerned with lack of effective audit reports due to inadequate training of top management and auditors.

In 2020, the World Bank noted in "Accounting and auditing are included in the Tanzanian ROSC Report on the Observance of Standards and Codes" that professional education is still not adhering to International Educational Standards, even though the National Board of Accountants and Auditors (NBAA) administration and the examination process are of the standard.

1.1.2 Auditors' Capacity

The combined likelihood that an auditor really presented the audit findings in the client's accounting system for the benefit of the public is known as the auditor's capacity (Xiao et al., 2020). When local governments' interests diverge from those of the general public, an agency dilemma results. It is widely agreed upon that the most valuable asset of an auditing profession is independence, which stems from an auditor's capacity. This notion also serves as the foundation for the public's impression of the auditing profession (Nasution, 2013).

1.2 Statement of the Problem

Globally, audit quality is a major problem for organizations, and in the recent past, it has been increasingly important to the creation and implementation of plans by local municipal councils. Auditors should ideally act in the major shareholders' best interests while taking the general public interest into consideration (AOG, 2015). According to research, a good audit's quality is likely to improve accountability in the financial management of the public sector. As a result, it's critical to guarantee that audit quality is sustained constantly.

Mbale Municipal Council (MMC) is suffering from lack of audit quality. Kasigwa et al. (2019) reported that reduced audit quality behaviour is a widespread problem in Uganda. According AG's Report (2017), colossal sums of money, over UGX. 145,455,416 million (US\$ 39,312) was not reflected in their reports yet it was disbursed by government. Besides UGX.

1,374,382,920 (US\$ 371, 455) that was meant for a number of planned outputs was not reported. Furthermore, contractual works that were abandoned from 2014 were extended four times to 30th September, 2016 and were not reported; this raised the issue of accountability and objectivity as a measure of audit quality. The AG's report highlighted weaknesses in programming independence, investigative independence and reporting independence from the internal and external auditors of MMC.

The Inspector General of Government has continuously castigated MMC for embezzling billions of shillings yearly and gross ineptitude and abuse of authority, which undermines accountability and efficient and effective performance that continue to highlight local government institutional decay (ACODE 2019). Moreover, procurement audits and investigations do not yield desired outcomes (Agwot, 2019). This raises concerns to the aspect of audit quality at MMC thus justifying this study.

Several local studies have attempted to link audit quality to service delivery by public institutions (Mwaka, 2018, Nalugende et al. 2020, Olagunju, 2011). However, these studies were carried out in different geographical contexts and did not explore the topic under study at MMC thus creating a gap in literature. In terms of content scope, previous studies have ignored programming independence, investigative independence, and reporting independence as influencing factors in achieving better audit quality.

1.3 Objectives of the Study

1.3.1 General Objective

To examine the relationship between auditor's independence and audit quality in Mbale Municipal Council Uganda, the moderating role of auditor's capacity.

1.3.2 Specific Objectives

- i. To establish the relationship between programming independence and audit quality in Mbale Municipal Council, Uganda.
- ii. To examine the relationship between investigative independence and audit quality in Mbale Municipal Council, Uganda.
- iii. To assess the relationship between reporting independence and audit quality in Mbale Municipal Council, Uganda.
- iv_a. Establish the moderating role of auditor's capacity in the relationship between programming independence and audit quality in Mbale Municipal Council, Uganda.
- iv_b. Examine the moderating role of auditor's capacity in the relationship between investigative independence and audit quality, Uganda.
- iv_c. Assess the moderating role of auditor's capacity in the relationship between reporting independence and audit quality, Uganda.

1.4 Hypothesis of the Study

- H_{O1} There is no statistically significant relationship between programming independence and audit quality in Mbale Municipal Council, Uganda.
- H_{O2} There is no statistically significant relationship between investigative independence and audit quality in Mbale Municipal Council, Uganda.
- H_{O3} There is no statistically significant relationship between reporting independence and

audit quality in Mbale Municipal Council, Uganda.

H_{O4a}. Auditor's capacity has no significant role in the relationship between programming independence and audit quality in Mbale Municipal Council, Uganda.

H_{O4b}. Auditor's capacity has no significant role in the relationship between investigative independence and audit quality in Mbale Municipal Council, Uganda.

H_{O4c}. Auditor's capacity has no significant role in the relationship between reporting independence and audit quality in Mbale Municipal Council, Uganda.

1.5 Significance of the Study

By shedding light on the capacity of the auditor to forecast the independence of the auditor and the efficacy of the audit, the study significantly advances theory.

In addition to helping Uganda's local governments take action and practice to ensure that they promote the personal qualities that are crucial to the quality of the audit, the study is helpful in ensuring that governance structures that guarantee impartiality and proper strategies—that is, the tone at the top—are in place.

At the top level, the study benefits the Ministry of Local Government and the Ministry of Public Service through its actionable recommendations. These ministries, if they consider putting in place recommended policy briefs and other suggested undertakings, will ensure that the audit profession in the country is re-structured and restored into a sector of hope that is driven by top-level transparency and accountability. Besides these ministries, the local government politicians such as Mayors, Members of Parliament and Local Council Officials benefit from this study since it contains mind changing and eye-opening facts that are worth immediate consideration.

As a result, the study assists local governments in making sure they don't take any actions or make choices that could lower the quality of the audit. It gives local governments a foundation on which to build a transparent culture at all levels and helps them highlight the significance of giving auditors access to first-rate technical support.

Furthermore, the study provides a basis for ensuring that robust systems exist for making client acceptance and continuance decisions and provide a basis for further studies in auditing and financial management in local governments.

1.6 Scope and Justification of the Study

The study was carried out in Mbale Municipal council, which was one of the local governments whose audit quality was rated as low for FY2015/16, FY2016/2017 and FY2017/2018 (OAG (2017). Mbale Municipal council is located in the heart of Mbale District in Eastern Uganda.

The period from 2019 to 2020 was utilized in the investigation. During this time, audit quality in Mbale Municipal Council was rated low. Therefore, the researcher examined the relationship between auditor's independence and audit quality, the moderating role of auditor's capacity during this period.

1.7 Limitations of the Study

In this study, the following were the limitations:

The study was based only in Mbale Municipal Council. There are so many municipalities in the country and as a result, the findings can be applicable to all municipalities in the country that have existed for long (at least 10 years).

At the debriefing, the respondents' response rate was lower than expected. In this instance, the researcher returned to the field and persuaded the participants to gather additional data in order to guarantee a suitable response rate for dependability. The study was carried out during the

covid-19 period, where people were working in shifts. Therefore, the researcher went to field according to the shifts to get the respondents.

Because of the unexpected Covid-19 epidemic, there were constraints on the timeliness of the data collection process. The response rate was impacted by this. To obtain a high response rate in this instance, the researcher made sure that data collecting took place when the majority of respondents were in offices.

1.8 Assumptions of the Study

The researcher assumed that not all the respondents were willing to provide their responses during the same study period. As a result, a 30% provision for non-response was made that enlarged the targeted sample and thus, the original sample was achieved, making sure that minimum participation is achieved in the study.

The study also made an assumption that Mbale municipal council as one of the major municipalities that management and staff would cooperate in this study. It is assumed that all respondents would answer all survey questions and to the best of their abilities.

1.9 Operational Definition of Terms

- Programming independence:** It is the ability of an Auditor to be allowed to approach a piece of work.
- This refers to the power of the auditors to have unrestricted
- Investigative independence:** access to all corporate data. As a result, any inquiries about a company's operations and accounting procedures must be addressed by the audited company.
- Reporting independence:** The auditor's choice on whether or not to provide any information to the public
- Audit:** Audit is the verification of the final accounts of the firm by an independent auditor.
- Auditor:** An independent person who is hired by a firm to look through its books of accounts.
- Internal Auditor:** Checks a company's internal controls, corporate governance, and accounting processes
- Auditor's independence:** Auditor independence is the ability of the auditor to maintain a neutral and detached mindset throughout the audit

Audit quality:

The phrase "audit quality" refers to the essential components of the financial reporting chain (inputs, procedures, outputs, and important interactions), which create an environment that makes it more likely that quality audits will be carried out on a regular basis.

Audit capacity:

The combined likelihood that an auditor would honestly disclose the audit results from the client's accounting system in a way that would serve the public interest is known as audit capacity.

CHAPTER TWO LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Agency Theory

The primary theory employed in this study was agency theory. In order to comprehend the relationship between the principal and his or her agent, Stephen Ross and Barry Mitnick created it in 1972 (Zu & Kaynak, 2012; Hannafey & Vitulano, 2013). An important economic theory of accountability that helps to explain the rise in audits is agency theory (Bendickson et al., 2016). An auditor's job is to determine whether the reports that the management have created comply with the relevant laws and accounting standards (IFAC, 2012). It was discovered that agency theory, which aims to clarify how managers are supposed to act as agents for their principals, has a place in the understanding of auditing (Vitolla et al., 2019). Applying agency theory to auditing, IFAC (2012) maintains that auditing serves as a means of keeping an eye on management's operations and showcasing management's effectiveness to those tasked with governance duties.

The theory is based on the main assumption that the agent, with his activities, tends to maximize both his objectives and the economic objectives of the principal (Andrijasevic, 2018). At the same time, the principals are assumed to be mannered in their behaviours, motivated by their interests, and possess their approach. While, the agents are assumed to be self-oriented, individualistic, divergent, opportunistic, and risk averse individuals (Panda & Leepsa, 2017).

As a result of these assumptions, several authors have found weaknesses in the theory. For example, Sinclair (2013) contends that there is a chance the principals' objectives will not be met when agents are not completely under control. Therefore, agency theory suggests that every organization's ability to continue depends on both the principals' and their agents' interaction as well as the conventions ensuring that all necessary information is made available (Kouaib & Almulhim, 2019). Kouaib & Almulhim (2019) state that these conventions attempt to address the questions of how agency theory may be used across disciplines and have been found to be

helpful by social scientists in creating principal-agent relationship-enhancement techniques. Overall, the communities they serve remain informed about the nature and delivery of services owed to them if the principle agent relationships are sound (shared aims, complete and accurate reciprocal communications) (Hilvert & Swindell, 2013; Vargas & Teodoro, 2018). Therefore, when two parties have asymmetric knowledge (the agent having more information and occasionally concealing some of it from the principal) and different interests, agency theory becomes problematic.

Mitchell and Meacheam (2011) noted that agency theory can be applied to understand a range of organizational activities despite the shortcomings that have been recognized. But when people are hired as agents, they often become dishonest and are inclined to put their own interests ahead of their principals' (Segal & Lehrer, 2012). Agency theory was applied in this study to investigate how local governments prioritize the demands of their populations in terms of service delivery. Since the foundation of agency theory is the idea that principals give agents power (Segal & Lehrer, 2012; Mitchell & Meacheam, 2011), it is equally legitimate for principals to take back the authority they have given to agents and act on their behalf. To put it simply, the idea maintains that agents will not violate or take advantage of the interests of their principals (Miller & Sardais, 2011; Basau & Lederer, 2011; Zu & Kaynak, 2012). In Uganda, however, its validity is continuously contested.

According to agency theory, the principal and the agent are inseparable. The assumption that the principal is in charge and that the agents get their authority from their principals is what underpins their relationship. In Ugandan local government, the principals (electorate and/or national government) grant their agents (municipal mayors and managers) the power and authority to administer the local government on their behalf. There is a theory that the principal's intentions for operating the principal's business may be distorted by the agent's self-interest. Therefore, even while the agent in the local government scenario owes the principals a supply of goods and/or service, it is acknowledged that this may not occur precisely as needed by the

principals.

The main theory addressed most of the objectives of the study for example; objective (1) programming independence was addressed by this theory because it emphasized the important role of the principal-agent relationship. This approach also addressed objective (2) investigative independence, emphasizing that auditing serves as a means of monitoring management activities and providing an attestation of management performance for the benefit of those tasked with governance. The theory addressed Objective (3) reporting independence by arguing that the auditor's job was to ascertain if the reports that the management prepared complied with applicable laws and accounting systems.

2.1.2 Stewardship Theory

Stewardship theory, first introduced by Donaldson and Davis (1991 & 1993), was used to establish an agency theory. It was put up as a substitute for the current dynamics that exist between business owners and managers. When someone is entrusted with the task of caring for the resources of others, it is referred to as stewardship (Pastoriza & Ariño, 2008; Kluvers & Tippett, 2011; Podrug, 2011; Miller & Sardais, 2011; Robb, 2012; Lindqvist & Mijovski, 2012). In the context of this study, the stewardship philosophy mandates that individuals entrusted with governance duties and obligations make an effort to be successful in the public service organizations that hire them. From the standpoint of local government, the stewardship notion serves as a reminder to all municipal authorities of their duties to provide services to the general public and their principals.

The theory's presumptions are grounded in the Municipal Finance Management Act (MFMA) ideology as stated in Section 165(1), which requires the existence of an internal audit function (IAF) in every local body, including municipalities (UG, 2006). The IAFs of municipalities and municipal entities are required to advise the appropriate accounting officers (AO) in accordance with Section 165(2)(b)(i)-(vii). Internal auditing, internal controls, accounting procedures and

practices, risk management, performance management, compliance with the MFMA, the annual division of revenue act guidelines, and any other relevant laws are among the topics they report to the audit committees (AC) of the entities (UG, 2006).

However, as noted by Van der Nest et al. (2008), there are other forms of accountability in public service institutions than financial responsibility. Stewardship theory is about taking charge of what has been entrusted under your care. In the local government setting, it is mostly politicians and government administrators (Podrug, 2011; Waters, 2013). Thus, communities can withdraw their trust, if the agents do not take responsibility and accountability for their activities. For example, most municipalities are said to have experienced corruption as a result of avaricious stewards who have lost sight of their responsibilities (Corruption Watch, 2013). Regretfully, the aggressive and indiscriminate actions of the previously disregarded (local) principals are increasingly being relied upon to remove such stewards. As a result of prudent public resource management, stewardship is firmly entrenched.

With the interactions that could affect the way services are delivered in the public sector, the stewardship notion should be understood as embracing accountable leadership that raises the public's trust in that institution. The stewardship paradigm in the public sector, according to Alban- Metcalfe and Alimo-Metcalfe (2013), should offer the general public more than just a way to communicate with their governments. In light of this, Nanfuna (2012) states that there needs to be a "culture of mutual accountability among the government, public officials, service providers, and the population" in order to be a good steward of the community. The present study employed stewardship theory as a framework to arrange the literature review pertaining to the financial and non-financial aspects of accountability.

The fundamental principle of the stewardship concept is that managers should always work to advance the objectives of the company and maintain a moral standard of leadership. The partnerships where local government administrators are inspired by the job they accomplish for their communities are examined under stewardship theory. The stewardship theory's

significance therefore stems from its acknowledgment of the need to deliver services that are both effective and efficient in meeting the needs of the people (the principals and beneficiaries) of Uganda's public service institutions without fail. Furthermore, the idea maintains that the principal/steward relationship is inherently based on governance, which is a crucial aspect of accountability.

The stewardship theory supplements the agency theory in that it anchors the independence of auditors in programming, investigating and reporting. The theory also gives the auditors capacity to define, defend and truly present information since he/she is seen as a steward of the organisation. However, given the nature of the relationship that Uganda's local governments have with the citizens, where those who are appointed to local government offices are viewed as agents of citizens, the agency theory was considered the most applicable theory for this study and has thus been taken as the main theory of the study.

2.2 Empirical Literature Review

2.2.1 Audit Quality

Research about audit quality has led to diverse views on the subject with most people focusing on audit fees, duration of the audit, and length of an audit client relationship and thus, ignoring the independent narrative of the matter. Something that (Wooten, 2021) compares a continuum that is in the perspective of the courts. Furthermore, Jere's (2011) "Framework for Understanding and Researching Audit Quality" has a broad scope, but its research implications are primarily focused on archival-based audit research. Its goals are to help scholars, professional accountants, regulators, and policy makers better understand the multiple drivers of audit quality. But much more opportunity for audit study is lost in this. To complement Jere's

views thus, this study seeks to expand the scholarly approach to audit quality to include its interaction with the auditor's capacity and independence, with capacity being at a moderating angle.

The characteristics and indicators used by IFAC (2015) to evaluate the quality of audits are based on attitudes, ethics, and values. "How well an audit detects and reports material misstatements in financial statements, the detection aspects are a reflection of auditor competence, while reporting is a reflection of ethics or auditor integrity, particularly independence," is how Arens, Elder, Beasley, and Fielder (2011) define audit quality. The quality of the audit could be harmed if the auditor loses their independence and becomes less inclined to raise problems.

Additionally, a study by Alshammari (2014) found a negative correlation between audit quality and ownership structure. Only board independence had a positive relationship with audit quality, according to a study by Enofe et al. (2013) on the determinants of audit quality with dimensions such as security of the auditors' tenure, size of the audit team and extent of the audit, board's independence, and the entity's ownership structure. In contrast, audit tenure, size, and ownership structure showed a negative association with audit quality.

According to Kaawaase et al. (2016), in a study titled "Audit Quality Differences Amongst Audit Firms in a Developing Economy: The Case of Uganda," it is crucial to evaluate audit firms' capacity to limit discretionary accruals when choosing and retaining auditors. This would make it possible for them to generate audited accounts that adhere to legal and regulatory requirements, accounting standards, and fees based first on service quality and subsequently on size. We can, however, state that measuring audit quality by itself does not result in a high-quality audit outcome, despite the researchers' claim that prior research on the topic of audit quality differential amongst audit firms has been inconclusive and does not reveal a consistent method of measuring audit quality. Investigating the function of capability and how it interacts with the independence of the auditor and the audit quality relationship was therefore necessary.

Furthermore, the effect of audit and auditor-related variables on audit opinion decisions is far from conclusive, indicating that more research on audit quality is required. This is revealed by Habib's (2013) meta-analysis of the effect of auditor and audit-related variables; and firm-specific variables on auditors' propensity to issue modified audit opinions (a proxy for audit quality). An expansion of a moderating level relationship is provided by this study.

Alzoubi (2018) used a cross-sectional version of the modified Jones model to investigate "Audit quality, debt financing, and earnings management: Evidence from Jordan." During the chosen period from 2006 to 2012, generalized least squares regression was used using a sample of 72 industrial businesses. Although the author employed secondary data and thus omitted important primary data, study results revealed that audit quality (auditor tenure, size, specialization, and independence) reduces the possibility for financial reporting quality.

"CSR performance and the cost of debt: does audit quality matter?" was the topic of Bacha et al.'s (2021) investigation. The researchers employed the weighted-least-squares approach and Newey-West standard errors. The results, which are based on a sample of non-financial French companies from 2005 to 2016, also demonstrate that banks consider perceived audit quality and CSR performance when pricing debt. The outcomes hold up well to alternate audit quality metrics, such as audit fees. Additionally, secondary document review is used in this paper, which omits primary findings.

In their paper "Audit quality differences amongst audit firms in a developing economy: The case of Uganda," Kaawaase et al. (2016) collect data from 13 board members, 31 credit analysts, and 106 audit practitioners using a cross-case analysis. According to their findings, audit quality is a multifaceted concept that includes audit fees, the degree of discretionary accruals, and the audited accounts' adherence to legal requirements and accounting standards. Based on these metrics, the researchers deduce that Big 4 audit firms guarantee greater adherence to legal requirements, accounting standards, and other regulatory requirements than SMPs. Unfortunately, these writers

draw inappropriate conclusions about the SMPs' reality by utilizing data from the major four audit firms.

Data were gathered from 351 certified public accountants (CPAs) working as external auditors in Uganda for a different study by Kasigwa (2014) titled "Reduced Audit Quality Behaviour Scale: Exploratory and Confirmatory Analysis" based on a sample of external auditors in Uganda. The results showed that the means for quick review and examination were 3.68 and 3.64, respectively, indicating that auditors frequently use them. This indicates that some Ugandan auditors are still working swiftly through documents without giving them much thought during an audit examination. This could be the result of improper review during the audit process, which would lower the quality of the audit. Even yet, the author neglected to gather qualitative data that would have allowed for the triangulation of findings.

Anugerah et al. (2016) conducted an "Analysis of Reduced Audit Quality Behaviour: The Intervening Role of Turnover Intention" using a survey questionnaire sent to all auditors in Sumatera Island (Indonesia) with a total of 344 auditors. The study's PLS analysis results show that worse audit quality behavior was caused by an external locus of control, a lackluster organizational commitment, and a strong intention to leave. Nevertheless, the authors do not mention the exact research design used, which poses the risk of the lack of systematic guidance in the study.

Husain (2019) also conducted "An Analysis of Modelling Audit Quality Measurement Based on Decision Support Systems (DSS)" explored a qualitative approach to descriptive modelling. The study results show that decision support systems based on structural equation models developed into the audit quality measurement model can be used as recommendations for beginner researchers in measuring audit quality using a specific approach. Still, the author uses a qualitative approach and yet embeds descriptive modelling without justification.

The amount of anomalous accruals was used as a proxy for audit quality in a different study by Choi et

al. (2010) on "Audit Office Size, Audit Quality, and Audit Pricing" using a sizable sample of US audit client firms from 2000 to 2005. Even after accounting for office-level industry knowledge and the size of national audit firms, their results demonstrated a substantial positive relationship between office size and audit quality. Five years later, the author draws conclusions based on outdated data.

According to Enofe et al. (2014), audit quality is primarily determined by an auditor's capacity to protect the interests of financial statement users by locating and revealing misstatements and information asymmetry between management and financial statement users. The focus of the research mentioned above, audit quality, is pertinent to this investigation. The focus of audit quality is on the operational accountability, operational openness, and objectiveness, all of which are signs of high-quality audits. The Mbale Municipal Council now has a supportive environment for auditor independence and audit quality thanks to the use of these metrics in this study.

2.2.2 Programming Independence and Audit Quality

Audit quality is a measure of an auditor's skill, whereas programming independence is a measure of an auditor's ethics or honesty and is related to the auditors' ability to run audit programs freely and without intervention from other parties (Jake & Ibiameke, 2017; Ghosh & Moon, 2018). Xiao (2020) defines audit quality as the extent to which an auditor finds and discloses material misstatements in financial statements. Bob Vause (2009) asserts that programming independence gives an auditor the freedom to decide which audit procedures and techniques to employ, as well as how much of them. This literature review's primary goal is to investigate how programming independence affects audit quality.

According to Zayol et al. (2017), audit quality and programming independence are complementary ideas. They also argue that audit quality is produced by auditor independence, starting with programming and ending with final reporting. Because of this, audit quality needs to match the system that produces it. This explains why concerns

about the independence and competency of auditors have been raised in light of recent financial crises and audit failures. This study, along with others, has stimulated a wealth of research on the nature of auditor independence and how it relates to the caliber of audit reports that are included in financial statements. This supports the goal of the study, which is to determine how programming independence affects audit quality.

Tepalagul and Lin (2015) compiled their study "Programming Independence and Audit Quality: A Literature Review" using works published between 1976 and 2013 through the use of meta-synthesis. Four areas were identified in their analysis: (a) importance of the customer; (b) non-audit services; (c) auditor tenure; and (d) client affiliation with audit companies. The four primary obstacles to programming independence are represented by these four categories. Reviewing the effects of each danger on the actual and perceived quality of audits and financial reports, as well as information on the objectives, assumptions, and actions of the auditor and the client, was done by Tepalagul and Lin (2014). The contradictory evidence and the ensuing changes to the regulations show that the client's and auditor's intentions, convictions, and conduct—which together make up programming independence—have an impact on the perceived and real quality of financial reports and audits. However, the breadth of the conclusions is constrained by the use of secondary data, particularly when the information is used with a developed world perspective.

Kigongo and Nkundabanyanga (2017) while investigating the "Perceived auditor programming independence factors in Uganda" and using a quantitative design, employed a self-administered survey questionnaire to 496 accountants and individuals who are members of the Uganda Institute of Certified Public Accountants (ICPAU). From their findings, failure to rotate auditors and the control of auditor appointment and remuneration by the board is more AI constraining and impairs AI. In this study, a six-dimensional model of AI undermining factors was fitted and a five-dimensional model was best fitted. Analyzing the study, the authors ignored the power of verbatim opinions and views of the participants (qualitative approach).

In a similar study by Walabyeki (2013) that examined “The Cornerstone of the Accounting Gatekeeper: Auditor Programming Independence”, a systematic review of published journal articles, it was concluded that where the auditor is not independent in terms of programming, the ultimate goal of corporate governance will not be achieved. They further argued that once auditor independence is compromised, the very heart of the auditor’s role, dire consequences to audit quality will be registered. They thus concluded that the finding qualified independence to be the cornerstone of the accounting gatekeeper. Even though, in this study, the author does not depend on primary data. The researcher uses other scholars’ findings to make deductions to theory.

Another study on the "Effect of Auditor Programming Independence on Audit Quality: A Review of Literature" found a significant correlation between auditor independence in terms of programs and audit quality. This study used an ex post facto research design and data from secondary sources such as journals, text books, and other internet materials (Zayol, Vitalis & Mdoom 2017). Four additional challenges to auditor independence were also identified by the review: customer importance, non-audit services (NAS), audit tenure, and client affiliation with CPA firms. The utilization of secondary sources emphasizes how important the information from primary data is.

Rahmina and Agoes (2014) investigated "The Influence of Auditor Programming Independence, Audit Tenure, and Audit Fee on Audit Quality of Members of Indonesian Capital Market Accountant Forum." Senior auditors, managers, supervisors, and partners who worked for the audit company member of FAPM provided data for the study using the framework research methodology. According to the findings of their academic research, audit tenure, audit fee, and auditor programming independence all positively affect audit quality. According to their conclusions, variations in auditor independence can account for variations in audit quality, as shown by the test Coefficient of Determination result of 21.4%. in terms of programs. The

framework approach, however, did not consider data from the real-life situation in the audit world, except from theories.

The increased efforts to restore trust in audited financial statements have not produced much, despite the expectation that programming independence will improve audit quality (Goodson, Mory & Lapointe, 2012; Zouaoui, Al Qudah, El Aoun, Ben Arab, & Eleuch, 2018). The public sector is seeing a sharp increase in corruption, which makes it more difficult to produce high-quality financial reporting. As a result, there are gaps in the audit quality and the general audit process is compromised. The researcher was so motivated to conduct research in order to determine the impact of programming independence on audit quality at the Mbale Municipal Council.

2.2.3 Investigative Independence and Audit Quality

Auditors play a critical role in lending investigative independence credibility. To this effect, the importance of auditor investigative independence standards has been underscored by a number of notable company failures, questions regarding the accuracy of financial reporting, and specifically the auditor's investigative independence, have been raised.

(Olagunju, 2011; Adelapo, 2010). Large auditing firms, which are a part of a global corporation, are typically more independent than small local auditing firms, according to Al-Ami & Saudagaran's (2011) study on the "Perceptions of auditors and financial-statement users regarding auditor independence in Bahrain" (Alleyne, 2006). Similarly, Hermanson and Huss (2000) discover that the client's financial significance to the audit company typically has a negative impact on the auditors' investigative independence. This study aims to bridge the current gap by addressing the aforementioned problems and examining the impact of investigative independence on audit quality.

Bonareri (2022) analysed the "Internal auditor investigative independence, quality of financial reporting, ethical behaviour and performance in Uganda's public entities" using a cross

sectional design, which was quantitative. The author adds that the study also involved descriptive and analytical research designs. The study sample comprised 132 public entities with a 93% response rate. In addition to a positive correlation between internal auditor independence and ethical behavior and performance, Bonareri's study also revealed positive and significant relationships between quality of financial reporting and performance and between investigative independence and performance. This study shows how these audit expectations are interlinked. However, the researcher uses many research designs (03), which is not necessary as it confuses

the reader.

Another study on “The Effect of Investigative Independence and Professionalism on Audit Quality”, a descriptive and verification methods study of the Public Accounting Firm (KAP) located in the city of Jakarta fronted that the result of the hypothesis test is that auditor investigative independence in the DKI Jakarta KAP has a significant influence on Audit Quality (Dianita, Rachman & Siregar 2019). They add that the hypothesis test results are that auditor investigative independence and professionalism, in DKI Jakarta City Public Accounting Firm, has a significant effect (0.007 or 0.7% < 5%). However, only one firm is used and yet many public accounting firms exist.

In their systematic literature review (SLR), Yakubu and Williams (2020) also offered "A Theoretical Approach to Auditor Investigative Independence and Audit Quality," building on Tepalagul and Lin Mandator's earlier studies on the subject of auditor independence and audit quality. They argued in their study that an audit committee with nonexecutive independence will improve audit quality and that audit firm rotation will strengthen auditor investigative independence. The study also reveals that smaller audit firms that are members of professional bodies would offer higher-quality audits in terms of auditor size. In the meantime, the writers' logical conclusions are based on secondary facts. They could have done better, though, if they had included primary data.

Kaawaase et al. (2021) studied “Corporate Governance, Internal Audit Quality and Financial.

In the study that focused on “Towards Enhanced Audit Quality in the Government Sector of Uganda”, a qualitative research strategy with multiple case studies was used. The study targeted four public universities (as audit clients of the OAG), the OAG Uganda and five private audit firms where government audits are regularly outsourced (Mulati & Merwe, 2022). Mulati and Merwe argue that the OAG faces a high workload to ensure that investigative independence is adhered to. In addition, there is partial or no documentation using the Teammate audit software, poor work assignment and resource deployment style, undefined audit supervision and review responsibilities, poor QC for outsourced audits, client audit stress from analogous audit activities by accountability institutions and poor attitude of staff and management towards quality management. Although, taking entirely an only qualitative research study in measuring audit quality limits the analysis of the findings.

Asiimwe et al. (2019) conducted a correlational cross-sectional study on the “Investigative Independence of the Internal Auditor and Accountability of Child Funded NGOs in Uganda.” Data was collected using a self-administered questionnaire of 97 NGOs. From the findings, it was discovered that the investigative independence internal audit function has a positive significant effect on quality. However, the internal auditors agreed that to ensure quality, cooperation of both the board and management was paramount. However, the 97 NGOs mostly do not have internal auditors and yet the author trusts the data collected.

Nabukeera (2018) also conducted a similar study that addressed the “Internal Auditing and Financial Performance of Soft Drink Industries in Uganda: A case study of Coca-Cola Bottling Company Namanve Mukono District.” The researcher used a descriptive survey and administered a survey questionnaire to each member of the target population. Nabukeera concluded that internal audit standards, independence of internal audit investigations, professional competency and internal control had a positive relationship with the quality of financial statements. In as much, the author uses the findings in just one firm to represent an

entire industry, yet in the country, many soft drinks firms exist.

Meanwhile, a study by Le Doan et al (2019) on “Enhancing auditors’ investigative independence in auditing enterprises in Vietnam” recommends that to strengthen the large-scale audit business, and minimize the small-scale auditing business, there is a need to encourage small auditing companies to merge or consolidate into larger auditing companies. Secondly, increase in human resources with professional qualifications by reforming the service of training and certification of auditors, towards internationally certified auditors. Furthermore, auditing firms need to develop a rigorous recruitment process, adopt remuneration policies for auditors, and create a proper working environment to maintain human resources. Even then, the proposals do not guarantee the investigative independence of auditors as well as ultimate audit quality results.

In Uganda, a single audit ensures a municipal council uses government funds per the guidelines. The auditor assesses whether compliance requirements regarding the use of funds are met and whether fitting internal controls are in place to guarantee compliance. To opine, the auditor performs compliance tests to certify that compliance requirements have been met. Internal control tests are conducted to determine whether appropriate controls are in place to ensure compliance (Auditor General, 2015).

From the above studies, government or investors allocate resources to be well utilized. In the course of the process, auditors are sent to investigate the utilization of resources. For auditors to carry out their tasks well they need to be independent and the indicators include having free access to information and active cooperation by the staff. Furthermore, there should be zero influence meddling by either management, the political officials, or any other interested stakeholders of the organisation or body under audit. Unfortunately, most often than not, influence meddling has been reported in so many audit queries and some country governments have been forced to take disciplinary actions. However, disciplinary actions do not necessarily

lead to audit quality. This is because; the disciplining does not prevent future meddling tendencies as it is not strange for the new executive to do exactly as the predecessor or even worse than the former. This study, taking into consideration such tendencies, found it eminent to ascertain the role of investigative independence on audit quality.

2.2.4 Reporting Independence and Audit Quality

There are a few studies on the effect of reporting independence on audit quality. Rodgers and Al Fayi (2019) state that reporting independence refers to the freedom from control or undue influence in the statement of facts revealed by the examination: Or in the expression of recommendations and or opinions because of the examination. According to them, reporting independence indicators include freedom from any feeling of loyalty or obligation to modify the impact of reported facts on any party. Another indicator is the avoidance of the practice of excluding significant matters from the formal report in favour of their inclusion in an informal report of any kind. Also, avoidance of intentional or unintentional use of ambiguous language in the statement of facts, opinions, and recommendations and their interpretation; and freedom from any attempt to overrule the auditor 's judgment as to the appropriate content of the audit report either factual matter or his opinion (Rodgers & Al Fayi, 2019). This review focuses on analyzing existing literature on the role of reporting independence on audit quality.

Mnganya (2016) investigated the “Internal auditing investigative function and performance of multinational corporations in Uganda: A case study of MTN, Kampala – Uganda.” He used both quantitative and qualitative methods with a cross sectional survey design. A population of 45 respondents from different departments, including the chief auditor, members from the accounting department, finance department, internal audit department, and a few members from other departments of the organisation was selected. Mnganya's findings reveal that internal controls and investigative independence have a direct influence on the quality of audit outcomes and the financial performance of Multinational Corporations. Thus, a perfect internal audit function leads to better service delivery. Even then, very few respondents were sampled and yet

MTN Uganda is a highly populated corporate entity. There must have been a major loophole in the sampling process.

Adome (2017) also investigated the “Internal audit reporting independence and performance of local governments in Uganda. A case study of Sheema District Local Government” using a descriptive research design with both qualitative and quantitative techniques. A sample of sixty-eight people (68) respondents from all-over the district was arrived at. From his findings, he concluded that there is a relationship between internal audit reporting independence and the quality of reports on the financial performance of the Sheema local government. In the study, most of the respondents revealed the same and that if an internal audit takes place, local government employees fear misusing the public resources. However, the author does not justify the need to include the qualitative approach in the study methodology because he does not present the qualitative findings.

A “Review on Audit Quality Factors” that focused on previous theoretical and empirical studies identified the different factors with potential influence on audit quality (Seyed et al.,2014). In the review, Seyed et al. (2014) explained that the size of an audit firm could be considered one of the most important factors, which can affect the other factors as well as the overall audit quality. Size, industry expertise, auditor tenure, audit fees, non-audit service, auditor reputation and auditor specifications, auditor specifications such as professional competence, technical ability, reporting independence and auditor’s liability have significant effects on audit quality. Meanwhile, this study depended on secondary data to make conclusions, which may affect the quality of the findings.

Desoky and Khasharmeh (2019) questioned: “Does the Provision of Non-Audit Services Affect Auditor Reporting Independence and Audit Quality?” As evidence from Bahrain’s explanatory study that sampled 250 respondents at listed companies in Bahrain Bourse, the results indicate that respondents are supporting the idea that “reporting independence of the auditor is impaired

with providing non-audit service”. The authors utilized the Kruskal- Wallis Test, which revealed that reporting independence of the auditor is impaired with providing NAS”. Chi-square values for all questions were significant at ($p < 0.05$). Nonetheless, the authors do not list the respondents involved in the study, except for the mention of the companies.

Additionally, Arniati et al. (2019) examined “the implementation of the good corporate governance model and auditor reporting independence in earnings’ quality improvement.” In his documentary review, manufacturing companies that had been listed on Indonesia Stock Exchange from 2011 to 2015 (138) were used for data collection. In the findings, when the variable of reporting independence of an auditor is set into the Model of Good Corporate Governance, the result shows that the effect of independent variables on quality becomes greater. This result is signified by the increase of Adjusted R-Square from 3.3% to 3.5% based on KLK measurement with the Total Accrual approach. Thus, audit quality is more meaningful if the auditor is independent during reporting. Even so, the authors use documentary reviews and do not embed primary data.

"The effects of non-audit services on auditor reporting independence: An experimental investigation of supervisory board members’ perceptions" was examined by Meuwissen and Quick (2019). According to the experimental investigation, auditor reporting independence is thought to be harmed by the availability of NAS. Furthermore, it is believed that human resource consulting has the greatest detrimental effect when differentiating between different types of NAS. Audit quality is thereby limited as a result. The authors' use of an experimental design in a social science study, which may not be deemed suitable, is the gap.

"Auditor reporting Independence in the United States: Cornerstone of the Profession or Thorn in Our

Side?" was another analysis conducted by Church et al. (2018). From the standpoint of information producers and consumers, the systematic review examined the existing supervision of auditor reporting independence as well as the necessity of such independence. They came to the conclusion that a better way to deal with the auditor reporting independence conundrum would be to give audit committees more authority to oversee the auditor's reporting independence and to disclose information about risks and protections against it. Yet, these authors also use a systematic review, but at the same time allege to present the perspective of users and producers. Lamba et al. (2020) also examined the "Effect of Auditor Reporting Independence and Ethics on Auditor Professional Scepticism: Its Implications for Audit Quality in Indonesia" using a quantitative approach that targeted all auditors who work in the Inspectorate Office of the Papua Provincial Government. The results showed that the auditor's reporting independence had a t-count of 2.483, higher than the t-table value of 1.679 with a significant value of 0.020 and a coefficient of 0.438. It is not greater than 0.020 or 0.05. In the meantime, the writers disregard the auditors' specific viewpoints and opinions in favor of concentrating solely on the numeric results.

"Non-audit Services and Auditor Reporting Independence" is the subject of another study. In order to determine if reporting independence among auditors who offer NAS to audit clients differs in relation to the company performance of those audit customers with an earnings management incentive, Kang et al. (2018) employed the ROA and the OCF interaction models. The Korea Listed Businesses Association's accounting data for listed businesses on the KOSPI and KOSDAQ provided the data used in the empirical analysis. In order to calculate the study's discretionary accruals, 15837 company-year observations were used. Their findings demonstrate that the impact of simultaneously offering audit services and NAS on auditor reporting independence is altered by the earnings management incentive of audit customers (depending on their performance). Nevertheless, because there was no data triangulation, the observations could be easily interpreted as subjective.

However, according to Kilgore, Harrison, and Radich (2014), due to the numerous instances of

public officials embezzling money and the auditors' incapacity to address the issue, the veracity of audit reports has recently been characterized as a serious issue. Moreover, what is worse, the cases of auditors being implicated have been reported too. In inclusion, reporting is delivering audited findings from the information. For an auditor to deliver credible findings according to the studies above, he/ she needs to be independent indicators of reporting independence including avoidance, and intentional and unintentional reporting. Given the above, the researcher found it eminent to assess the role of reporting independence on audit quality in Mbale Municipal Council.

2.2.5 Auditor's Capacity and Audit Quality

Although Xiao (2020) defines audit capability as the joint probability that an auditor was genuinely presenting the audit results in the accounting system of its client, for the public interest, the term has no precise definition. Maintaining audit capacity is essential as it reduces the agency problem within the public sector, particularly in local government. Thus, one must first comprehend the audit's goal in order to comprehend audit capacity. An audit is a mechanism used to hold public and private organizations accountable and responsible for their actions. This review aims to clarify the moderating function that audit capability plays in the link between the independence of auditors and the quality of their work.

According to Sikka and Wasmott (2011), the auditing profession supports the independence concept in order to define, uphold, and enhance the capabilities and caliber of the field. It is commonly acknowledged that independence is a vital resource for the auditing profession and the fundamental idea that supports the field's standing in the public eye. How well the profession can uphold the independence principle will determine how long it can survive.

Mashood and Afzal (2016) state that it improves organizational operations in Pakistan by bringing accountability, openness, equity, and integrity. Nonetheless, the capacity of the auditor who is a party to the dispute and the relative strength of the client management are two factors that affect the auditors' ability to tolerate client pressure.

Ayagre and Buameh (2017) examined “Ethical Values, Integrity and Internal Controls in Public Sector Organisations: A Developing Country Perspective.” In their comparative analysis, data for the study was collected through a questionnaire sent to chief internal auditors and audit managers in Ministries, Departments and Agencies in Accra. From the results of the study, internal audit’s ability to ensure audit quality is limited by capacity in terms of technical and professional skills set, low motivation and little support from management. These factors directly impact on internal auditor’s objectivity and may indirectly influence which audit gets performed as planned. Even so, the authors use comparative analysis in their research design and yet the results do not show comparisons.

In Dibben’s (2010) study on “The Implications of Auditors’ Dispositional Trust and Career Advancement Opportunities for the Detection of Fraud,” using the Wrightsman scale, a sample involving 216 practising auditors at Big 4 firms in the Southwest and 53 students enrolled in a Master of Accountancy program at a large public university was used. From the findings, the variable for the position, which determines the level of capacity, is statistically significant ($p < 0.000$), indicating that trust varies by position in the firm. In the study, the Bonferroni comparisons indicate that staff auditors are less trusting than managers ($p < 0.000$). However, the researcher does not provide a clear justification for mixing practising auditors and students.

Alrabba (2016) used a qualitative research design and a sample size of 150 auditors in Jordan to examine "the impact of auditor's capacity on the quality of auditors’ professional judgment." According to the regression model, the significance coefficient was zero, the coefficient of determination was equal to 0.985, and the coefficient of correlation was equal to 0.993. The correlation and determination coefficients are greater than 0.5, suggesting that ethical principles like commission determination, contingent fees, and advertising organization name and form rights have a substantial impact on the auditors' ability to identify creative accounting practices. All of these are parts of an auditor's capability.

Despite using a qualitative methodology, the researcher had a sizable population.

Ma'ayan and Carmeli (2015) studied "Internal Audits as a Source of Ethical Behaviour, Efficiency, and Effectiveness in Work Units" using a cross sectional research design. They argue that support from the top management for the internal audit as well as the auditor's capacity (skills, resources, and behaviours) facilitate learning from audits and help audited units to improve ethicality, efficiency, and effectiveness in organisations. In the meantime, only top management and internal auditors were involved in the study, which may not be representative.

Descriptive-correlational research that focused on "The effect of auditor's capacity on audit quality" had 200 questionnaires distributed to public accounting firms of auditors. The dependent variable (audit quality) and the independent factors (job experience, professional competence, motivation, accountability, and objectivity) show a good association (R-value: 0.612). According to the researchers, the modified R-square value of 0.321 indicates that five independent variables account for 32.1% of the audit quality variable's explanation, with additional variables outside the model accounting for the remaining 67.9% (Zahmatkesh & Rezazadeh, 2017). The writers did not, however, specify which employees of the public accounting firms were the targets.

The "Factors Affecting the Internal Audit Capacity in Tunisian Organizations" were studied by Dellai et al. (2016). Responses to a questionnaire sent to the chief audit executives of 148 Tunisian organizations served as the source of the data. The results show a positive and substantial correlation between the internal auditing effectiveness (IAE) and all independent variables ($p < 0.05$ for COMP and OUTS, $p < 0.01$ for IND, OBJ, TMS, MTG, and SEC). Therefore, the following factors affect internal audit effectiveness: (1) internal audit's independence; (2) internal auditors' objectivity; (3) management's support for internal audit; (4) the use of internal audit as a management training ground; and (5) the organization's sector. The

management support and training work towards improving the capacity of the auditor. Even though, the authors do not mention the specific research design that guided their study, which poses questions.

In their study "Internal Auditor Capacity of the Function Ability to Add Value," D'Onza et al. (2015) analyzed the replies of over 1,800 internal auditors using a survey method. The study discovered evidence linking four variables—IAF independence and objectivity, adherence to the Institute of Internal Auditors' (IIA) Code of Ethics, the efficacy of internal control, and the assessment of risk management effectiveness—to adding value (quality). Nevertheless, additional stakeholders were not included; just internal auditors were used.

In summary, auditors' capacity is the ability of the auditor to anchor him/ herself in the profession and it is the basic principle that underpins the reputation of the auditing profession in the public eye. From the above studies, an auditor's capacity is defined by; the ability to define, defend and truly present audit findings. In this study, the moderating role of auditor's capacity in the relationship between auditor's independence and audit quality was investigated to ascertain the multi-level moderating role of the auditor's capacity on the interaction between the variables of audit capacity; programming, investigative, and reporting independence and audit quality in Mbale Municipal Council.

2.3 Summary of Research Gaps

From the available literature that was reviewed on auditor's independence and audit quality, it was indicated that auditor's independence such as being free from interference and objectivity positively affects audit quality (Temesgen & Estifanos, 2018; Khan & Haq 2015; Enofe & Mgbame, 2013). The following gaps were noted during the literature review: The authors ignore the power of verbatim opinions and views of the participants (qualitative approach) (Kigongo & Nkundabanyanga, 2017). Another author does not depend on primary data. Uses other

scholars' findings to make deductions to theory (Walabyeki, 2013). This author uses observation and yet does not present any findings (Bogere, 2022).

The use of secondary data limits the scope of findings, especially when the information used focuses on the developed world (Tepalagul & Lin, 2014) and the use of secondary sources underscores the valuable information from primary data (Zayol, Vitalis & Mdoom, 2017). Meanwhile, the study does not involve other stakeholders who interact with auditors in its population (Suyuno, 2012).

Further, the study is based on a systematic review to make conclusions not primary evidence (Saputra, 2015) and the framework approach did not consider data from the real-life situation in the audit world, except theories (Rahmina & Agoes, 2014).

A low response rate was used and this compromises the quality of the findings (Atuhumuza, 2016); the researcher uses many research designs (03), which is not necessary as it confuses the reader (Bonareri, 2022) and very few respondents informed the findings (40), which may not be trustworthy (Ayebazibwe, 2015). Relatedly, only one firm is used and yet many public accounting firms exist (Dianita, Rachman & Siregar, 2019). The authors depend on secondary data to make logical conclusions. However, they could have done better by embedding primary data (Yakubu & Williams, 2020). Also, the author is not clear by mentioning financial institutions and yet takes concentration on banking institutions (Kaawaase et al., 2021).

Very few respondents were sampled and yet MTN Uganda is a highly populated corporate entity. There was a loophole in selecting the population and computing the sample (Mnganya, 2016) and the other author does not justify the qualitative approach because he does not present the qualitative findings (Adome, 2017). This study depended on secondary data to make conclusions, which may affect the quality of findings (Seyed et al., 2014) and the authors do not

list the respondents involved in the study, except for the companies (Desoky & Khasharmeh, 2019). Also, the authors use documentary review and do not embed primary data (Arniati et al., 2019). The authors used an experimental design in a social science study, which may not be so appropriate (Meuwissen & Quick, 2019) and the other authors also use a systematic review, but at the same time allege to present the perspective of users and producers (Church et al., 2018). Further, the authors focus only on the quantitative findings, ignoring the detailed views and opinions of the auditors (Lamba et al., 2020).

The observations can be easily subjective since there was no triangulation of data (Kang et al., 2018) and the authors use comparative analysis in their research design and yet the results do not show comparisons (Ayagre & Buameh, 2017). Relatedly, the researcher does not provide a clear justification for mixing practising auditors and students (Dibben, 2010).

The researcher uses a qualitative methodology, yet the population was relatively big (Alrabba, 2016) and only top management and internal auditors were used, which may not be representative (Ma'ayan & Carmeli, 2015). Moreover, the authors did not point out which individuals were targeted by the public accounting firms (Zahmatkesh & Rezazadeh, 2017).

The authors do not mention the specific research design that guided their study, which poses questions (Dellai et al., 2016) and only internal auditors were used, leaving out other stakeholders (D'Onza et al., 2015). Further, the study uses information from one country to represent all developing countries (Ayagre, 2015). The author used secondary data and thus, fails to capture key primary data (Alzoubi, 2018). This paper also employs secondary document review, which misses out on primary findings (Bacha et al., 2020) and, the authors use findings from the big4 audit firms to infer the reality in the SMPs, which is not appropriate (Kaawaase et al., 2016).

These studies indicated that the independence of auditors can be curbed to realize audit quality. However, there was limited literature indicating the influence of programming independence,

investigative independence and reporting independence. In addition, these studies were not carried out in local governments in Uganda and the majority of these studies used more of a qualitative approach and descriptive design. Many of them also used secondary data.

Sir Name s)	Year	Research Topic	Methodology	Data Collection	Related Findings & Conclusion(s)	Identified Gaps
Kigongo & Nkundabanyanga	2017	Perceived auditor programming independence factors in Uganda	A quantitative design	A self-administered survey questionnaire to 496 accountants and members of the Institute of Certified Public Accountants of Uganda (ICPAU).	Failure to rotate auditors and the control of auditor appointment and remuneration by the board impairs AI.	The authors ignore the power of verbatim opinions and views of the participants (qualitative approach)
Walabyeki	2013	The Cornerstone of the Accounting Gatekeeper: Auditor Programming Independence.	Systematic review	Published journal articles	The fact that independence is at the very heart of the auditor's role and that when it is compromised there are dire consequences qualifies independence to be the cornerstone of the accounting gatekeeper.	The author does not depend on primary data. Uses other scholars' findings to make deductions to theory.
Bogere	2022	Effectiveness of internal audit function and the management of public funds in Uganda: A case study of Kaliro District Local Government	A correlational and diagnostic study	A questionnaire, observation and interview techniques from 116 employees selected from the population	There is a significant positive correlation between the effectiveness of the internal audit function and the management of public funds.	The author uses observation and yet does not present any findings.
Zayol, Vitalis & Mdoom	2017	Effect of Audit Programming Independence on Audit Quality: A Review of Literature	Ex post facto research design	Secondary sources include journals, textbooks and other internet materials.	There is a strong relationship between auditor programming independence and audit quality.	The use of secondary sources underscores the valuable information from primary data
Tepalagul & Lin	2014	Programming Independence and Audit Quality: A Literature Review	Meta-syntheses	Published articles during the period 1976-2013	The mixed evidence, together with recent regulatory changes, shows that the incentives, perceptions, and behaviours of the auditor and the client affects the actual and perceived quality of audits and financial reports.	The use of secondary data limits the scope of findings, especially when the information used to focus on the developed world
Suyuno	2012	Determinant Factors Affecting The Audit Quality: An Indonesian Perspective	Survey method	28 Public Accounting Firms in Central Java and Jogjakarta provinces, Indonesia with around 150 auditors	Programming independence requires that an auditor has the freedom to develop his/her program. Further, independence affected audit quality.	The author does not involve other stakeholders who interact with auditors in its population

Sir Name s)	Year	Research Topic	Methodology	Data Collection	Related Findings & Conclusion(s)	Identified Gaps
Saputra	2015	The Impact of Auditor's Programming Independence on Audit Quality: A Theoretical Approach	Theoretical Approach	A Literature Review	Based on theoretical approaches can be concluded that audit quality is affected by the auditor's independence.	The author bases on a systematic review to make conclusions not primary evidence
Rahmina & Agoes	2014	Influence of Auditor Programming Independence, Audit Tenure, and Audit Fee on Audit Quality of Members of Capital Market Accountant Forum in Indonesia	Framework Research Method	Senior auditor, supervisors, managers, and partners positions and worked on the audit firm member of FAPM	The test Coefficient of Determination result of 21.4% indicates that the audit quality can be explained by variations in auditor independence.	The framework approach did not consider data from the real life situation in the audit world, except theories.
Atuhumuza	2016	Factors Affecting Successful Implementation of Auditor General's Recommendations in Local Governments in Eastern Uganda: A Case Study of Soroti District.	A descriptive survey research design was adopted using both quantitative and qualitative methods	The study targeted 100 respondents but 65 returned the survey questionnaire.	Auditor independence from the board of directors is of great importance to shareholders and is seen as a key factor in helping to deliver audit quality.	A low response rate was used and this compromises the quality of the findings
Bonareri	2022	Internal auditor investigative independence, quality of financial reporting, ethical behaviour and performance in Uganda's public entities	A cross sectional design, which involved descriptive and analytical research designs.	The study sample comprised 132 public entities of which 123 responded, which is a 93% response rate.	Results revealed positive and significant relationships between auditor independence and quality of financial reporting.	The researcher uses many research designs (03), which is not necessary as it confuses the reader.
Ayebazibwe	2015	Internal auditing and performance of local government in Uganda	Case study research design	Forty respondents (40) from Buyende Town Council	The findings revealed a lack of complete independence of the internal auditors in a bid to improve performance.	Very few respondents informed the findings (40), which may not be trustworthy.
Danita, Rachman & Siregar	2019	The Effect of Investigative Independence and Professionalism on Audit Quality	Descriptive and verification methods	The Public Accounting Firm (KAP) is located in the city of Jakarta.	Auditor independence in the DKI Jakarta KAP has a significant influence on Audit Quality (0.007 or 0.7% < 5%).	Only one firm is used and yet many public accounting firms exist.
Yakubu & Williams	2020	A Theoretical Approach to Auditor Investigative Independence ad Audit Quality	A systematic literature review (SLR) approach	Built on the previous research on auditor independence and audit quality by Tepalagul & Lin	Mandatory audit firm rotation will enhance auditor independence and that will promote audit quality.	The authors depend on secondary data to make logical conclusions. However, they could have done better by embedding primary data.

Sir Name s)	Year	Research Topic	Methodology	Data Collection	Related Findings & Conclusion(s)	Identified Gaps
Kaawaase et al.	2021	Corporate Governance, Internal Audit Quality and Financial Reporting Quality of Financial Institutions	Cross sectional and correlational	A questionnaire survey of Chief Finance Officers, Senior Accountants and Internal audit managers of financial institutions in Uganda.	Internal audit investigative independence is significantly associated with financial reporting quality.	The author is not clear by mentioning financial institutions and yet takes concentration on banking institutions.
Nabukeera	2018	Internal Auditing and Financial Performance of Soft Drink Industries in Uganda; A case study of Coca-Cola Bottling Company Namanve Mukono District.	Descriptive survey	The researcher administered a survey questionnaire to each member of the target population.	Internal audit standards, investigative independence of internal audit, professional competency and internal control had a positive relationship with audit quality and financial performance	The author uses the findings in just one firm to represent an entire industry, yet in the country, many soft drinks firms exist.
Mulati & Merwe	2022	Towards Enhanced Audit Quality in the Government Sector of Uganda	A qualitative research strategy	Multiple case studies: four public universities, the OAG Uganda and five private audit firms where government audits are regularly outsourced.	An overlap of roles by senior managers, poor QC for outsourced audits, client audit stress from analogous audit activities by accountability institutions and poor attitude of staff and management towards quality management.	Taking entirely an only qualitative research study in measuring audit quality limits the analysis of the findings.
Asiimwe et al.	2019	Investigative Independence of the Internal Auditor and Accountability of Child Funded NGOs in Uganda	Correlational cross sectional study	Data was collected through a self-administered questionnaire of 97 NGOs out of which 84 responded	Investigative independence internal audit function has a positive significant effect on accountability and quality of audit.	The 97 NGOs mostly do not have internal auditors and yet the author trusts the data.
Mnganya	2016	Internal auditing investigative function and performance of multinational corporations in Uganda: a case study of MTN, Kampala Uganda	Both quantitative and qualitative methods using the cross sectional survey design	A population of 45 respondents: auditors, finance department, and a few members from other departments.	The positive correlation coefficient of 0.963, PV= 0.01 indicates a positive relationship between the internal reporting audit function and performance of the Multinational Corporations.	Very few respondents were sampled and yet MTN Uganda is a highly populated corporate entity. There was a loophole in selecting the population and computing the sample.
Adome	2017	Internal audit reporting independence and performance of local governments in Uganda. a case study of Sheema District.	A descriptive research design with qualitative and quantitative techniques	A sample of sixty-eight people (68) respondents from all over the district	There is a relationship between internal audit reporting independence and the financial performance of the Sheema local government.	The author does not justify the qualitative approach because he does not present the qualitative findings.

Sir Name s)	Year	Research Topic	Methodology	Data Collection	Related Findings & Conclusion(s)	Identified Gaps
Seyed et al.	2014	A Review on Audit Quality Factors.	Review of previous theoretical and empirical studies	Empirical review	Reporting independence and auditor specifications such as professional competence, technical ability, independence and auditor's liability have significant effects on audit quality. Audit quality is improved and enhanced if the auditor renders NAS while maintaining reporting independence. Chi-square values for all questions were significant at ($p < 0.05$)	This study depended on secondary data to make conclusions, which may affect the quality of the findings. The authors do not list the respondents involved in the study, except for the companies.
Desoky & Khasharmeh	2019	Does the Provision of Non-Audit Services Affect Auditor Reporting Independence and Audit Quality? Evidence from Bahrain	An explanatory study	A sample of 250 respondents at listed companies in Bahrain Bourse	Audit quality is more meaningful if the auditor is independent in reporting audit findings.	The authors use documentary review and do not embed primary data.
Arniati et al.	2019	The implementation of a good corporate governance model and auditor reporting independence in earnings' quality improvement.	Documentary Review method	Manufacturing companies that had been listed on Indonesia Stock Exchange from 2011 to 2015: 138 companies for data collection	Provision of NAS is perceived as hurting auditor reporting independence with the most negative impact on quality.	The authors use an experimental design in a social science study which may not be so appropriate.
Meuwissen & Quick	2019	Non-audit services on auditor reporting independence: An experimental investigation of supervisory board members' perceptions	Experimental investigation	Perceptions of German supervisory board members	Increasing audit committees' responsibilities for monitoring the auditor's reporting independence with disclosure about threats and safeguards is worthy of further consideration.	These authors also use a systematic review, but at the same time allege to present the perspective of users and producers.
Church et al.	2018	Auditor Reporting Independence in the United States: Cornerstone of the Profession or Thorn in Our Side?	A systematic evaluation	The perspective of information users and information producers	The independence of the auditor obtained a t-count of 2.483 which is higher than the t-table value of 1.679 with a coefficient of 0.438 and a significant value of 0.020.	The authors focus only on the quantitative findings, ignoring detailed views and opinions of the auditors.
Lamba et al.	2020	The Effect of Auditor Reporting Independence and Ethics on Auditor Professional Scepticism: Its Implications for Audit Quality in Indonesia	A quantitative approach	All auditors who work in the Inspectorate Office of the Papua Provincial Government.	A change of auditor compromises reporting independence, which may affect audit quality.	The observations can be easily subjective since there was no triangulation of data.
Kang et al.	2018	Non-audit Services and Auditor Reporting Independence	Empirical analysis ROA and the OCF models	The 15,837 company-year observations of the accounting information of KOSPI and KOSDAQ.		

Sir Name s)	Year	Research Topic	Methodology	Data Collection	Related Findings & Conclusion(s)	Identified Gaps
Ayagre & Buameh	2017	Ethical Values, Integrity and Internal Controls in Public Sector Organisations: A Developing Country Perspective	A comparative analysis	A questionnaire sent to chief internal auditors and audit managers in Ministries, Departments and Agencies in Accra.	The study results indicate that internal audit's ability to ensure better governance is limited by technical and profession skills set.	The authors use comparative analysis their research design and yet the results do not show comparisons.
Dibben	2010	The Implications of Auditors' Dispositional Trust and Career Advancement Opportunities for the Detection of Fraud	Wrightsmen scale	Participants included 216 practicing auditors at Big 4 firms in the Southwest and 53 students enrolled in a Master of Accountancy program.	Trust varies by position in the firm. The Bonferroni comparisons indicate that staff auditors are less trusting than managers ($p < 0.000$).	The researcher does not provide clear justification for mixing practicing auditors and students.
Alrabba	2016	Measuring the impact auditor's capacity on the quality of auditors' professional judgment	The qualitative research method	A total sample size of 150 auditors in Jordan was selected.	The detection of creative accounting practices by the auditors is influenced significantly by ethical values.	The researcher uses a qualitative methodology, yet the population was relatively big.
Ma'ayan & Carmeli	2015	Internal Audits as a Source of Ethical Behaviour, Efficiency, and Effectiveness in Work Units	Cross sectional design	Top management and internal auditors	Auditor's capacity facilitates learning from audits and help audited units to improve ethicality, efficiency, and effectiveness in organisations.	Only top management and internal auditors were used, which may not be representative.
Zahmatkesh & Rezazadeh	2017	The effect of auditor capacity on audit quality.	A descriptive-correlational research	200 questionnaires were distributed to public accounting firms of auditors.	The R-value is 0.612, indicating a strong correlation between audit quality and work experience, professional competence.	The authors did not clearly point out which individuals were targeted in the public accounting firms.
Dellai et al.	2016	Factors Affecting the Internal Audit Capacity in Tunisian Organisations	Not mentioned	A questionnaire addressed to chief audit executives of 148 Tunisian organisations.	Thus, the effectiveness of internal auditing is influenced by the use of internal audit function as a management training ground.	The authors do not mention the specific research design that guided their study, which poses questions.
D'Onza et al.	2015	A Study on Internal Auditor Capacity of the Function Ability to Add Value.	Survey method	Responses of more than 1,800 internal auditors to questions.	This study found evidence that code of ethics application is positively associated with adding value.	Only internal auditors were used, leaving out other stakeholders.
Ayagre	2015	Internal Audit Capacity to Enhance Good Governance of Public Sector Organisations in Developing Countries	Mixed approach research design	Questionnaire sent to chief internal auditors, audit managers and senior managers of public sector	The study results indicate that internal audit's ability to ensure better quality is limited by technical and profession skills set.	The study uses information from one country to represent all developing countries.

Sir Name s)	Year	Research Topic	Methodology	Data Collection	Related Findings & Conclusion(s)	Identified Gaps
Alzoubi	2018	Audit quality, debt financing, and earnings management: Evidence from Jordan	The cross-sectional version of the modified Jones model	A sample comprising 72 industrial companies during the selected period from 2006 to 2012	The results suggested that audit quality (auditor tenure, size, specialisation, and independence) enhance the financial reporting quality.	The author used secondary data and thus, fails to capture key primary data.
Bacha et al.	2021	CSR performance and the cost of debt: does audit quality matter?	Newey-West standard errors and the weighted-least-squares method	Based on a sample of French non-financial companies over the period 2005 to 2016, this paper uses panel data regressions	The findings also show that the perceived audit quality, along with CSR performance, is relevant to banks in the pricing of debt.	This paper also employees secondary document review, which misses out on primary findings.
Kaawaase et al.	2016	Audit quality differences amongst audit firms in a developing economy: The case of Uganda.	Cross-case analysis	Data obtained from 106 audit practitioners, 31 credit analysts and 13 board members	The findings suggest that audit quality is a multi-dimensional construct: Big 4 audit firms ensure more compliance with accounting standards, law and other regulatory requirements than SMPs.	The authors use findings from the big4 audit firms to infer the reality in the SMPs, which is not appropriate.
Kasigwa	2014	Reduced Audit Quality Behaviour Scale: Exploratory and Confirmatory Analysis.	Quantitative exploratory factor Analysis	Data were collected from 351 certified public accountants (CPAs).	Some auditors in Uganda still engage in quickly reviewing documents without paying much attention to detail during audit examination.	The author did not collect any qualitative information, which could have triangulated findings.
Anugerah et al.	2016	The Analysis of Reduced Audit Quality Behaviour	Not mentioned	A survey questionnaire sent to all auditors in Sumatera Island (Indonesia) with a total of 344 auditors	Locus of control, weak organisational commitment, and a high turnover intention lead to reduced audit quality behaviour.	The authors do not mention the exact research design used, which poses risk on systematic guidance.
Husain	2019	An Analysis of Modelling Audit Quality Measurement Based on Decision Support Systems (DSS)	Exploratory, using a qualitative approach	Descriptive modelling.	Decision support systems based on structural equation models can be used in measuring audit quality using a specific approach.	The author uses a qualitative approach and yet embeds descriptive modelling without justification.
Choi et al.	2010	Audit Office Size, Audit Quality, and Audit Pricing.	Magnitude of abnormal accruals	A large sample of U.S. audit client firms over the period 2000–2005	Large local offices provide higher-quality audits compared with small offices	The author bases on old data to make inferences five years after.

2.4 Conceptual Framework

Figure 2.1 presents the conceptual framework that reflects the inter-relatedness between the independent, dependent and moderating variables in the study.

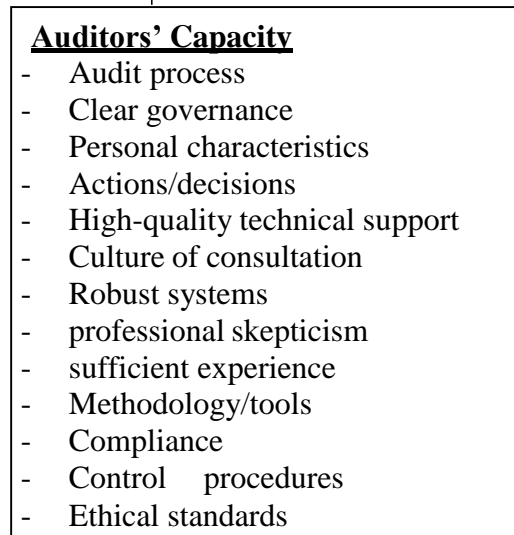
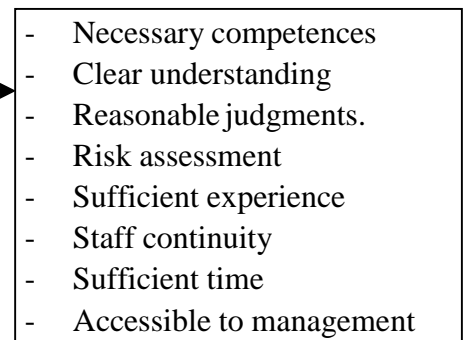
Independent Variable

Auditor's Independence



Dependent Variable

Audit Quality in LG



Moderating variable

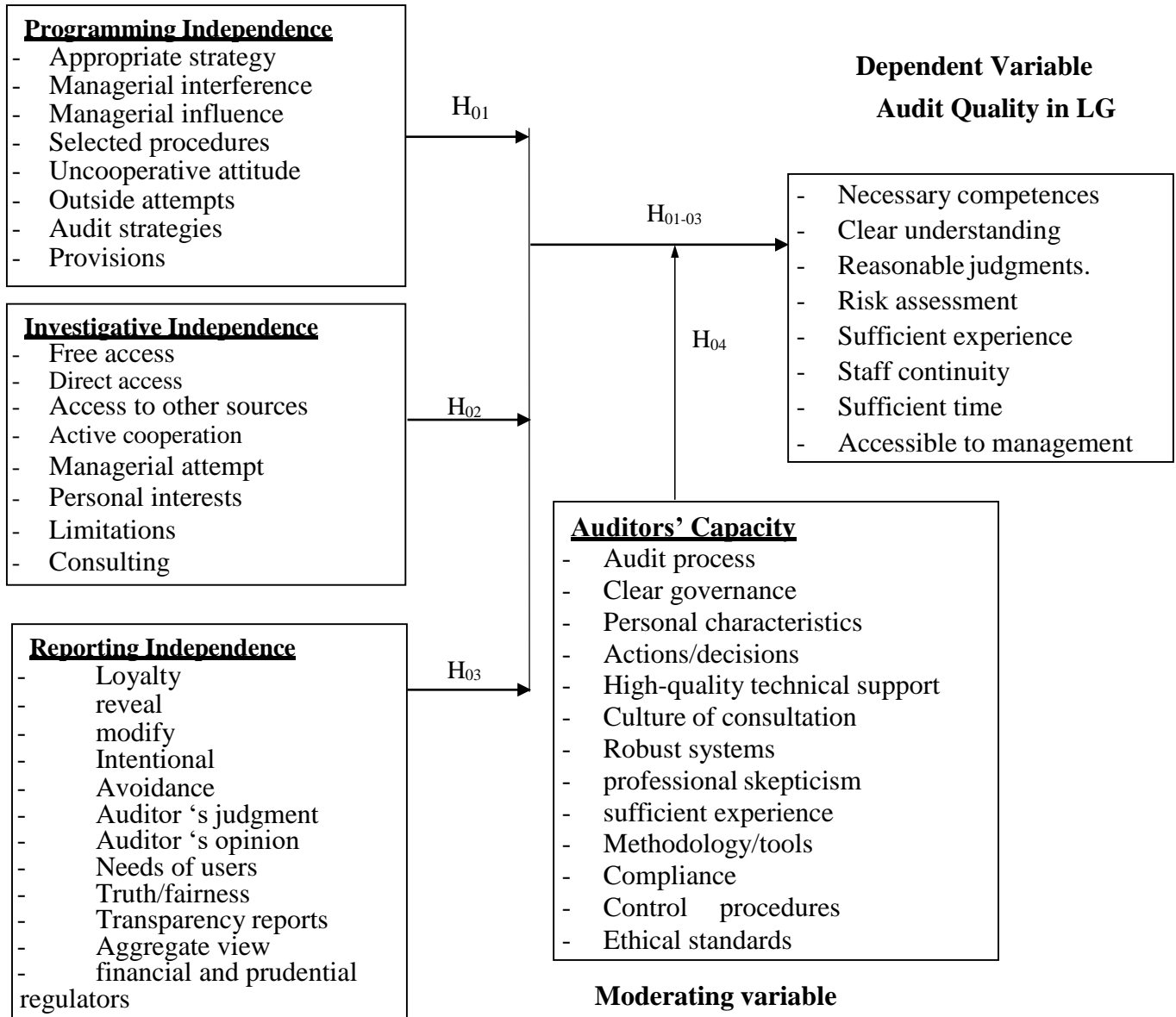


Figure 2.1: Conceptual Framework

Source: Researcher, 2019

From Figure 2.1, the independent variable in the study is auditor's independence. The constructs under auditor's independence include programming independence, investigative independence and reporting independence. On the other hand, the dependent variable is audit quality and this focuses on accountability of operations, transparency in operations and objectivity of operations at the MMC. In Mbale Municipal Council, there should be auditors who are independent in carrying out their work. It is envisaged that they should be objective and have impartial mental attitude in carrying out their audit work.

At Mbale Municipal Council, reporting independence should be manifested in freedom from any feeling of loyalty or obligation to modify the impact of reported facts on any party. In addition, avoidance of the practice of excluding significant matters from the formal report on favor of their inclusion in an informal report of any kind and avoidance of intentional or unintentional use of ambiguous language in the statement of facts, opinions, and recommendations and in their interpretation. This is in addition to the freedom from any attempt to overrule the auditor 's judgment as to appropriate content of the audit report either factual matter or his opinion.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Philosophy

The study was premised on the post-positivism paradigm. This theorizes that “any perception of reality is drawn from empirical observation and existing theory with basic concepts of quantification and generalization. (Pickard, 2007:10). The ontological belief of post-positivism is critical realism; the ethical behaviors is based on respecting privacy of respondents through the use of informed consent in research. This research paradigm is consistent with the mixed method approach, which is capable of combining quantitative and qualitative design for data collection. Mondai and McQueen (2012) and Tobbin (2010) have found the use of post-positivist paradigm robust.

Epistemologically, this research got information from the respondents about the relationship between auditor’s independence and audit quality, the moderating role of auditor’s capacity. According to Stangor and Walinga (2014), researchers need to clarify terms used so that any intelligent person can understand. To get information about the research, data collection instruments were systematically deployed. The researcher identified the area, which was MMC, and respondents were carefully chosen to give reliable and valid information.

According to Little (2016), axiology is a branch of philosophy that studies judgments about the value. Specifically, axiology is engaged with assessment of the role of researcher’s own value on all stages of the research process. Axiology primarily refers to the ‘aims’ of the research. This branch of the research philosophy attempts to clarify if you are trying to explain or predict the world, or are you only seeking to understand it. In simple terms, axiology focuses on what do you value in your research. This is important because your values affect how you conduct your research and what do you value in your research findings.

The quantitative research was undertaken in a value-free way, the researcher was independent from the collected data and he maintained an objective stance.

3.2 Research Design

This study adopted a mixed method approach. The main idea behind using this type of design was to better define an opinion, attitude, or behaviour held by a group of people on a given subject (McCombes, 2019). Related studies that have used the mixed method approach include those of Oshinaike and Adekunmisi (2012); Becking (2011); Moshi (2010).

The study undertook both qualitative and quantitative analysis, for reasons that, it is proved that, qualitative analysis fosters a detailed and in-depth presentation of data on variables that constitute a meaningful discourse (Eckardt, 2008). Mugenda and Mugenda (2010) defined quantitative approach, as that approach that produces discrete numerical data while the qualitative approach produces textual and non-numerical data. The advantage of using both approaches are that they help supplement each other, as each method checks on another to reduce bias.

The quantitative approach was used to gather information for proper analysis and making appropriate inferences, generalizations and conclusions to the population (Mugenda and Mugenda, 2010). Qualitative approach was employed to capture the information on attitudes and behaviour, hence supplementing information from quantitative sources (Arya & Yesh, 2001). While qualitative methodology was dominant in the study, quantitative methodology was used for figures and tables through the use of a structured questionnaire.

The study was set out to establish the relationship between auditor's independence and audit quality. The moderating role of auditor's capacity in Mbale Municipal Council.

3.3 Study Area

The study area was Mbale Municipal Council, one of the major municipalities in the Eastern part of Uganda. It is located just below Mount Elgon. It is the main town of the Elgon sub-region located about 250 kilometers east of Kampala city. Mbale Municipal Council is one of the local governments whose audit quality was rated as low for FY2015/16, 2016/2017 and 2017/2018 (GOU, 2017). In terms of content, the study restricted itself to auditor's capacity and the three major forms of auditor's independence That's to say; programming, investigative and reporting independence with regard to audit quality.

Administratively, it was made up of three Divisions with the population: Industrial Division (31,764), Northern (28,716), Wanale Division (10,650), giving the whole Mbale Municipality a population of 71130 people (District Census's Office Mbale, 2010). Mbale Municipal Council is located about 250 kilometers East of Kampala city.

3.4: Target Population

The target population of the study constituted MMC employees from the three divisions which included; Industrial division, Northern division and Wanale division. Specifically, the respondents were; four (4) Municipal Town Clerks and their four (4) deputies were interviewed. One thousand, one hundred and fifty-eight (1158) included; Local council officials, Revenue officers, internal and external auditors.

Table 3.1 shows data collected from the registry of Mbale Municipal Council (2018) and International Labor Organization's reports.

Table 3.1 Target Population

Sn	Divisions	Local Council Officials	Revenue Officers	Internal Auditors	External Auditors	Total
1	Industrial Division	345	114	11	5	475
2	Northern Division	313	76	8	5	402
3	Wanale Division	225	45	6	5	281
Total		883	235	25	15	1158

Source: Mbale Municipal Council, 2020

The target population that met the inclusion criteria described herein was 1158 respondents for quantitative data. Out of these, Local Council Officials, Revenue Officers, Internal Auditors, and external auditors were given questionnaires, while eight (8) town clerks and their deputies were interviewed for qualitative data.

3.5 Sample and Sampling Design

3.5.1 Sampling Frame

In this study, local council officials, revenue officers, internal auditors and external auditors of Mbale Municipal Council were involved. Stratified sampling was used, as Mugenda and Mugenda (2003) consider it as a sampling technique that allowed the researcher to use the people that had the required information with respect to the objectives of the study. In this study, the local council officials, Revenue Officers, the Internal and External Auditors were also selected by stratified sampling. This was to ensure that each division was appropriately represented.

3.5.2 Sampling Procedure

For the purpose of this study, the researcher divided the population into strata. The following were the strata: local council officials (883), revenue officers (235), internal auditors (25) and external auditors (15). Stratified random sampling is a method of sampling that involves the division of a population into smaller sub-groups known as strata. In stratified random sampling or stratification, the stratum is formed based on members' shared attributes or characteristics such as income or educational attainment (Kothari, 2006).

3.5.3 Sample Size

From a target population of 1,158 respondents, using Sloven (1960) formula; the sample of the study constituted 423 respondents. Amin (2005) views a sample as a selection of respondents chosen in such a way that they represent the total population as much as possible.

The Sloven (1960) Formula is given by;

$$n = \frac{N}{1 + Ne^2}$$

Where: n = sample size; N = Population size and e = margin of error at 0.05.

Thus, substituting into the Sloven's formula of

$$n = \frac{N}{1 + Ne^2} = \frac{1158}{1 + 1158 (0.05)^2} = \frac{1158}{1 + 1158 (0.0025)} = \frac{1158}{1 + 2.915} = \frac{1158}{3.915}$$

the formula indicates a sample size of 297. However, similar studies have reported a response rate ranging from 60-70% (Peytchev (2013)). This research provided for 30% nonresponse rate sample as recommended by (Peytchev (2013)).

$$n = 297/0.7 = 424.28$$

$$n = \underline{\underline{424}}$$

Table 3.2: Sample Size

Sn	Divisions	Local Council Officials	Revenue Officers	Internal Auditors	External Auditors	Total
1	Industrial Division	128	42	4	2	175
2	Northern Division	114	28	3	2	147
3	Wanale Division	81	15	2	1	101
TOTAL		323	86	09	05	423

Source: Researcher, 2020

To select the respondents in each category, the researcher ensured representativeness for each category of respondents in the Municipality using stratified sampling.

3.6 Data Collection

The study used mainly questionnaires for primary data collection. The questionnaires were used because they are held to be straight forward and less time consuming for both the researcher and participant (Owens, 2002). The questionnaire has a number of sub-sections that were sub-divided based on the major research questions except for the first sub-section (Section A) that was meant to capture background information of the respondents/participants.

Other sections covered the main areas of the study. Questionnaires were appropriate for the study since they collected information that was directly observable as they inquired about feelings, motivations, attitude, accomplishments as well as experiences of individuals (Owen, 2002). The questionnaires were administered through “drop and pick-later” method to the sampled population.

From Saunders (2003); data collection is a process used to collect data, such as a questionnaire, and interview guide that is used to gather data for a specific study. According to Johnson and Onwuegbuzie(2004), questionnaires are ideal for studies involving large sample sizes and large geographical areas. Oso and Onen, (2008) went ahead and said that the researcher gains control over the line of questioning. Interviews are used to collect information that cannot be directly observed or put down in writing as well as capture the meaning beyond the words.

3.6.1 Instrumentation

3.6.1.1 Questionnaire Survey

Given the above information about quantitative methods, the study adopted the questionnaire to collect primary data to be able to determine the relationship between auditor’s independence and audit quality. The moderating role of auditor’s capacity in the MMC. Kothari (2006) defines a questionnaire as a research tool for collecting information from a selected group of people using standardized tools. These questionnaires provide numeric descriptions of some part of the population as well as describe events as they are. It considers issues such as economy of the design, rapid data collection and ability to understand a population from apart of it and it is suitable for extensive research.

In addition, the other advantage of this tool is that it involves large number of respondents who cannot be interviewed face to face. This method is cost effective when the population is large and wide spread geographically and it is free from the biases of the interviewer. The response rate is high and clarifications are made where need arises, however the drawback

of the technique is majority of the people who receive questionnaires do not return them, and those who do, might not be representatives of the original selected sample (Amin, 2005).

For the questionnaire, the variables under auditor's independence were programming independence, investigative independence, reporting independence, audit capacity; and audit quality was measured using ordinal 5 point-likert scale format (Strongly Disagree = 1; Disagree = 2; Agree = 3 Not Applicable Agree =4, Strongly Agree = 5) adopted from Firdaus (2006) and modified according to the objectives of the study.

The Self-Administered Questionnaire was divided into sections based on the constructs in the independent variables and the dependent variable. Questionnaires were pretested and standardized to make it possible and easy for respondents to answer the questions without misinterpretations. In that, it was easy to administer and it covered a larger magnitude of the

3.6.2.2 Interview

Kombo and Tromp (2006) define an interview guide as a set of items that the researcher interviews about. The instrument was followed by the researcher to ask questions prompting responses from respondents who included the Town Clerks and Deputy Town Clerks, who were charged with activities that directly related to audit. Therefore, this method was used to collect comprehensive data for the study to comprehend/supplement quantitative data.

An interview guide may in many cases have structured, semi- structured or unstructured questions. An interview guide with pre-determined set of open –ended questions was used during the interview to enable cover the variables under study. The responses from the interviews were coded in excel and dominant themes were categorized appropriately.

Besides, the interviews were used to reconcile conflicting points of view and analyze some raw data collectively from the respondents. More information was tapped by asking more questions where added information is required from the respondents, or where the response

is not clear. This enabled triangulation by corroborating with data from questionnaires and interview.

3.6.2.3 Validity

This study focused on establishing content validity. This refers to the accuracy with which an instrument measures the factors under study. Therefore, content validity concerned with how accurately the questions asked elicited the information the researcher sought (Chiang et al., 2015). The research instrument was assessed for content validity by giving the questionnaires to the research supervisors and experts experienced in the area of study. These supervisors therefore peer-reviewed the items and suggested ways of improving the items so that more accurate and more meaningful data is obtained. To achieve content validity, the researcher ensured that variable indicators and measurements were carefully developed based on relevant existing knowledge. The formula which was used to establish Content Validity was the Content Validity Index (CVI): After constructing the research instruments, the supervisors and other experts reviewed the items and checked on language clarity, relevancy, content comprehensiveness and length of the questionnaire as recommended by Polit & Bech, (2014). As per the rating obtained, the following formula was used to test the validity index:

$$\text{CVI} = \frac{\text{No. of items regarded relevant by judges}}{\text{Total No. of items judged}}$$

$$\text{CVI} = \text{Content Validity Index}$$

Therefore,

Validity is given by;

Opinion A.	$\frac{\text{VR} + \text{R}}{\text{No. of Items}}$	$\frac{21 + 14}{42}$
	65	

$$\text{CVI} = 83.3$$

$$\text{Opinion B.} \quad \frac{28 + 8}{42}$$

$$\text{CVI} = 85.7$$

$$\text{ACVI} = \underline{\underline{84.5\%}}$$

Key=VR Very Relevant questions, R= Relevant question (from the questionnaire)

From the supervisor's feedback, items on the questionnaire and interview guide were re-adjusted to fit the study purpose and answer the research questions. As per Kovacic's (2017) view, a CVI of above 0.7 means the instrument is valid and therefore collected valid data.

3.6.2.4 Reliability of Research Instruments

Reliability refers to the extent to which data collection techniques or analysis procedures yield consistent findings (Smith *et al.*, 2008). Reliability is the extent to which a measuring instrument produces the same results on repeated trials. It therefore has to do with the consistency of data over time. Reliability of the instrument was assessed using the test- retest technique. Further, the construct, convergent and discriminant validity of the questionnaire was enhanced after a pilot study of a sample of 10% of the total sample of 423 (42 respondents) was conducted. The instruments were pre-tested in Soroti Municipal Council.

After pre-testing, the Chronbach's Alpha (α) Coefficient was computed using the Statistical Package for Social Scientists (SPSS) to indicate the level of reliability of the instrument. Table 3.3 shows the reliability obtained for each variable of the study and a total of 42 items.

Table 3.3: Reliability Coefficients After Piloting

Variables	No. of cases	No. of items	Cronbach alpha
Programming Independence	42	10	.896
Investigative Independence	42	12	.961
Reporting Independence	42	12	.807
Audit Quality	42	15	.871
Audit Capacity	42	12	.873
Average	42	12	.882

Source: Researcher, 2020

The study α value obtained was .882. This value of α was interpreted according to George and Mallery (2003) scale as in the case of validity. For the tool to be reliable, (α) coefficient must be above 0.7. Thus, this instrument was reliable in measuring what was intended to measure and had higher internal consistency reliability. Feedback obtained assisted the researcher to ensure that objectives of the study were covered. The five (05) point Linkert scale items were used in calculation of Cronbach Alpha coefficients for each section.

3.6.2 Data Collection Procedures

Data collection is a systematic way of gathering the required information to answer the research problem (Creswell, 2003). The researcher got a letter and an ethical form, which was provided by the University to introduce the researcher to the respective respondents. Besides the University, other responsible bodies such as Uganda National Council for Science and Technology (UNCST) and Mbale Regional Referral Hospital Ethics Committee also provided an ethical form. The instrument was pre-tested and respondent's confidentiality was assured. In this study, questionnaires were administered by the researcher directly with the help of two assistants to the chosen population for the study. Respondents were allowed enough time to complete the instruments and on completion, the researcher collected them. To smoothly gather the necessary data, research assistants were employed to help in

data collection and entry. On the interview schedules, the principal investigator booked an appointment with the town clerks at different times for interviews using the interview guide. All the 8 interviews were conducted by the principal investigator.

3.7 Data Analysis

Data analysis is about making meaning out of the data collected and interpretation of meaning of data (Creswell, 2009:183). It is the collection and manipulation of items of data to produce meaningful information, in this sense it can be considered a subset of information processing - the change (processing) of information in any manner detectable by an observer.

Analysis of data is a process of inspecting, cleaning, transforming, and modeling data with the goal of discovering useful information, suggesting conclusions, and supporting decision-making. Since data and information for each research question was gathered from primary source using both qualitative and quantitative techniques, it was important to synthesize it or put it together in order to obtain a comprehensive picture of the situation regarding each research question in the study.

The researcher organized and prepared the qualitative data for analysis. The researcher read through all the data to obtain a general understanding of the information collected and conducted content analysis. The content analysis was used to analyze the presence, meanings, and relationships of certain words and concepts in a systematic and objective manner (Elo, et al., 2014). Then the researcher made inferences about the messages within the content of the data obtained from the interviews. This content analysis was utilized as an interpretive and naturalistic approach, which rhymes with the paradigm and design of the study. The qualitative data helped to supplement the data that had been generated quantitatively.

For quantitative data, the first editing was done in the field and scrutinizing of the completed questionnaire. Editing was also done to review the questionnaires that had been completed and returned to the researcher. The Statistical Package for Social Scientists (SPSS) version 22 was used to compute descriptive and inferential statistics. In descriptives, the study employed Minimum, Maximum, mean and standard deviation.

In order to find out the degree, direction and strength of association between the study variables, Pearson Correlation analysis was conducted. In order to judge the strength of the correlation-wise relationship, the threshold provided by Cohen (1988) was used. Where; when $r = .10$ to $.29$, the relationship is weak, when it is between $r = .30$ to $.49$ it is medium, and if it is $r = .50$ to 1.0 it is strong.

Furthermore, the statistical means obtained was transformed and used to run linear regressions that was interpreted basing on the standard regression (p -value = 0.05). If the computed value is below the significance level, then the independent variable was considered to have an effect on the dependent variable. However, if the computed value is above the significance level then it meant that the independent variable had no effect on the dependent variable. To determine how each of the independent variables influence audit quality output, simple and multiple regression was applied as below;

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon \dots\dots\dots (i)$$

$$Y = \beta_0 + \beta_2 X_2 + \varepsilon \dots\dots\dots (ii)$$

$$Y = \beta_0 + \beta_3 X_3 + \varepsilon \dots\dots\dots (iii)$$

Where;

Y - Audit Quality

β_0 - constant

X₁ - Programming Independence

X₂ - Investigative Independence

X₃ - Reporting Independence

$\beta_1 \dots \beta_3$ - the slope which represents the magnitude to which audit quality changes as the independent variable shift by one-unit variables

e_i - error term

The statistical significance of each of the regression equations above were tested using the ANOVA test which check for goodness of fit. Programming independence that gave statistically significant regressions equations were regressed on audit quality using a multiple linear regression equation of the form given in equation (iv).

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \dots\dots\dots(iv)$$

Where Y is Audit Quality

X₁ - Programming Independence

X₂ - Investigative Independence

X₃ - Reporting Independence

Testing for Moderation

In line with the recommendations of Baron and Kenny (1986) and Hayes (2012), Hierarchical multiple regression analysis was used to test the relationship between auditor's independence and audit quality in Mbale Municipal Council. The moderating role of auditor's capacity.

Y is audit quality.

β_1 - β_3 are the regression coefficients or change induced in Y by each X and M .

β_0 -is the intercept in the equations.

ε -is the residual in the equations.

Table: 3.4: Summary of Statistical Tests for Hypotheses and Interpretations

Objectives	Hypotheses	Statistical Test	Model	Interpretation
To establish the relationship between programming independence and audit quality in Mbale Municipal Council.	H₀₁ There is no statistically significant relationship between programming independence and audit quality in Mbale Municipal Council.	Simple Regression	$Y = \alpha + \beta_1 X_1 + \varepsilon$	Change in (R^2) value. If β_1 value for programming is positive and F anova is significant at (p<0.05). Then, programming independence has a positive and significant relationship on audit quality in Mbale Municipal Council.
To examine the relationship between investigative independence and audit quality in Mbale Municipal Council.	H₀₂ There is no statistically significant relationship between investigative independence and audit quality in Mbale Municipal Council.	Simple Regression	$Y = \alpha + \beta_2 X_2 + \varepsilon$	Change in (R^2) value. If β_2 value for investigative independence is positive and F anova is significant at (p<0.05). Then, investigative independence has a positive and significant relationship on audit quality in MMC.

<p>To assess the relationship between reporting independence and audit quality in Mbale Municipal Council</p>	<p>H03There is no statistically significant relationship between reporting independence and audit quality in Mbale Municipal Council.</p>	<p>Simple Regression</p>	$Y = \alpha + \beta_3 X_3 + \varepsilon$	<p>Change in (R^2) value. If β_3 value for reporting independence is positive and F anova is significant at ($p < 0.05$). Then, reporting independence has a positive and significant relationship on audit quality in Mbale Municipal Council.</p>
<p>Establish the moderating role of auditor's capacity in the relationship between programming independence and audit quality in Mbale Municipal Council.</p>	<p>H04a. Auditor's capacity has no significant role in the relationship between programming independence and audit quality in Mbale Municipal Council.</p>	<p>Simple Regression</p>	$Y = \beta_0 + \beta_1 X_{1m} + \varepsilon$	<p>R^2 determined change in Y is attributed X_1 F-statistic tested the overall model significance p-value determined the significance of the model</p>

<p>Examine the moderating role of auditor's capacity in the relationship between investigative independence and audit quality.</p>	<p>H04b. Auditor's capacity has no significant role in the relationship between investigative independence and audit quality in Mbale Municipal Council.</p>	<p>Simple Regression</p>	$Y = \beta_0 + \beta_2 X_{2m} + \varepsilon$	<p>R² determined change in Y is attributed X₂ F-statistic tested the overall model significance p-value determined the significance of the model</p>
<p>Assess the moderating role of auditor's capacity in the relationship between reporting independence and audit quality.</p>	<p>H04c. Auditor's capacity has no significant role in the relationship between reporting independence and audit quality in Mbale Municipal Council.</p>	<p>Simple Regression</p>	$Y = \beta_0 + \beta_3 X_{3m} + \varepsilon$	<p>R² determined change in Y is attributed X₃ F-statistic tested the overall model significance p-value determined the significance of the model</p>

3.7.1 Assumptions of the Regression Model

The regression model for this study was informed by the assumptions:

3.7.1.1: Test for Normality

There is normality of data: The model assumes that data is normally distributed. Normality of the data was conducted using Smirnov-Kolmogorov and Shapiro-Wilk tests. Since the number of observations was higher, the Kolmogorov and Smirnov test was regarded. The null hypothesis of normal distribution is accepted when the p value is greater than 0.05. However, a p value less than 0.05 imply that the data is not normally distributed

3.7.1.2: Test for Multicollinearity

Multicollinearity is the presence of high correlation between the independent variables. In severe cases of correlations between the variables, multicollinearity can imply that a unique least squares solution to a regression analysis cannot be computed (Field, 2009). Multicollinearity inflates the standard errors and confidence intervals leading to unstable estimates of the coefficients for individual predictors. In this study, multicollinearity was tested using the Variance Inflation Factor (VIF). VIF values above 10 are an indication of the existence of multicollinearity, while value below 10 implies that there is no multicollinearity.

3.7.1.3: Test for Autocorrelation

The autocorrelation test was performed to determine whether or not the residual is serially linked. The Durbin Watson test reports a test statistic with a value of 0 to 4 where: 2 denotes no autocorrelation; 0 to $2 < 2$ denotes an adverse autocorrelation. The decision rule is that sample statistics are comparatively normal in the range from 1.5 to 2.5. Values beyond this range may be worrying (Field, 2009).

3.8 Ethical Considerations

The research was planned in such a way that the chance for misleading results was minimized to meet the ethical acceptability. Ethical procedures or methods were resolved through peer review or consultation with appropriate parties such as the University and Uganda National Council of Science and Technology. Furthermore, the researcher reassured the respondents of their confidentiality and anonymity. Therefore, the respondents were requested to withhold their names and identities.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Response Rate

Respondent's rate in survey research refers to the number of people who answered the survey divided by the number of people in the sample usually expressed in the form of percentage the threshold for acceptable response rate as a measure of survey quality is put at 60% (Johnson and Waislar, 2012). An assessment of the response rate was done first on the connected data before taking on any analysis of whatever form. This was done by separating the numbers of the respondents by the targeted category of respondents and these were given the data collection tools according to their strata. Table 4.1 shows the response rate of the study

Table 4.1: Response Rate

Sample Size	Number	Percent
Distributed Questionnaires	423	100.0
Returned Questionnaires	380	89.83
Discarded Questionnaires	10	1.65
Valid Questionnaires	370	87.47

Source: (Field Study, 2020)

From table 4.1, 380 questionnaires were returned out of 423 distributed. However, among those returned questionnaire, 10 responses were discarded because two of them were returned completely blank, three respondents had put the same answers on all the Likert scale items and five questionnaires were partially answered (That's to say; some questions and/or some parts such as demographic questions were left blank). Therefore, remaining 370 questionnaires were used for further data analysis. Consequently, the final response rate in this study was 87.47%.

For purposes of triangulation, eight (08) interviews were conducted to corroborate the questionnaire findings. The study noted that most of the targeted respondents had busy schedules and could not be reached easily. Though, the study tried to gather as much information as possible from the participants. The variation in the response rate of respondents was due to different reasons depending on the category of respondents for instance, some respondents were quite busy and therefore were difficult to access while others were not so busy so they were accessed easily.

4.2 Screening and Preparation

Data screening means checking data for errors and fixing or removing the identified errors. DeSimone, Harms, & DeSimone, (2015) observed that it is often recommendable for a researcher to distinguish 'good' data from 'bad' data. For this study, data entry errors, outliers, out of range values, missing data and normality were identified and analyzed.

4.2.1 Analysis of Data Entry Errors

From the data screened, all responses were captured correctly as presented in table 4.2. It indicates that all the 370 filled questionnaires were entered, with no exclusion as indicated. Also, all data from interviews was considered, though dominantly appearing themes guided the final interpretation.

Table 4.2: Data Entry Errors

	Valid	Min	Max
Gender of the respondents	370	1	2
Age bracket of the respondents	370	1	5
Highest educational level of the respondents	370	1	3
The auditors select the most appropriate strategy when conducting the audit	370	1	5
There is no managerial interference during the planning phase of the audit	370	1	5
There is no managerial influence intended to eliminate, specify activities in the audit.	370	1	5
Management does not influence or modify any portion of the audit	370	1	5
There is no interference with the selected procedures to be used in the audit	370	1	5
There is no any uncooperative attitude from staff of the audited company	370	1	5
Management of the company respects the application of selected procedures.	370	1	5
There is no any outside attempts to subject the audit work to review other than that provided for in the audit process.	370	1	5
The auditors implement the audit strategies in a manner the consider Necessary	370	1	5
The auditors are only guided by provisions in the audit process	370	1	5
The auditors have free access to all company books/records	370	1	5
The auditors have direct access to officers/employee of the company	370	1	5
The auditors have access to other sources of information with respect to business activities	370	1	5
The auditors have access to any other company obligations/resources.	370	1	5
There is active cooperation from managerial personnel during the course of the auditors' examination.	370	1	5
There is no any managerial attempt to assign or specify the activities	370	1	5
There is no managerial attempt to decide on what is to be examined	370	1	5
There is no managerial influence in establishing the acceptability of evidential matter	370	1	5
There are no personal interests in the audit activity	370	1	5
There are no relationships leading to exclusion from the audit activity	370	1	5
There are no limitations of the examination of any activity/records	370	1	5
There are no restrictions to consulting with any person that may be included in the audit	370	1	5
Auditors are free from any feeling of loyalty or obligation to the company	370	1	5
Auditors choose to reveal to the public any information they believe should be disclosed	370	1	5

	Valid	Min	Max
Auditors are free to modify the impact of reported facts on any party	370	1	5
There is avoidance of the practice of excluding significant matters from the formal report on favour of their inclusion in an informal report of any kind	370	1	5
There is avoidance of intentional or unintentional use of ambiguous language in the statement of facts, opinions, and recommendations and in their interpretation.	370	1	5
Management does not attempt to overrule the auditor 's judgment as to appropriate content of the audit report either factual matter or his opinion.	370	1	5
Audit reports are written in a manner that conveys clearly the auditor's opinion on the financial statements	370	1	5
Audit reports address the needs of users of financial statements in the context of applicable law/regulations	370	1	5
Auditors' reports properly conclude as to the truth/fairness of the financial Statements	370	1	5
Auditors' reports are transparency reports in all ways.	370	1	5
The annual reports provide an aggregate view on the results of audit firm Inspections	370	1	5
The auditors are free to make reports to financial and prudential regulators	370	1	5
The audit process truly present the audit findings in the accounting system of its client for the public interest	370	1	5
There are clear governance arrangements in place that establish independence of the auditors	370	1	5
The auditors present the personal characteristics essential to audit quality	370	1	5
Financial considerations do not drive actions/decisions that may have a negative effect on audit quality	370	1	5
The auditors emphasize the importance of access to high-quality technical Support	370	1	5
The auditors exercise a culture of consultation on difficult issues	370	1	5
The auditors have robust systems for making client acceptance and continuance decisions.	370	1	5
Auditors exhibit professional skepticism in their work when in dealing with issues identified during the audit	370	1	5
Auditors have sufficient experience in audit work	370	1	5
The audit methodology/tools applied to the audit are well structured	370	1	5
The auditors provide for compliance with auditing standards without inhibiting the exercise of judgments	370	1	5
Audit quality control procedures are effective, understood and applied	370	1	5
High quality technical support is available when the audit team requires it or encounters a situation it is not familiar with	370	1	5
The objectives of ethical standards are achieved, providing confidence in the integrity, objectivity and independence of the auditor	370	1	5
The collection of sufficient audit evidence is not inappropriately constrained by financial pressures	370	1	5

The auditors have the necessary competences to appropriately execute the Audit	370	1	5
The auditors have a clear understanding of the company's business.	370	1	5
The auditors are capable of making reasonable judgments.	370	1	5
The auditors are actively involved in risk assessment, planning, supervising, and reviewing the work performed.	370	1	5
The auditors have sufficient experience in audit work	370	1	5
The auditors' work is appropriately directed, supervised and reviewed	370	1	5
There is a reasonable degree of staff continuity.	370	1	5
The auditors have sufficient time to undertake the audit in an effective manner.	370	1	5
The auditors are accessible to management and those charged with governance	370	1	5
The auditors have sufficient time to deal with difficult issues as they arise	370	1	5
The engagement teams are properly structured	370	1	5
The more senior auditors provide less experienced staff with timely appraisals and appropriate coaching or on-the-job training	370	1	5

Source: Researcher,2020

From the case summary in table 4.2, it indicates that all the 370 who filled questionnaires was entered, with no exclusion as indicated above representing 100%. Interview data was prepared through organizing responses into dominantly appearing themes

4.2.2 Analysis of Outliers

An outlier occurs when data point differs significantly from other observations. Determining outliers, SPSS considers any data value to be an outlier if it lies outside of the following ranges: 3rd quartile + 1.5*interquartile range. The asterisk (*) is an indication that an extreme outlier is present in the data.

Figure 4.1 show the results of the analysis of outliers:

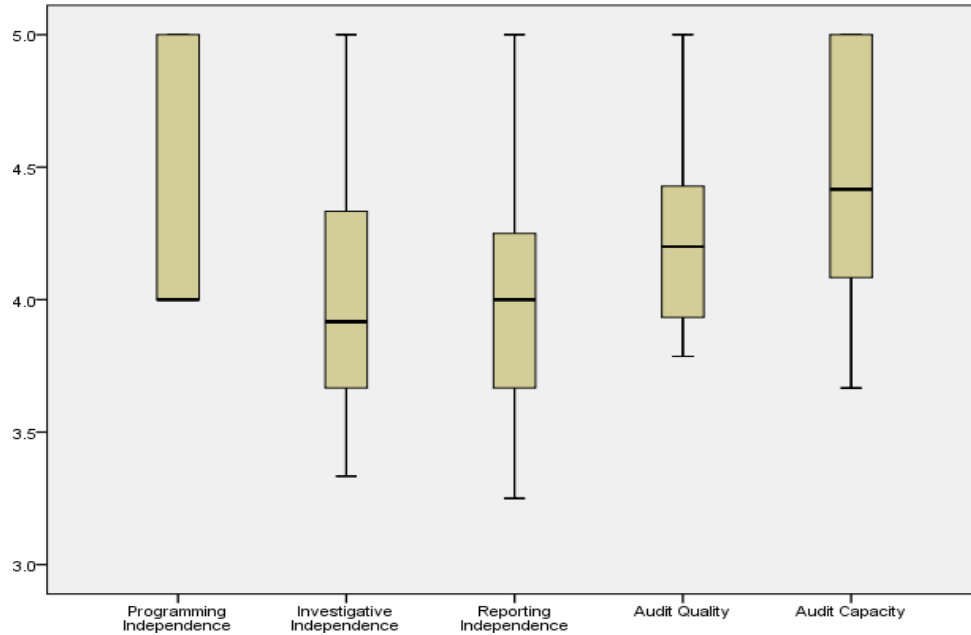


Figure 4.1: Outliers

Source: (Field Study, 2020)

From figure 4.1, there is no asterisk (*), which means that there is no outlier in the data, specifically for each study variable

4.2.3 Analysis of Out-of-Range Values

In the data entry error analysis, it means data entered in the wrong way or order during typing and from the data analyzed, no errors are recorded. From the analysis in table 4.3, the researcher considered data in the range with minimum of 1 and maximum of 5. Any value below 1 or above 5 is treated as an out-of-range values/error. However, there were no reported out of range values in the data. Error analysis only applied to questionnaire data.

4.2.4 Analysis of Missing Data

Missing data may be such as, refusal of respondents to answer certain questions. In addition, a significant fraction of data can be erroneous, and the only alternative may

be discarding the erroneous data (Batista & Monard, 2003). In general, if the effect of missing data is not taken into account, the results of the statistical analysis will be biased and the amount of variability in the data will not be correctly estimated. A total of 380 questionnaires were received. Out of the responsiveness, 10 questionnaires were discarded since they had missing values in the data. Bennett (2001) maintained that statistical analysis is likely to be biased when more than 10% of data are missing.

4.2.5 Analysis of Normality

Using skewness statistic to analyze normality, the assumption is there is a skewness statistic less than -3 and more than 3, it means there is auto correlation hence not acceptable. From the analysis, our skewness statistic is between -3 and 3, meaning our data is normal and acceptable. SPSS runs two statistical tests of normality – Kolmogorov-Smirnov and Shapiro-Wilk. If the significance value is greater than the alpha value (we’ll use .05 as our alpha value), then there is no reason to think that our data differs significantly from a normal distribution – i.e., we can reject the null hypothesis that it is non-normal.

Table 4.3: Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Programming Independence	.377	370	.000	.629	370	.000
Investigative Independence	.194	370	.000	.916	370	.000
Reporting Independence	.179	370	.000	.938	370	.000
Audit Quality	.136	370	.000	.924	370	.000
Audit Capacity	.157	370	.000	.911	370	.000

a. Lilliefors Significance Correction

Source: (Field Study, 2020)

In table 4.3, both tests gave a significance value that's less than .05, therefore, we can be confident that our data was normally distributed.

4.3 Demographic Characteristics of the Respondents

The respondents were asked to indicate their age, gender and education level. All these were considered important in the study since they helped to know the nature of respondents that participated in the study. The detailed results about each characteristic and provision of these characteristics aided in the interpretation of results (Beins, 2009). Furthermore, without inclusion of such information, the researcher would risk assuming the instance of absolutism, "phenomena of interest are the same regardless of culture and race/ethnicity". Therefore, in this esteem the study included the demographic characteristics of the respondents as indicated below. However, this data was for those who completed questionnaire. The demographic characteristics for the interviews were captured.

4.3.1 Profile of Respondents

The researcher presumed that respondents' bio-data had some relationship between auditor's independence on audit quality in MMC, the moderating role of auditor's capacity. The major background characteristics included, gender, age bracket and highest education level.

4.3.1.1 Gender of Respondents

Gender sensitivity is an important variable when it comes to participation in the modern world. One is expected that each gender is represented in every human undertaking. Research has shown that gender can play a role in decision-making and risk assessment. Diverse audit teams that include a mix of genders might bring different perspectives to the audit process, potentially leading to better risk identification and mitigation. The results are as shown in Table 4.4.

Table 4.4: Gender of Respondents

Category	Frequency	Percentage (%)
Male	197	53.2
Female	173	46.8
Total	370	100.0

Source: (Field Work, 2020)

The results of participants' demographic characteristics in table 4.4 revealed that the majority of the respondents were male (53.2%) and females at (46.8%) in the study. The findings imply that majority of the participants in the study were male implying that MMC has got more male employees as compared to their female counterparts.

4.3.1.2 Age of Respondents

It is presumed that the age of an individual decides one's mental maturity, decision making capability and finally involvement and participation in developmental activities. This has been considered as one of the variables in this study and the data was collected, analysed and the results are presented in table 4.5 The age distribution of respondents ranged between 20 to 40+ years of age. Data on this variable was collected, presented, and analyzed as shown in table 4.5.

Table 4.5: Age of Respondents

Category	Frequency	Percentage (%)
20 - 25 years	191	51.6
26 - 30 years	102	27.6
31 - 35 years	52	14.0
36 - 40 years	11	3.0
Above 40 years	14	3.8
Total	370	100.0

Source: (Field Work, 2020)

Results in table 4.5 reveal that the majority that's to say; 51.6% of the respondents were aged between 20-25 years. The second highest number (27.6%) of respondents was of those aged

between 26-30 years old and, 14% of respondents of ages 31-35 years. The rest (36- 40 years and above 40 years) had 3.0% and 3.8% representation, respectively. This finding suggests that the majority (51.6%) of persons involved in financial management especially with regard to auditing and accountability in Mbale Municipal Council are adults in their early adulthood of working age.

4.3.1.3 Education of Respondents

The educational status of an individual was considered as one of the influencing factors. It influences staff's understanding and performance. Therefore, pertinent data was collected, analysed and the results were presented in table 4.6.

Table 4.6: Education of Respondents

Category	Frequency	Percentage (%)
Masters	45	12.2
Bachelor's degree	232	62.7
Diploma	93	25.1
Total	370	100.0

Source: (Field Work, 2020)

The findings in table 4.6 also revealed that the minimum level of education of most respondents (62.7%) participants was bachelor's degree qualification. When added to diploma (25.1 %) and masters (12.2 per cent), this was higher compared to an average citizen in Uganda where the literacy rate is 87.01 per cent (World Bank, 2010). These findings suggest that the respondents generally had higher education level and therefore, they provided views in this study from an informed point of view.

4.4 Demographic Characteristics of Mbale Municipal Council (MMC)

Mbale Municipality is located 250 km from Kampala. Mbale covers a geographical area of 2,435 hectares, 10 square miles (24.35 sq.km). According to the 2012 Uganda Population

and Housing Census Analytical Report (UBOS 2010), Mbale Municipality has a total population of 86,200 of which 40,800 are males and 43,300 are females. However, this figure is far below that of the day population estimated to fluctuate between 100,000 - 200,000 which reflects significant strain on council delivery of the services. The population of Mbale Municipality is distributed in the three divisions with the largest, most populous and economically most prosperous being Industrial Division with 45% followed by Northern Division 40% and then Wanale Division with 15%.

The large population in Industrial Division is attributed to the large population of immigrants as compared to Wanale Division, which is predominately a residential area comprising mainly senior Quarters. Industrial Division is also the location of most industrial setups in the municipality and covers the busiest parts of the central business district. This explains its relatively high population. Wanale division originally a residential area for the top administration from colonial times has remained basically residential with mainly hotels and only the slum dwellings in Mooni and Busamaga being densely populated. Mbale Municipality is entirely urban. It has a reasonably well laid out infrastructure and available social services to the population. It is a major business hub in the region and attracts both legitimate business transactions from as far as Kenya and Tanzania. All these have speeded up the rate of urbanization of this municipality (ACCORD, 2015).

4.5 Descriptive statistics for the Various Variables Under Investigation

This section presents descriptive statistics of survey constructs as follows:

4.5.1 Audit Quality in MMC

The respondents' perceptions on Audit Quality were measured by fifteen items using five-point Likert scale Table 4.7 reports the descriptive statistics of measured items of Audit Quality construct.

Table 4.7: Descriptive Statistics on Audit Quality

	N Statistic	Min Statistic	Max Statistic	Mean Statistic	Std. Dev Statistic
The audit process truly presents the audit findings in the accounting system of its client for the public interest	370	1	5	3.48	1.239
There are clear governance arrangements in place that establish independence of the auditors	370	1	5	3.82	1.085
The auditors present the personal characteristics essential to audit quality	370	1	5	3.89	.971
Financial considerations do not drive actions/decisions that may have a negative effect on audit quality	370	1	5	3.70	1.251
The auditors emphasize the importance of access to high-quality technical support	370	1	5	3.90	1.021
The auditors exercise a culture of consultation on difficult issues	370	1	5	4.06	.990
The auditors have robust systems for making client acceptance and continuance decisions.	370	1	5	3.82	1.127
Auditors exhibit professional skepticism in their work when in dealing with issues identified during the audit	370	1	5	4.13	.965
Auditors have sufficient experience in audit work	370	1	5	4.00	1.096
The audit methodology/tools applied to the audit are well structured	370	1	5	3.86	1.215
The auditors provide for compliance with auditing standards without inhibiting the exercise of judgments	370	1	5	3.84	.967
Audit quality control procedures are effective, understood and applied	370	1	5	3.89	1.268
High quality technical support is available when the audit team requires it or encounters a situation it is not familiar with	370	1	5	3.95	1.117
The objectives of ethical standards are achieved, providing confidence in the integrity, objectivity and independence of the auditor	370	1	5	3.80	1.279
The collection of sufficient audit evidence is not inappropriately constrained by financial pressures	370	1	5	3.82	1.208
Average Mean				3.86	1.12

Source: (Fieldwork, 2020)

From the table 4.7, most respondents agreed that audit process truly presents the audit findings in the accounting system of its client for the public interest (mean = 3.48, SD = 1.239). The findings also revealed that there are clear governance arrangements in place that establish independence of the auditors (mean = 3.82, SD = 1.085). The findings further revealed that auditors present the personal characteristics essential to audit quality (mean = 3.89, SD = .971). As well, financial considerations do not drive actions/decisions

that may have a negative effect on audit quality (mean = 3.70, SD = 1.251). The study also indicated that auditors emphasize the importance of access to high-quality technical support (mean = 3.90, SD = 1.021). Respondents also agreed that auditors exercise a culture of consultation on difficult issues (mean = 4.06, SD = .990). Auditors have robust systems for making client acceptance and continuance decisions (mean = 3.82, SD = 1.127). Similarly, Auditors exhibit professional skepticism in their work when in dealing with issues identified during the audit (mean = 4.13, SD = .965). Besides, auditors have sufficient experience in audit work (mean = 4.00, SD = 1.096). Other than that, audit methodology/tools applied to the audit are well structured (mean = 3.86, SD = 1.215). Respondents further agreed that auditors provide for compliance with auditing standards without inhibiting the exercise of judgments (mean = 3.84, SD = .967). Respondents also agreed that Audit quality control procedures are effective, understood and applied (mean = 3.89, SD = 1.268). Further results revealed that high quality technical support is available when the audit team requires it or encounters a situation it is not familiar with (mean = 3.95, SD = 1.117). As well, the objectives of ethical standards are achieved, providing confidence in the integrity, objectivity and independence of the auditor (mean = 3.80, SD = 1.279). Respondents agreed that collection of sufficient audit evidence is not inappropriately constrained by financial pressures (mean = 3.82, SD = 1.208). Nevertheless, the average mean score (3.86) and a standard deviation of 1.12 showed that the items were above the neutral point. The high ratings of the items of audit quality construct suggested that respondents were very highly in agreement that the audit quality existed in the municipality.

4.5.2 Auditor's Independence in MMC

The mean scores (M) and standard deviations (SD), for all the measurement items or statements related to programming independence, investigative independence and reporting independence were computed and analyzed. These descriptive statistics were used for estimating the extent of auditor's independence at MMC in Uganda.

4.5.2.1 Programming Independence

The first Objective was to establish the relationship between programming independence and audit quality in Mbale Municipal Council. Ten-items were used to measure this construct on a Likert scale ranging from one to five points. Table 4.8 presents the means and standard deviations of the items measuring the role of programming independence on audit quality.

Table 4.8: Descriptive Statistics of Measured Items of Programming Independence

	N	Min	Max	Mean	Std. Dev
	Statistic	Statistic	Statistic	Statistic	Statistic
The auditors select the most appropriate strategy when conducting the audit	370	1	5	4.64	.730
There is no managerial interference during the planning phase of the audit	370	1	5	4.56	.614
There is no managerial influence intended to eliminate, specify activities in the audit.	370	1	5	4.44	.885
Management does not influence or modify any portion of the audit	370	1	5	4.54	.714
There is no interference with the selected procedures to be used in the audit	370	1	5	4.43	.613
There is no any uncooperative attitude from staff of the audited company	370	1	5	4.39	.836

Management of the company respects the application of selected procedures.	370	1	5	4.16	1.006
There is no any outside attempts to subject the audit work to review other than that provided for in the audit process.	370	1	5	4.05	.951
The auditors implement the audit strategies in a manner the consider necessary	370	1	5	4.27	.856
The auditors are only guided by provisions in the audit process	370	1	5	3.82	1.126
Average Mean				4.33	0.833

Source: (Field Work, 2020)

Findings in table 4.8 revealed that a majority respondent agreed that auditors select the most appropriate strategy when conducting the audit (mean = 4.64, SD = .730). The majority of respondents agreed that there is no managerial interference during the planning phase of the audit (mean = 4.56, SD = .614). In the same breath, there is no managerial influence intended to eliminate, specify activities in the audit (mean = 4.44, SD = .885).

Similarly, respondents were in agreement that management does not influence or modify any portion of the audit (mean = 4.54, SD = .714). Further, there is no interference with the selected procedures to be used in the audit (mean = 4.43, SD = .613). Majority of respondents were also in agreement that there is no any uncooperative attitude from staff of the audited company (mean = 4.39, SD = .836). In addition, management of the company respects the application of selected procedures (mean = 4.16, SD = 1.006). In the same breath, there is no any outside attempts to subject the audit work to review other than that provided for in the audit process (mean = 4.05, SD = .951).

The results also indicated that auditors implement the audit strategies in a manner they consider necessary (mean = 4.27, SD = .856). Respondents also acknowledged that auditors are only guided by provisions in the audit process (mean = 3.82, SD = 1.126). The findings reflected participants' very high level of agreement with the role of programming

independence on audit quality. Nevertheless, the average mean score (4.33) and a standard deviation (0.833) of these items was above the neutral point.

This position is in agreement with Baker (2005) who noted that programming independence essentially protects the auditor's ability to select the most appropriate strategy when conducting an audit and further asserted that auditors must be free to approach a piece of work in whatever manner they consider best.

Audit quality as a result of management interference during the planning phase of the audit were measured using five-point Likert scale ranging from 'Strongly disagree' (scale 1) and 'Strongly agree' (scale 5). Table 4.8 reports the descriptive statistics of the construct. The study revealed that respondents strongly agreed that the audit quality is fully dependent on the conduct of the management during the planning phase of the audit process (Mean = 4.56. SD = .614). The findings further imply that there is no managerial interference during the planning phase of the audit and this gives the auditors an opportunity to give /form their independent opinion without any form of interference, which eventually improves on the quality of reporting in Mbale Municipal Council. These present study findings are in line with the results of the past studies of Baroudi et al (2002) and that of Saha and Zhao (2005).

Views from respondents were sought on whether there is no managerial influence intended to eliminate, specify activities in the audit. Data on this variable was also collected, presented and discussed in table 4.8. The findings of the construct "there is no managerial influence intended to eliminate, specify activities in the audit" in table indicate that respondents who participated in the study strongly agreed that in the conduct of the audit, there is always management influence intended to eliminate and/or specify activities in the audit (Mean = 4.44, SD=.885).

These findings clearly mean that there is no managerial influence intended to eliminate, specify activities in the audit and this implies that audit quality is not in any way compromised. These findings are supported by the related literature for example in the study conducted by Giese and Cote (2010) and another one by Ives, Olson, and Baroudi, (2012) who both found out that management interference or influence aiming at eliminating and/or specifying activities in the audit is a threat to audit quality.

The concern raised concurs with the conclusions of Sharkansky (1975) quoted by (Habib et al., 2018)

The table 4.8 shows the results with the descriptive statistics on respondents' ratings "Management does not influence or modify any portion of the audit". This high approval (Mean=4.54, SD=.714) indicates that indeed management does influence or modify some portion of the audit. The study findings further imply that management at Mbale Municipal council highly respects the opinion of the auditors and this eventually improves the quality of the reports produced by the auditors. The finding in this study is indeed in line with Bob (2009) who posits that freedom from managerial interference or friction intended to eliminate, specify, or modify any portion of the audit significantly affects audit quality as it interferes with the auditor's independence.

The research sought respondents' views on whether there is no interference with the selected procedures to be used in the audit. Table 4.8 shows that respondents strongly agreed that there is no interference with the selected procedures to be used in the audit (Mean=4.43, SD=.613). These findings reveal that the programming independence and audit quality should raise a lot of concern to the auditors since good number of respondents strongly agreed that there is always interference with the selected procedures to be used in the audit.

This finding was in agreement with the results of a study by Bob Vause (2009) who posits that programming independence indicators include; freedom from managerial interference or friction intended to eliminate, specify, or modify any portion of the audit. Bob also adds freedom from interference with or an uncooperative attitude respecting the application of selected procedures; and freedom from any outside attempts to subject the audit work to review other than that provided for in the audit process.

These instances can be true since government auditors need to be able to identify corrupt behaviours and allow citizens and the justice system to appropriately reward or punish whoever was responsible for the wrong doing (Claudio & Finan, 2008). In Brazil for instance, Claudio & Finan present that voter rewarded or sanctioned politicians when they learned through audit findings which candidates had engaged in corruption. When local officials were up for re-election, voters who received audit results beforehand voted less for officials who had committed more acts that are corrupt.

Meanwhile, in In Indonesia, drastically increasing the likelihood that road projects would be audited reduced unaccounted spending on those projects (Olken, 2007). Thus, audits contribute to reducing corruption by increasing the legal risk of punishment and for this reason, having political leaders interested in the audit process and activities leads to suspicion and curtails the quality of the audit.

In other studies, focusing on high-income countries, audits were shown to improve tax compliance. In Denmark, the United Kingdom, and the United States, tax audits led to lasting improvements in tax reporting, in large part because people were reporting a more honest (and higher) taxable income (DeBacker et al., 2017; Advani et al., 2017; Kleven, et al., 2011). Bérangolo et al (2020) stated that in low and middle-income countries, the threat of audits has

often been the most effective communication strategy to improve tax compliance, which often raises the eye-brows of political players who are often owners of the businesses in question.

The respondents' thoughts on whether "there is no any uncooperative attitude from staff of the audited company" as a result of programming independence on the quality of audit were measured using five-point Likert scale ranging from 'Strongly disagree' (scale 1) and 'Strongly agree' (scale 5). The results in table 4.8 indicate that a whopping majority strongly agreed that there is no any uncooperative attitude from staff of the audited company and they are highly satisfied with it (Mean=4.39, SD=.836). These findings show that the staffs of the audited company have always cooperated with the auditors implying that auditors at Mbale Municipal Council are in a better position to produce quality audit reports since they have the freedom to perform their duties. These findings concurred with the findings of Lee and Gu (1998) who in their study stressed that organisations should manage collusion between the auditors and their clients.

The study thought for respondents' views on whether management of the company respects the application of selected procedures. On finding out whether the level of auditors' satisfaction as a result of management of the companies respect to the application of the selected procedures as a variable of the programming independence construct of audit quality was measured using five-point Likert scale ranging from 'Strongly disagree' (scale 1) and 'Strongly agree' (scale 5). Findings in table 4.8 reveals that majority of respondents strongly agreed with the statement that management of the companies respect to the application of the selected procedures (Mean=4.16, SD=1.06). These findings indicate that the respondents of this research are highly satisfied that management of the companies respect the application

of the selected procedures in the audit process and this in turn affects audit quality. They are also in agreement with the findings of Bob Vause (2009) who emphasized freedom from interference with or an uncooperative attitude respecting the application selected audit procedures by the company.

The survey also asked respondents if they believed that the audit work was only subjected to the scrutiny that the audit process allowed for. The findings in Table 4.7 demonstrate how the Mbale Municipal Council's financial management personnel, particularly in relation to auditing and accountability, handle outside attempts to subject the audit work to review beyond what is specified in the audit procedure. The audit process's provisions on the audit work's review are the only means by which participants firmly believed that there are no outside attempts to do so (Mean=4.05, SD=.951).

The large number of strongly agreed is an indication that users are by extension highly satisfied that there are no any outside attempts to subject the audit work to review other than that provided for in the audit process. This also implies that Mbale Municipal council management has trust in the work performed by the auditors and which helps to build more confidence in them, which improve on the quality of their work.

Respondents' views on whether the auditors implement the audit strategies in a manner they consider necessary were sought by the researcher and data obtained in line with the statement reveal that majority of respondents strongly agreed (Mean=4.27, SD=.856). This large numbers of those in agreement with the fact that they were satisfied that the auditors implement the audit strategies in a manner they consider necessary which is a clear approval that indeed there are high levels of satisfaction with the auditors conduct when it comes to implementing the audit strategies in a manner, they consider necessary. These findings are similar to the ones of Ho and Lee (2006) in their research on auditors conduct during audit process with audit strategies and satisfaction levels.

The study thought respondents' views on whether the auditors are only guided by provisions in the audit process. On finding out whether the auditors are only guided by provisions in the audit process, responses were received from 370 respondents as shown from the table 4.8 , which strongly agreed that the auditors are only guided by provisions in the audit process (Mean=3.82, SD=1.126). The high number of strongly agreed respondents is a clear demonstration that they are highly satisfied by the operations of the auditors implying that auditors in Mbale Municipal Council follow the right audit procedures and this affects the quality of their work.

The conclusions also align with the General Accounting Office's (2015) definition of a quality audit, which states that an audit carried out in compliance with generally accepted auditing standards (GAAS) is one that offers a reasonable assurance that the audited financial statements and related disclosures are (1) presented in compliance with GAAP and (2) do not contain any materially misstated information as a result of fraud or errors.

Qualitative Findings on Programming Independence

Any qualitative research project's primary goal is to obtain a deeply comprehensive grasp of a specific subject, problem, or meaning through first-hand observation. Since gathering data can take some time and qualitative data is more interested in depth than quantity of findings, this is accomplished by using a small yet targeted sample base. Unlike quantitative research, qualitative research aims to provide answers to the what, why, and how of the topic under study.

In this research, an interview schedule was utilized to gather qualitative research data about the studies objectives. The objectives included programing independence, investigative independence and reporting independents. Presented are verbatims of the respondents's

perceptions on the objectives of the study.

Programming Independence

Indeed, an interviewee respondent was quoted saying;

As auditors of Mbale Municipal Council, we have the opportunity to choose by ourselves the strategy, which we feel, is best to undertake our assignment and ensure that we succeed and we have done this several times without being interfered with. Although, I cannot speak for my colleagues and this is because, in carrying out assignments, I do not get to know what happens to my colleagues behind closed doors. For that reason, my views cannot be generalized (FF1; Mbale Municipal Council Official - Female, 2020).

Furthermore, in one of the interviews, a participant was quoted as saying;

I cannot completely say that auditors in Mbale Municipal Council do not do good work and the opposite is also true. This is because, I feel the auditors choose the strategy that is the best to help them conduct the audit assignment. The only thing I can state is that I suspect that politicians sometimes meddle in the auditors jobs since there are times you can clearly see that money meant for certain activities has been used for other personal gain. However, in the audit report, the accounts do not reflect such compromise in implementation of public resources (FF2; Mbale Municipal Council Official

- Male, 2020).

An interview respondent had to say:

There is very limited interference with our work at the council since most people/employees are not so much well versed with this type of assignment and so very limited interference is faced from the employees of Mbale Municipal Council. This has in fact given as an opportunity as auditors to quickly plan our work without having much difficulty. Sometimes however, these employees being government officials do not take us seriously because of the perception that is accorded to the

security of government jobs. This leads to unnecessary delays in acquiring pertinent audit information (FF3; MbaleMunicipal Council Official - Male, 2020).

Another respondent stated that;

The staff at Mbale Municipal council do not interfere in any way in the workof the auditors when they are planning to carry it out. In fact, this allows the auditors to plan their activities in the most appropriate manner (FF4; MbaleMunicipal Council Official - Male, 2020).

Indeed, an interview respondent stated that:

Auditors are free to perform their duties in Mbale Municipal Council and no management staff interferes with their assignments in anyway. But sometimes, their presence during the audit can easily be interpreted as a threat as they may instill fear in the audit team. For instance, when a top politician keeps on visiting the audit desk, it somehow inconveniences the flow of the audit work since the auditors are diverted to give attention to the official (FF5; Mbale Municipal Council Official - Female, 2020).

An interview respondent said;

“The biggest challenge comes in when auditors need to gather information from some officers and these tend to pose a big challenge because they do not allow auditors do their work as it is supposed to be. However, such officers have been in most cases interdicted and laid off from their duties” (FF6, Mbale Municipal Council Senior Staff – Male, 2020).

However, another respondent said;

There is interference with audit procedures and this is normally from corrupt officials who want to hide their evils and tend to conceal some information and not expose it to the public. This has in fact made the work of auditors quite hard but however, all possible controls are used to ensure that auditors access the information to aid them do their work (FF7; Mbale Municipal Council Official - Female, 2020).

One participant categorically stated that:

Some employees are very notorious and never willing to comply with auditor's request for information and this is mainly because most of them involve themselves in doing dubious businesses in the council. In fact, these categories of employees make the auditors' work very difficult, as they are never willing to give full details of how they spent money allocated to them to provide services to the populace. (FF8; Mbale Municipal Council Official-Female, 2020).

4.5.2.2 Investigative Independence

The second objective of the study was to examine the relationship between investigative independence. The respondents' perceptions of Investigative independence were measured by ten items using five-point Likert scale ranging from 'Strongly disagree' (scale 1) and 'Strongly agree' (scale 5). Table 4.9 shows the descriptive statistics of measured items of investigative independence:

Table 4.9 Descriptive statistics for Investigative Independence

	N	Min	Max	Mean	Std. Dev
	Statistic	Statistic	Statistic	Statistic	Statistic
The auditors have free access to all company books/records	370	1	5	2.94	1.244
The auditors have direct access to officers/employee of the company	370	1	5	3.99	1.111
The auditors have access to other sources of information with respect to business activities	370	1	5	3.89	1.154
The auditors have access to any other company obligations/resources.	370	1	5	2.51	1.259
There is active cooperation from managerial personnel during the course of the auditors' examination.	370	1	5	4.48	1.032
There is no any managerial attempt to assign or specify the activities	370	1	5	4.23	1.264
There is no managerial attempt to decide on what is to be examined	370	1	5	4.21	1.337
There is no managerial influence in establishing the acceptability of evidential matter	370	1	5	4.19	1.166
There are no personal interests in the audit activity	370	1	5	4.43	1.240
There are no relationships leading to exclusion from the audit activity	370	1	5	4.14	1.143
There are no limitations of the examination of any activity/records	370	1	5	4.39	1.190
There are no restrictions to consulting with any person that may be included in the audit	370	1	5	4.49	1.095
Average Mean				3.99	1.186

Source: (Fieldwork, 2020)

The findings in table 4.9 show that all the items had mean statistics above 2.50 (i.e. neutral point). The average mean ratings for all the items of this construct were 3.99. This indicated that respondents felt that Investigative Independence very highly contributes to the quality of audit. This finding also suggested that some respondents had reservations about the Investigative Independence's contribution to audit quality. This was evident from the

moderate mean ratings of some items i.e. 'The auditors have direct access to officers/employee of the company' and 'The auditors have access to other sources of information with respect to business activities. Independence of audit investigation at face value remains contingent in audit quality but perhaps the respondents felt that in the conduct of the audit some of the officers/employees of the company and other sources of information with respect to business activities are at sometimes reserved from the auditors.

This finding is in agreement with results of study by Saud & Marchand (2012) on the "Contribution of internal audit in the achievement of corporate goals." In their study, they recommended that a proper investigation mechanism should be in place and all suspected fraud incidents should first be internally investigated and if found correct, should be referred to law enforcing agency to fix criminal charges against the accused. This helps the audit team to feel a sense of protection and investigative independence, in general.

The study asked participants if they believed that all corporate books and documents were open to the auditors. Table 4.8 above contains the data that was gathered, shown, and discussed for this variable. Ten statements with a five-point Likert scale from "Strongly disagree" (scale 1) to "Strongly agree" (scale 5) were used to gauge the respondents' opinions of investigative independence. The descriptive data for "The auditors have free access to all company books/records" are presented in Table 4.9. Participants stated that having access to all corporate books and documents during the audit process affects the audit's investigative independence and, as a result, occasionally meets expectations for report quality (Mean=2.94, SD=1.424).

These results suggest that unrestricted access to all firm books and records during the audit process may be a hidden problem, as few respondents strongly agreed that such materials are always available without charge during the audit process, potentially impairing the auditor's performance. The results of this study are consistent with those of Bob Vas (2009), who argues that direct and unrestricted access to all company books, records, officers and employees, as well as other sources of information regarding business obligations, activities, and resources, are investigative independence indicators.

The findings mean that auditors have very easy access to information in Mbale Municipal Council. Findings in table 4.9 above shows that most respondents strongly agreed with the statement that the auditors have direct access to officers/employee of the company (Mean=3.99, SD=1.016). These ratings are a clear indication that there is moderate level of agreement that the auditors have direct access to officers/employee of the company since nearly a half of respondents disagreed or were undecided on this subject matter. The employees of the company are always the investigated so perhaps they could be playing the victims and this could have an implication on the auditor's work. This finding is in agreement with the ones of Bob Vas (2009) who calls for active cooperation from managerial personnel during the course of the auditor's examination. The findings mean that both internal and external auditors in Mbale Municipal Council have a very direct access to the staff and this makes gathering of required evidence easy and this helps to improve on the quality of their work in terms of the reports produced.

The study sought respondents' views on whether the auditors have access to other sources of information with respect to business activities. Findings in table 4.9 show descriptive statistics of how audit respondents or officers rate investigative independence using the access to the other sources of information with respect to business activities. Majority of the respondents, as indicated above, strongly agree with the statement that the auditors have access to other sources of

information with respect to business activities (Mean=3.89, SD=1.072).

Since nearly half of the respondents either disagreed with the statement or were unsure whether the auditors have access to other sources of information regarding business activities, these findings clearly demonstrate that there is moderate level access to other sources of information. This could occasionally be a major obstacle for the auditors while they work and could lower the caliber of the report that is generated. These results are consistent with those of Bon Vas (2009), who states that during the audit process, the auditor must have easy access to all reliable sources of information.

Investigative Independence on audit quality was evaluated in terms of access to any other company obligations/resources. Findings in table 4.9 above shows that majority of respondents moderately agree that the auditors have access to any other company obligations/resources (Mean=2.51, SD=1.253). From the look of the findings on the table 4.8, it is evident that almost half of the respondent disagree that the auditors have access to any other company obligations/resources during audit process.

This large group reflects reluctance of acceptance of the statement that the auditors have access to any other company obligations/resources since the investigative independence levels are moderately low. This finding however contradicts ISA 610 that allows the auditors access to company information, including the internal auditor's reports. This is because, the work performed by a company's internal audit function can overlap with the work conducted by the external auditor, specifically in areas dealing with the assessment of control processes.

According to ACCA (2021), internal audit will probably conduct procedures on financial controls pertinent to the external audit while performing in-depth work assessing and monitoring the company's internal control framework. Because of this, the work completed by the internal auditor may be relied upon by the external auditor instead of repeating these steps (Leung, 2013).

The survey also asked respondents if they felt managerial staff actively cooperated with the auditors throughout their inspection. The majority of respondents strongly agree with the assertion that "there is active cooperation from managerial personnel during the auditors' examination" (Mean=4.48, D=.566), according to data from the field that are displayed in table 4.9 above. This finding shows that the majority of respondents have faith in their managerial staff during the auditor's examination, and only a small number of users feel that the level of managerial staff cooperation during the auditor's examination is low and below their expectations..

The findings in this present research are in concurrence with the past findings of Ramos (2002) in the "Auditors' Responsibility for Fraud Detection." Ramos presented that "brainstorming" is a new concept in auditing literature, and early in the adoption process firms will need to decide how best to implement this requirement in practice. To this effect, the SAS requires you to make inquiries of the audit committee (even if it is not active), internal audit personnel (if applicable) and others and to inquire as to each individual's views

about the risks of fraud. “Others” can include those employees who are outside the financial reporting process.

On finding out whether there is no any managerial attempt to assign or specify the activities during the audit process, results presented in table 4.9 indicates that majority of respondent strongly agree with the statement (Mean=4.23, SD=.752). This finding is a clear indication that in the process of audit, managerial attempts to assign or specify the activities during the audit process is minimal which allows auditors perform their tasks without any interference. The findings concurred with that of Panko (2003) who found similar results.

The study findings therefore imply that auditors do not face any interference while conducting their duties in Mbale Municipal Council. Meanwhile, investigative independence on audit process in line with managerial attempts to decide on what is to be examined was measured using five point Likert scale ranging from ‘Strongly disagree’ (scale 1) and ‘Strongly agree’ (scale 5). Table 4.8 shows that majority of respondents strongly agree that there is no managerial attempt to decide on what is to be examined during audit process (Mean=4.21, SD=.747).

The findings also reveal that there is no managerial attempt to decide on what is to be examined during audit process implying that the auditors have liberty to cross-examine only information that they find relevant to the audit exercise, which consequently enables them to form an opinion basing on the choice of the reports they examine. This has been supported by the results of large percentage of respondents agreeing with the statement. The findings concurred with that of Panko (2003) who found similar results.

The findings imply that auditors at Mbale Municipal Council both internal and external make their own choice on which documents to examine with no decision from the management of the council.

The study sought respondents' views on whether there is no managerial influence in establishing the acceptability of evidential matter. Managerial influence as an important factor of safeguarding investigative independence was measured in terms of respondents' perceptions. Results presented in table 4.9 above shows that majority of the respondents strongly agreed that there is no managerial influence in establishing the acceptability of evidential matter (Mean=4.19, SD=.747). This large number of respondents opposed to ability or the influence of management in establishing the acceptability of evidential matter is an indication that they don't trust the investigative independence or the management with the audit processes hence their perception that the investigative independence are moderately low. These results are consistent with those obtained by Ramsay (2002). A statutory auditor should decline an audit engagement if a friend, business partner, or close family member holds a senior management position with the audit client, according to Ramsay's "Review of Current Australian Requirements and Proposals for Reform in Australian Company Auditors." Stated differently, if the person has the ability to directly impact the preparation of the audit client's financial statements or accounting records.

Findings as indicated in table 4.9 reveal that majority of the respondents strongly agree with the assertion that there are no usually personal interests in the audit activity (Mean=4.43, SD=.711). This finding reveals that an individual or company interest is at point in play during the audit process and this helps in ensuring high quality results since the auditors will report what they are supposed to report. This finding is in line with the findings of Frankel

et al. (2002) who argued that high litigation risk would decrease the likelihood that the auditors will act in favor of clients. This implies that auditors at Mbale Municipal Council are very capable of producing quality work at the council. The study also sought respondents' views on whether there are no relationships leading to exclusion from the audit activity. Availability of relationships leading to exclusion from the audit activity as an item used the rank investigative independence level of audit quality was measured using five point Likert scale ranging from 'Strongly disagree' (scale 1) and 'Strongly agree' (scale 5).

Findings in table 4.9 shows that majority of the respondents strongly agree that no relationships leading to exclusion from the audit activity are available (Mean=4.14, SD=.889). The findings reveal that relationships leading to exclusion from the audit activities in investigative independence during audit process are pertinent for quality audit. On whether there are no limitations of the examination of any activity/records, majority of the research participants strongly agreed (Mean=4.39, SD=.489), and the same applies to the statement that "there are no restrictions to consulting with any person that may be included in the audit" (Mean=4.49, SD=.501).

Qualitative findings on Investigative Independence

A respondent said:

"auditors are allowed to access all information that is deemed relevant for them to perform their duties, though in some instances some staff may refuse for other reasons but most of the information is easily accessed which has made the work of auditors easy in Mbale Municipal Council. (FFI; Mbale Municipal Council Official - Male, 2020).

Another respondent stated that;

“Auditors are given free and easy access to all sorts of information and books of accounting records by Mbale Municipal Council and this has really made their work easy as most of the staff quickly respond to the demands for such information by both the internal and external auditors.” (FF2; Mbale Municipal Council Official - Female, 2020).

An interview respondent stated that;

“All employees at Mbale Municipal Council are always very accessible and available to offer any kind of assistance to the auditors as these are always available at most times during any audit activity. In fact, the availability and easy access to the employees has made the work of auditors very easy as they can retrieve any kind of evidence that is needed for them to perform their audit activities.” (FF3; Mbale Municipal Council Official - Male, 2020).

One of the respondents interviewed in respect to access any other information concerning business activities stated that:

“Since Mbale Municipal Council is a government entity, all information concerning our activities is directly accessed by auditors and such information includes giving direct access of auditors to all our bank accounts. They also have direct access to all other parties who we do business with and in fact by doing this our auditors here at the council have found it very easy to do their work because as officials of the council. We feel it is within our mandate to ensure that we give all the needed assistance to the auditors” (FF4; Mbale Municipal Council Official - Male, 2020).

Another respondent stated that:

“Auditors are always given the opportunity to freely interact with all our clients and gather any other information that they feel is pertinent to performing their work without any interference from any party/employee from Mbale Municipal Council and indeed most of the auditors have found it easy to gather all the evidence they need to produce their reports.” (FF5; Mbale Municipal Council Official - Male, 2020).

One of the respondents interviewed had to say that;

“As Mbale Municipal Council, auditors are always allowed to have full access to all the obligations that relate to our activities and this has played a very great role in ensuring that our auditors always have full information to help them produce their reports. (FF6; Mbale Municipal Council Official - Male, 2020).

Another interviewee added that;

“Indeed the auditors have not always met any resistance when it comes to gathering evidence in line with the council obligations given the fact that this is a government entity which was set up to provide services to the people.” (FF7; Mbale Municipal Council Official - Female, 2020).

An interview respondent stated that:

“The management has indeed been very helpful when it comes to the time of audits and these help to mobilize all other staffs and they always encourage them to provide all the necessary information as they can. Therefore, the participation of management has always played a very significant role in the audits performed at the council by both the internal and external auditors.” (FF8; Mbale Municipal Council Official - Male, 2020).

4.5.2.3 Reporting independence and Audit Quality in MMC

The third objective was to examine the relationship between reporting independence on audit quality in Mbale Municipal Council. The respondent's perceptions on Reporting independence were measured by ten items using five-point Likert scale ranging from 'Strongly disagree' (scale 1) and 'Strongly agree (scale 5). Table 4.10 shows the descriptive statistics of measured items of reporting independence.

Table 4.10 Descriptive Statistics for Reporting Independence.

	N	Min	Max	Mean	Std. Dev
	Statistic	Statistic	Statistic	Statistic	Statistic
Auditors are free from any feeling of loyalty or obligation to the company	370	1	5	4.32	.964
Auditors choose to reveal to the public any information they believe should be disclosed	370	1	5	2.73	1.438
Auditors are free to modify the impact of reported facts on any party	370	1	5	2.79	1.196
There is avoidance of the practice of excluding significant matters from the formal report on favor of their inclusion in an informal report of any kind	370	1	5	4.14	1.063
There is avoidance of intentional or unintentional use of ambiguous language in the statement of facts, opinions, and recommendations and in their interpretation.	370	1	5	4.12	.865
Management does not attempt to overrule the auditor 's judgment as to appropriate content of the audit report either factual matter or his opinion.	370	1	5	4.18	.625
Audit reports are written in a manner that conveys clearly the auditor 's opinion on the financial statements	370	1	5	4.38	.572
Audit reports address the needs of users of financial statements in the context of applicable law/regulations	370	1	5	4.10	.668
Auditors' reports properly conclude as to the truth/fairness of the financial statements	370	1	5	4.43	.599
Auditors' reports are transparency reports in all ways.	370	1	5	4.05	.941
The annual reports provide an aggregate view on the results of audit firm inspections	370	1	5	4.38	.487
The auditors are free to make reports to financial and prudential regulators	370	1	5	4.13	.672
Average Mean					

Source: (Fieldwork, 2020)

The mean rating of reporting independence construct items in table 4.10 was between 2.73 (± 1.438) i.e. 'Auditors choose to reveal to the public any information they believe should be disclosed' and 4.43 ($\pm .599$) i.e. 'Auditors' reports properly conclude as to the truth/fairness of the financial statements'. The findings indicate that the respondents gave high ratings to every item related to reporting independence, and the mean score for all of the items (3.98) was higher than the neutral point (3). Nonetheless, the sample appeared to concur that reporting independence is crucial for ensuring audit quality, as indicated by the construct's overall mean score of 3.98.

The purpose of the survey was to find out what respondents thought about whether or not auditors felt obligated or loyal to the organization. Table 4.10 contains the data that was gathered, shown, and discussed for this variable. A five-point Likert scale from "Strongly disagree" (scale 1) to "Strongly agree" (scale 5) was used to determine reporting independence due to the effectiveness of audit quality in its operations. According to table 4.10's findings (Mean=4.32, SD=.964), the majority of respondents agreed that auditors have no sense of duty or commitment to the organization. According to the results, auditors have no sense of duty or allegiance to the business.

The findings further reveal approval of high level that the conduct of audit by auditors is never under the obligation or mercy of the companies under audit. The findings are in agreement with those of Rick Hayes, et al. (2004) who in his study notes that reporting independence indicators include freedom from any feeling of loyalty or obligation to modify the impact of reported facts on any party.

Table 4.10 shows that a moderate percentage of respondents strongly agreed that Auditors choose to reveal to the public any information they believe should be disclosed (Mean=2.73, SD=1.438). One of the elements of Reporting independence (RI) and a high quality audit report that should be accessible and provided to the public whenever needed by the public.

Reporting Independence (RI) in terms of Auditors being free to modify the impact of reported facts on any party was measured using five-point Likert scale ranging from 'Strongly disagree' (scale 1) and 'Strongly agree' (scale 5). Some of respondents indicated that they strongly agree that Auditors are free to modify the impact of reported facts on any party (Mean=2.79, SD=1.196). This number indicates that the resultant audit report is at the mercy of the auditors. The finding is in agreement with that of Sohail and Shanmugham (2003) in their study of factors influencing audit quality report.

The purpose of the study was to find out what respondents thought about the practice of leaving important details out of official reports in favor of including them in any kind of informal report. Table 4.10's findings show that, when it comes to reporting independence, the majority of respondents strongly agree with the statement that it is not common practice to omit important matters from formal reports in favor of including them on informal reports of any kind (Mean=4.14, SD=1.063).

The exclusion of significant matters from the formal report is a parameter used to measure the reporting Independence because a good and high quality audit report must be totally inclusive of all the matters encountered in the conduct of audit. Therefore, from table 4.10, the researcher found out that most respondents rated the parameter high in terms of reporting

independence. The International Standard on Auditing (ISA) 230 (2009) provides support for this conclusion. It states that the auditor must compile the audit documentation into an audit file and finish the administrative process of assembling the final audit file within a reasonable timeframe following the date of the auditor's report.

Additionally, the auditor is not allowed to remove or discard any kind of audit documentation before the end of its retention period after assembling the final audit file. Furthermore, according to ISA 220, timely preparation of adequate and relevant audit documentation improves the audit's quality and makes it easier to review and assess the evidence gathered during the audit and the conclusions drawn before the auditor's report is completed.

The purpose of the study was to determine if respondents considered the avoidance of purposeful or inadvertent use of confusing language in the declaration of facts, opinions, and recommendations, as well as in their interpretation as a measure of reporting independence of the audit quality. Table 4.10's results show that a significant number of respondents strongly agreed that confusing language should not be used, either intentionally or inadvertently, when stating facts, opinions, or suggestions, as well as when interpreting them (Mean=4.12, SD=.865). The overwhelming majority of respondents appear to agree that ambiguous language is avoided, whether on purpose or accidentally, when stating facts, opinions, and recommendations. This indicates that respondents view reporting independence as an exceptional requirement in quality audits.

Findings in table 4.10 reveal that a whopping majority of the respondents strongly agreed that they feel management not attempting to overrule the auditor 's judgment as to

appropriate content of the audit report either factual matter or his opinion is effective tool for audit quality (Mean=4.18, SD=.625). This big number of those in agreement with the statement is a manifestation that management should never try to overrule the auditor's judgment as to appropriate content of the audit report.

The present study finding is in concurrence with ICAEW (2021) that auditors should always consider use of safeguards and procedures, which may negate or reduce threats that the auditors may become over-influenced by the personality and qualities of the directors and management. Another threat is that of the possibility that the auditor may become intimidated by threat, dominating personality, or by other pressures, actual or feared, by a director or manager of the client or by some other party.

On finding out whether audit reports are written in a manner that conveys clearly the auditor's opinion on the financial statements, results in table 4.10 reveal that majority of the respondents strongly agreed (Mean=4.38, SD=.572). This finding indicated very big approval in terms of high rating of Reporting Independence since from table 4.8, one can easily see that audit reports are written in a manner that conveys clearly the auditor's opinion on the financial statements hence the large number of users who strongly agreed with the statement.

This result is in concurrence with that of Chen et al (2014) where they argue that an auditor's report is considered an essential tool when reporting financial information to users, particularly in business. Many third-party users prefer, or even require financial information to be certified by an independent external auditor. Creditors and investors use audit reports from Supreme Audit Institutions (SAI) to make decisions on financial investments. To this

effect, they argue, the audit evidence should be sufficient and appropriate to provide a basis for an audit opinion.

Reporting independence of the audit process in line with audit reports and whether it addresses the needs of users of financial statements in the context of applicable laws/regulations was measured using five point Likert scale ranging from ‘Strongly disagree’ (scale 1) and ‘Strongly agree’ (scale 5). Findings as indicated in table 4.8 shows that majority of the respondents strongly agreed that audit reports address the needs of users of financial statements in the context of applicable laws/regulations on reporting independence (Mean=4.10, SD=.668). The findings imply that audit reports address the needs of users of the financial statements in the context of applicable laws/regulations and this makes it easy for the users to understand the statements as prepared by the auditors.

The study further sought respondents’ views on whether Auditors’ reports properly conclude as to the truth/fairness of the financial statements. Findings in table 4.10 show that majority of the respondents strongly agree with the assertion that auditors’ reports properly conclude as to the truth/fairness of the financial statements (Mean=4.43, SD=.599). The proper conclusion of audit report with the truth/fairness of the financial statement is a catalyst in Reporting Independence as it determines the quality of the audit. Therefore, from the outcome of the results in table 4.10, majority of respondent approved this statement.

Findings on whether auditors’ reports are transparent reports in all ways as presented in table 4.9 reveal that majority of the respondents strongly agreed with the statement (Mean=4.05, SD=.941). The low number of those disagreeing with the statement indicates that majority of the user’s rate transparency of the audit reports highly since a high level of transparency

conjugal and a precipitate of audit quality. The finding is in agreement with that of Kobayashi and Takeda (2000) who also concurred that overall quality audit delivered by auditors emanate from audit transparent process.

Meanwhile, on whether “the annual reports provide an aggregate view on the results of audit firm inspections,” many participants strongly agreed with the statement (Mean=4.38, SD=.487). In addition, the same applied to whether “the auditors are free to make reports to financial and prudential regulators,” where majority of the study respondents strongly agreed (Mean=4.13, SD=.672) that the auditors are free to make reports to financial and prudential regulators.

Qualitative Findings on Reporting Independence

In another interview, one of the respondents was quoted stating that:

I personally believe that auditors in Mbale Municipal Council have no feeling of loyalty and this is because most of them especially external auditors just come once in a while when they are supposed to carry out an audit. And in another engagement, other new people come to do the same work and therefore, to me I feel that this alternation totally eliminates the element of loyalty on the side of the auditors. (FF1; Mbale Municipal Council Official

- Female, 2020).

Another respondent stated that:

“Auditors in Mbale Municipal Council have very little in regard to any form of loyalty with the council. This is because the Office of Auditor General keepson changing them from one district to another and therefore, this has helped to break any bondage that could come up to compromise their independence in the way that they do their work.”

(FF2; Mbale Municipal Council Official

- Male, 2020).

4.5.3 Auditors' Capacity in MMC

The respondents' perceptions on Auditors' Capacity were measured by twelve items using five-point Likert scale ranging from 'Strongly disagree' (scale 1) to 'Strongly agree' (scale 5). Table 4.11 reports the descriptive statistics of measured items of Auditors' Capacity construct. The table 4.11 below shows the descriptive statistics of measured items of auditor's capacity:

Table 4.11: Descriptive Statistics on Auditors' Capacity

	N	Min	Max	Mean	Std. Dev
	Statistic	Statistic	Statistic	Statistic	Statistic
The auditors have the necessary competences to appropriately execute the audit	370	1	5	4.63	.551
The auditors have a clear understanding of the company's business.	370	1	5	4.71	.525
The auditors are capable of making reasonable judgments.	370	1	5	4.70	.531
The auditors are actively involved in risk assessment, planning, supervising, and reviewing the work performed.	370	1	5	3.34	1.702
The auditors have sufficient experience in audit work	370	1	5	4.78	.416
The auditors' work is appropriately directed, supervised and reviewed	370	1	5	4.57	.495
There is a reasonable degree of staff continuity.	370	1	5	4.16	.896
The auditors have sufficient time to undertake the audit in an effective manner.	370	1	5	4.76	.430
The auditors are accessible to management and those charged with governance	370	1	5	4.62	.605
The auditors have sufficient time to deal with difficult issues as they arise	370	1	5	4.59	.772
The engagement teams are properly Structured	370	1	5	4.60	.688
The more senior auditors provide less experienced staff with timely appraisals and appropriate coaching or on-the-job training	370	1	5	3.82	.993
Average Mean				4.44	0.589

Source: (Fieldwork, 2020)

In table 4.11, the study results indicated that auditors have necessary competences to appropriately execute the audit (mean = 4.63, SD = .551). As well, auditors have a clear understanding of the company's business (mean = 4.71, SD = .525). Further findings indicated that auditors are capable of making reasonable judgments (mean = 4.70, SD = .531). Respondents agreed that auditors are actively involved in risk assessment, planning, supervising, and reviewing the work performed (mean = 3.34, SD = 1.702). The study also revealed that auditors have sufficient experience in audit work (mean = 4.78, SD = .416). In addition, auditors' work is appropriately directed, supervised and reviewed (mean = 4.57, SD = .495). There is also a reasonable degree of staff continuity (mean = 4.16, SD = .896). The findings also demonstrated that auditors had enough time to complete the audit effectively (mean = 4.76, SD = .430). In a similar vein, management and those in charge of governance can reach auditors (mean = 4.62, SD = .605). Auditors have enough time to handle challenging situations when they come up (mean = 4.59, SD = .772). The results demonstrated the appropriate structure of engagement teams (mean = 4.60, SD = .688). It was also observed that a higher proportion of senior auditors promptly assess less experienced employees and offer suitable mentoring or on-the-job training (mean = 3.82, SD = .993). However, with a standard deviation of 0.589, the average mean score (4.44) of these items was higher than the neutral point. The high ratings for the auditors' capability construct elements may indicate that respondents strongly agreed that the municipality had auditors with the necessary skills.

4.6 Correlation Analysis

This section provides the correlational results relating to programming independence and audit quality in Mbale Municipal Council. In the table below are the correlational results that depict the relationship between programming independence and audit quality in the municipality. Table

4.12 shows the correlational results on auditor’s independence and auditquality.

Table 4.12: Correlational Results

		Programming Independence	Investigative Independence	Reporting Independence	Audit Quality
Programming Independence	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	370			
Investigative Independence	Pearson Correlation	.600**	1		
	Sig. (2-tailed)	.000			
	N	370	370		
Reporting Independence	Pearson Correlation	.379**	.465**	1	
	Sig. (2-tailed)	.000	.000		
	N	370	370	370	
Audit Quality	Pearson Correlation	.406**	.526**	.558**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	370	370	370	370

** . Correlation is significant at the 0.01 level (2-tailed).

Source: (Fieldwork, 2020)

From table 4.12, there is a statistically considerable significant relationship between programming independence and audit quality. That is to say, changes in programming independence are correlated with changes in audit quality. In this study’s first objective, Pearson’s correlation was .406 for programming independence with a p value less than 0.01. For this reason, we can conclude that there was a moderate, positive and significant relationship between programming independence and audit quality. Further findings showed that there is a strong, positive and statistically significant relationship between investigative independence and audit quality. ($r = .526, p < 0.01$). For this reason, we can conclude that there was a strong positive correlational relationship between investigative independence and audit quality variables and there was evidently a positive relationship.

The results also showed a strong, positive and statistically significant relationship between reporting independence and audit quality ($r = .558, p < 0.01$). That is to say, changes in reporting independence are correlated with changes in audit quality. This is based on the

Pearson Correlation results which show reporting independence and audit quality with all the p-value less than 1%.

4.7 Diagnostic Tests

4.7.1 Tests of Normality

Using skewness statistic to analyze normality, the assumption is there is a skewness statistic less than -3 and more than 3, it means there is auto correlation hence not acceptable. From the analysis, our skewness statistic is between -3 and 3, meaning our data is normal and acceptable. SPSS runs two statistical tests of normality – Kolmogorov-Smirnov and Shapiro-Wilk. If the significance value is greater than the alpha value (we’ll use .05 as our alpha value), then there is no reason to think that our data differs significantly from a normal distribution – i.e., we can reject the null hypothesis that it is non-normal.

Table 4.13: Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Programming Independence	.377	370	.000	.629	370	.000
Investigative Independence	.194	370	.000	.916	370	.000
Reporting Independence	.179	370	.000	.938	370	.000
Audit Quality	.136	370	.000	.924	370	.000
Audit Capacity	.157	370	.000	.911	370	.000

a. Lilliefors Significance Correction

Source: (Field Study, 2020)

In table 4.13, both tests gave a significance value that’s less than .05, therefore, we can be confident that our data was normally distributed.

4.7.2 Collinearity Test

In table 4.14, the collinearity test was conducted. Collinearity implies two variables are near perfect linear combinations of one another. To detect multicollinearity in this study, a metric

known as the variance inflation factor (VIF), which measures the correlation and strength of correlation between the predictor variables was used. The tolerance levels are that a value = 1 indicates no correlation between a given predictor variable and any other predictor variables in the model. A value between 1 and 5 indicates moderate correlation, but not severe enough to require attention. A correlation between a particular predictor variable and other predictor variables in the model that could be considered severe is indicated by a value larger than 5. Therefore, the regression output's coefficient estimations and p-values are probably not trustworthy.

Table 4.14: Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	Programming Independence	.598	1.671
	Investigative Independence	.689	1.451
	Reporting Independence	.696	1.438
	Audit Capacity	.593	1.687

a. Dependent Variable: Audit Quality

Source: (Field Study, 2020)

Table 4.14 shows that all VIF values for the study's predictor variables are less than 5, indicating that multicollinearity won't cause issues for the regression model.

4.7.3 Autocorrelation Test

Using a value range of 0 to 4, where 2 indicates no autocorrelation, 0 to <2 indicates positive autocorrelation, and >2 to 4 indicates negative autocorrelation, the Durbin Watson test was used. Field (2009) recommends that values less than 1 or greater than 3 are definitely of concern.

Table 4.15: Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.631 ^a	.399	.392	.244	1.320

a. Predictors: (Constant), Audit Capacity, Investigative Independence, Reporting Independence, Programming Independence

b. Dependent Variable: Audit Quality

Source: (Field Study, 2020)

In table 4.15, Durbin-Watson is 1.320, which shows a positive autocorrelation. For this study, autocorrelation could have occurred since the data used is cross-sectional data and the participants were from a nearby geographic location and a similar environment and experience.

4.8 Regression Analysis

4.8.1 Programming Independence and Audit quality in MMC

The study's first objective sought to establish the relationship between programming independence and audit quality in Mbale Municipal Council. It was anticipated that programming independence would have a positive and significant relationship with audit quality outcome. Hence, the following hypotheses were tested:

H₀₁ There is no statistically significant relationship between programming independence and audit quality in Mbale Municipal Council.

The regression findings are as presented in table 4.16a, b and c:

Table 4.16a: Model Summary for Programming Independence and Audit Quality

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.406 ^a	.165	.162	.53368

a. Predictors: (Constant), Programming Independence

Source: (Fieldwork, 2020)

The R and R2 values are given in Table 4.16a. The simple correlation is represented by the R value, which is .406, indicating a strong degree of association. The dependent variable audit quality can account for a certain percentage of the overall variation in the dependent variable, programming independence, as indicated by the R2 value. This is statistically significant because 16.5% of the variation can be explained.

Table 4.16b: ANOVA for Programming Independence and Audit Quality

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.653	1	20.653	72.512	.000 ^b
	Residual	104.813	368	.285		
	Total	125.466	369			

a. Dependent Variable: Audit Quality

b. Predictors: (Constant), Programming Independence

Source: (Fieldwork, 2020)

The results in table 4.16b, shows a considerable relationship between programming independence and audit quality ($F = 72.512$). Hence an indication that programming independence is a significant predictor on audit quality. In this case, the p value equals .000, which is less than the level (.05), so we thus reject H_{01} that there is no statistical significance between programming independence and audit quality in Mbale Municipal Council.

Table 4.16c: Coefficients for programming independence and audit quality

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.413	.172		13.995	.000
	Programming Independence	.379	.044	.406	8.515	.000

a. Dependent Variable: Audit Quality

Source: (Fieldwork, 2020)

The study findings revealed that programming independence had $t = 8.515$; $p = 0.000 < 0.05$, implying that programming independence contributes 39.7% to audit quality in Mbale

Municipal Council, which shows a moderate positive relationship between programming independence and audit quality in Mbale Municipal Council.

The simple linear regression model equation was developed as shown below;

$$Y = 2.413 + 0.379X_1$$

4.8.2 Investigative Independence and Audit Quality in MMC

Objective two examined the relationship between investigative independence and audit quality in Mbale Municipal Council. It was anticipated that investigative independence is likely to have important implications on audit quality in MMC Uganda. Hence, the following hypothesis was tested:

H₀₂ There is no statistically significant relationship between investigative independence and audit quality in Mbale Municipal Council.

The regression findings are as presented in table 4.17a, b and c:

Table 4.17a: Model Summary for Investigative Independence and Audit Quality

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.526 ^a	.277	.275	.49665

a. Predictors: (Constant), Investigative Independence

Source: (Fieldwork, 2020)

Table 4.17a displays the *R* and *R*² values. The *R* value represents the simple correlation and is .526 indicating a high degree of correlation. The *R*² value indicates how much of the total variation in the dependent variable ‘audit quality,’ can be described by the independent variable ‘investigative independence’. In this case, 27.7 % can be explained, which is statistically significant.

Table 4.17b: ANOVA for Investigative Independence and Audit Quality

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.695	1	34.695	140.659	.000 ^b
	Residual	90.771	369	.247		
	Total	125.466	370			

a. Dependent Variable: Audit Quality

b. Predictors: (Constant), Investigative Independence

Source: (Fieldwork, 2020)

Table 4.17b results in relation to the one-way, between-subject's analysis of variance was unsuccessful in revealing a non-existing relationship investigative independence and audit quality ($F = 140.659$, $p = 0.000$). In this case, the p value equaled 0.000, which was less than the level (.05), so the null hypothesis H_0 that there is no statistical significance between investigative independence and audit quality in Mbale Municipal Council was rejected.

Results from table 4.18b show that for better audit quality, there is need to consider utilizing effective investigative independence. There is thus adequate evidence that investigative independence explains audit quality in Mbale Municipal Council. This outcome is in line with earlier findings by Lindberg and Beck (2004), who stated that investigative independence safeguards the auditor's authority to use the strategies anyway they see fit. As a result, he says, the company must respond to all inquiries about its operations and accounting practices and grant auditors unrestricted access to all corporate data.

The client firm is not permitted to impose any limitations on the gathering of audit evidence, as it is an indispensable procedure. Because it forms the basis of the confidence in the audit reports, investigative independence becomes the cornerstone of audit independence.

Table 4.17c: Regression Coefficients for Investigative independence and Audit Quality

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.899	.168		11.335	.000
	Investigative Independence	.519	.044	.526	11.860	.000

a. Dependent Variable: Audit Quality

Source: (Fieldwork, 2020)

The favorable *Beta* weight .519 (t=11.860) indicates improvement in audit quality, meaning at a 100% improvement the aspect of investigative independence improves audit quality by 51.9%, other factors held constant. This shows a moderate positive relationship between Investigative independence and audit quality in Mbale Municipal Council. The regression equation was generated as indicated below.

$$Y = 1.899 + 0.519X_2$$

4.8.3 Reporting Independence and Audit Quality in MMC

The third objective was meant to assess the relationship between reporting independence and audit quality in Mbale Municipal Council. The following hypothesis was tested;

H₀₃ There is no statistically significant relationship between reporting independence and audit quality in Mbale Municipal Council.

The regression findings are as presented in table 4.18 a, b, c.

Table 4.18a: Regression Model Summary for Reporting Independence and Audit Quality

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.558 ^a	.312	.310	.48444

a. Predictors: (Constant), Reporting Independence

Source: (Fieldwork, 2020)

In Table 4.18a the R^2 indicates how much of the total variation in the dependent variable that's audit quality can be influenced by the independent variable reporting independence. In this case, 31.2% can be explained, which is large enough.

Table 4.18b: ANOVA for Reporting Independence and Audit Quality

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	39.104	1	39.104	166.628	.000 ^b
	Residual	86.362	369	.235		
	Total	125.466	370			

a. Dependent Variable: Audit Quality

b. Predictors: (Constant), Reporting Independence

Source: (Fieldwork, 2020)

The results from one-way analysis of variance reveals a reliable significant relationship between reporting independence and audit quality ($F = 166.628$, $p = 0.000$). Since the p value equal to 0.000 is less than 5% level of significance, the null hypothesis H_{03} that there is no statistical significance between reporting independence and audit quality in Mbale Municipal Council was rejected. There is thus sufficient evidence that H_{03} reporting independence is a significant predictor of audit quality in Mbale Municipal Council.

Table 4.18c: Regression Coefficients for Reporting Independence and Audit Quality

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.694	.170		9.974	.000
	Reporting Independence	.557	.043	.558	12.908	.000

a. Dependent Variable: Audit Quality

Source: (Fieldwork, 2020)

Results in table 4.19c revealed that reporting independence had $\beta = 0.557$; $p=0.000<0.05$), implying that a unit increase in reporting independence had a significant effect of 55.7% audit

quality in Mbale Municipal Council. This shows a moderate positive relationship between reporting independence and audit quality in Mbale Municipal Council. The simple linear regression model equation was developed as shown;

$$Y = 1.694 + 0.557X_3$$

4.8.4 Multiple Regression Model Summary

To examine the relationship between auditor’s independence and audit quality in Mbale Municipal Council, the model $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$ was adopted. Result of regression analysis is shown below in table 4.19 a, b and c.

Table 4.19a: Multiple Regressions of Auditor’s Independence and Audit Quality

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.637 ^a	.406	.401	.45122

a. Predictors: (Constant), Programming Independence, Investigative Independence, Reporting Independence

Source: (Fieldwork, 2020)

As depicted in table 4.19a, the R^2 value indicates how much variation in the outcome variable is attributed to the predictor variables incorporated in the model. Basing on the model, the combined prediction of all the variables accounted for approximately 40.6 % of the total variation in audit quality output ($R^2 = .406$).

4.8.5 Analysis of Variance ANOVA)

When comparing the importance of the variation brought about by the explanatory variables on the response variable to the variation brought about by the residuals, the analysis of variance is essential. Random variability can be removed using the ANOVA, which facilitates the identification of significant differences and the visualization of the interactions between the relevant variables. However, the sum of squares determines the dispersions of the data points. Furthermore, the degree of freedom (df) is equal to the number of independent

components minus the calculated parameters. The correlation between the variables that have been drawn at different levels of a subdivided population is measured by the F-statistics. Furthermore, the residual of a sample is the difference between the sample and the estimated function value. The significance exemplifies the relationship between the variables.

Table 4.19b: Anova Results of Auditor’s Independence and Audit Quality

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	50.949	3	16.983	83.415	.000 ^b
	Residual	74.517	366	.204		
	Total	125.466	369			

a. Dependent Variable: Audit Quality

b. Predictors: (Constant), Programming Independence, Investigative Independence, Reporting independence.

Source: (Fieldwork, 2020)

The ANOVA model showed that the joint prediction of all the independent variables as depicted in Table 4.19b was statistically significant ($F = 83.415$, $p = .000$ which is less 0.05). Thus, the model was fit to predict audit quality using programming independence, investigative independence and reporting independence.

These outcomes are consistent with previous studies of Gopi and Ramayah (2017), Ramayah and Suki (2016). It is concluded that the more adherences to the standards and laid procedures, the audit process is, the more likely that audit quality will be upheld in Mbale Municipal Council, Uganda.

4.8.6 Regression Coefficients

The coefficients of this model are given as in the Table 4.19c.

Table 4.19c: Coefficients of Auditor’s Independence and Audit Quality

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	.955	.189		5.061	.000
Programming Independence	.075	.047	.080	1.573	.017
1 Investigative Independence	.293	.053	.296	5.571	.000
Reporting Independence	.389	.046	.390	8.487	.000

a. Dependent Variable: Audit Quality

Source: (Fieldwork, 2020)

As depicted in table 4.19c, programming independence was found to have a significant effect on audit quality in MMC (Beta value= .075) with a Standard Error of Estimate of 0.47 at 0.05 significance level. In other words, for Programming Independence, contributes 7.5% to audit quality in MMC. These outcomes are consistent with previous studies of Gopi and Ramayah (2017), Ramayah and Suki (2016). It is concluded that the more adherences to the standards and laid procedures, the audit process is the more likely that audit quality will be upheld in Mbale Municipal Council, Uganda.

Investigative Independence was also found to have a significant effect on audit quality in MMC (Beta value= .293) with a Standard Error of Estimate of 0.53. This meant that, investigative independence contributes 29.3% on audit quality. The result concurs with the findings of Luarn and Lin (2015) and Wang et al. (2013) where Investigative Independence was affecting the audit quality in the Local Government Units. Wang et al. (2013) found out that Investigative Independence had a significant positive effect on audit quality in the MMC. In a similar trend, the result of the present study also lends a support to the finding of Ramayah et al. (2006) who found out that Investigative Independence was a key factor to

audit quality in the Local Government Units by employees and non-employees of a particular municipality. This means, the more positive Investigative Independence, the more likely audit quality in Mbale Municipal Council, Uganda.

Reporting Independence on the audit process was found to have a significant effect on audit quality in Mbale Municipal Council, Uganda (Beta value= 0.389) with a Standard Error of Estimate of 0.046. In other words, reporting independence, contributes 38.9% to audit quality in Mbale Municipal Council Uganda. From the findings in table 4.19c, reporting independence had the highest influence on audit quality in Mbale Municipal Council, Uganda, when combined with programming and investigative independence.

These outcomes are in agreement with previous studies of White and Nteli (2015), Kobayashi, and Takeda (2010). This simply means that the higher the audit's Reporting Independence, the more likely the outcome will be accepted to have high quality. Consequently, this research goes further and answers the joint and individual contribution of Programming independence, Investigative Independence and Reporting Independence on Audit quality. It asserts that Reporting Independence and Investigative Independence have strong influence over the audit quality in Mbale Municipal Council, Uganda. Based on the findings, the study derived the following multiple linear regression model as shown below.

$$Y = 0.955 + 0.075X_1 + 0.293X_2 + 0.389 X_3$$

4.8.7 Auditors' Capacity in the Relationship between Auditor's independence and Audit Quality in MMC

The fourth objective of the study was designed to establish the extent to which auditors' capacity moderates the relationship between auditor's independence and audit quality in Mbale Municipal Council. Hence, the following three sub hypotheses were tested:

H_{O4a}. Auditor's capacity has no statistically significant role in the relationship between

programming independence and audit quality in Mbale Municipal Council

H_{04b}. Auditor’s capacity has no statistically significant role in the relationship between investigative independence and audit quality in Mbale Municipal Council

H_{04c}. Auditor’s capacity has no statistically significant role in the relationship between reporting independence and audit quality in Mbale Municipal Council

4.8.7.1 Auditor’s Capacity in the Relationship between Programming Independence and Audit Quality in MMC

Objective four (a) of the study sought to establish the moderating role of auditor’s capacity in the relationship between programming independence and audit quality in Mbale Municipal Council. The hypothesis stated that;

H_{04a}. Auditor’s capacity has no significant role in the relationship between programming independence and audit quality in Mbale Municipal Council.

The regression findings are as presented in table 4.20 a, b and c.

Table 4.20a: Moderating Effect of Auditor’s Capacity on Programming Independence and Audit Quality

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F	df1	df2	Sig. F Change
1	.406 ^a	.165	.162	.53368	.165	72.512	1	368	.000
2	.593 ^b	.352	.348	.47076	.187	105.957	1	367	.000

a. Predictors: (Constant), Programming Independence

b. Predictors: (Constant), Programming Independence, X1M

Source: (Fieldwork, 2020)

Findings in table 4.20a showed auditors capacity improves relationship between programming independence and audit quality by 18.7% ($R^2\Delta = .187$)

The Anova findings were as indicated in table 4.20b.

Table 4.20b: ANOVAa on Auditor’s Capacity, Programming Independence and Audit Quality

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	20.653	1	20.653	72.512	.000 ^b
	Residual	104.813	368	.285		
	Total	125.466	369			
2	Regression	44.134	2	22.067	99.575	.000 ^c
	Residual	81.332	367	.222		
	Total	125.466	369			

a. Dependent Variable: Audit Quality

b. Predictors: (Constant), Programming Independence

c. Predictors: (Constant), Programming Independence, X1M

Source: (Fieldwork, 2020)

The results of the investigation revealed that the ANOVA was $F(2, 367) = 99.575, p < 0.05$.

The moderating impact of the auditor's capacity in the relationship between programming independence and audit quality in MMC is thus well-represented by the regression model, which fits the data well. Thus, it was determined that the capacity of the auditor significantly modifies the relationship between programming independence and audit quality in the Mbale Municipal Council, rejecting the null hypothesis (HO4a).

Table 4.20c: Coefficientsa of Auditor’s Capacity, Programming Independence and Audit Quality

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2.413	.172		13.995	.000
1 Programming Independence	.379	.044	.406	8.515	.000
(Constant)	3.031	.164		18.536	.000
2 Programming Independence	.200	.069	.214	2.914	.004
X ₁ M	.107	.010	.756	10.294	.000

a. Dependent Variable: Audit Quality

Source: (Fieldwork, 2020)

The model shows that increase of programming independence moderated by auditor’s capacity increases audit quality by 0.756 units. Findings showed auditor’s capacity moderates the role of programming independence on audit quality in Mbale Municipal Council. The

implication is that; auditors with necessary competences, appropriate coaching or on-the-job training and a clear understanding of the company’s business will improve quality output.

Based on the above results the study derived the following simple linear regression model as shown below.

$$Y = 3.031 + 0.107 X1M$$

The results align with those of Sikka and Wasmott (2011), who found that the auditing profession supports the independence principle in defining, upholding, and expanding the scope and caliber of the field. Mashood and Afzal (2016) also hinted that an auditor's role contributes accountability, openness, equity, and integrity to an organization's operations.

4.8.7.2 Role of Auditor’s Capacity in the Relationship between Investigative Independence and Audit Quality in MMC

Sub objective two of the fourth objective sought to examine the moderating role of auditor’s capacity in the relationship between investigative independence and audit quality. The following hypothesis was tested;

Hypothesis (H_{04b}) stated that auditor’s capacity has no statistically significant role in the relationship between investigative independence and audit quality in Mbale Municipal Council. A linear regression was employed and findings are showed in table 4.21 a,b and c.

Table 4.21a: Moderating Role of Auditor’s Capacity in the Relationship between Investigative Independence and Audit Quality

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F	df1	df2	
1	.526 ^a	.277	.275	.49665	.277	140.659	1	368	.000
2	.642 ^b	.413	.409	.44811	.136	85.048	1	367	.000

a. Predictors: (Constant), Investigative Independence

b. Predictors: (Constant), Investigative Independence, X₂M

Source: (Fieldwork, 2020)

Results in table 4.21a showed auditors capacity improves relationship between investigative

independence and audit quality by 13.6% ($R^2\Delta = .136$)

Table 4.21b: ANOVAa on Auditor's Capacity, Investigative Independence and Audit Quality

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	34.695	1	34.695	140.659	.000 ^b
	Residual	90.771	368	.247		
	Total	125.466	369			
2	Regression	51.773	2	25.886	128.916	.000 ^c
	Residual	73.693	367	.201		
	Total	125.466	369			

a. Dependent Variable: Audit Quality

b. Predictors: (Constant), Investigative Independence

c. Predictors: (Constant), Investigative Independence, X2M

Source: (Fieldwork, 2020)

The study findings showed ANOVA findings $F(2, 367) = 128.916, p < 0.05$. Hence the regression model is a good fit of the data the moderating role of auditor's capacity in the role of investigative independence in audit quality in MMC.

The null hypothesis was therefore rejected and it was concluded that auditor's capacity significantly moderates on the role of investigative independence on audit quality in MMC Uganda.

Table 4.21c: Coefficientsa of Auditor's Capacity, Investigative Independence and Audit Quality

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.899	.168		11.335	.000
	Investigative Independence	.519	.044	.526	11.860	.000
2	(Constant)	2.575	.168		15.327	.000
	Investigative Independence	.032	.072	.033	.451	.002
	X2M	.095	.010	.669	9.222	.000

a. Dependent Variable: Audit Quality

Source: (Fieldwork, 2020)

Coefficient results in table 4.21c shows that an increase in investigative independence

moderated by auditor’s capacity increases audit quality by 0.669 units. This implied that auditor’s capacity moderates the role of investigative independence on audit quality in Mbale Municipal Council.

Based on the above results the study derived the following simple linear regression model as shown below.

$$Y = 2.575 + 0.095 X2M$$

4.8.7.3 Role of Auditor’s Capacity in the Relationship between Reporting Independence on Audit Quality in MMC

Sub objective three of the fourth objective sought to assess the moderating role of auditor’s capacity in the relationship between reporting independence and audit quality. The following hypothesis was tested;

Hypothesis (H_{04c}) auditor’s capacity has no statistically significant role in the relationship between reporting independence and audit quality in Mbale Municipal Council.

A linear regression was employed and findings are as indicated in table 4.22 a, b and c.

Table 4.22a: Model Summary of Auditor’s Capacity on Reporting Independence and Audit Quality

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F	df1	df2	
1	.558 ^a	.312	.310	.48444	.312	166.628	1	368	.000
2	.640 ^b	.409	.406	.44932	.098	60.761	1	367	.000

a. Predictors: (Constant), Reporting Independence

b. Predictors: (Constant), Reporting Independence, X3M

Source: (Fieldwork, 2020)

Table 4.22a indicates that auditor’s capacity improves relationship between reporting independence and audit quality by 9.8% ($R^2\Delta = .098$).

Table 4.22b: ANOVAa on Auditor’s Capacity, Reporting Independence and Audit Quality

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	39.104	1	39.104	166.628	.000 ^b

	Residual	86.362	368	.235		
	Total	125.466	369			
2	Regression	51.371	2	25.686	127.224	.000 ^c
	Residual	74.095	367	.202		
	Total	125.466	369			

a. Dependent Variable: Audit Quality

b. Predictors: (Constant), Reporting Independence

c. Predictors: (Constant), Reporting Independence, X₃M

Source: (Fieldwork, 2020)

The study findings showed ANOVA findings $F(2, 367) = 127.224, p < 0.05$). Hence the regression model is a good fit of the data the moderating role of auditor's capacity in the role of reporting independence on audit quality. The null hypothesis was therefore rejected and it was concluded that auditor's capacity significantly moderates on the role of reporting independence on audit quality in Mbale Municipal Council.

Table 4.22c: Coefficientsa of Auditor's Capacity, Reporting Independence and Audit Quality

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.694	.170		9.974	.000
	Reporting Independence	.557	.043	.558	12.908	.000
2	(Constant)	2.325	.177		13.126	.000
	Reporting Independence	.081	.073	.081	1.102	.017
	X ₃ M	.080	.010	.571	7.795	.000

a. Dependent Variable: Audit Quality

Source: (Fieldwork, 2020)

Coefficient results in table 4.22c shows that an increase in reporting independence moderated by auditor's capacity increases audit quality by 0.571 units. This implied that auditor's capacity moderates the role of reporting independence on audit quality in Mbale Municipal Council. Based on the above results the study derived the following simple linear regression model as shown below:

$$Y = 2.325 + 0.080 X3M$$

4.9 Comparison of the Direct Model and the Indirect Model on the Basis of Regression

Outputs

The study sought to establish the extent to which auditor's capacity moderate the relationship between auditor's independence and audit quality in Mbale Municipal Council.

The moderating variable, auditor's capacity was regressed on the independent variable auditor's independence. This step was meant to show that auditor's capacity and auditor's independence were significantly related. A multiple regression analysis was generated as shown in table 4.24a, b and c respectively.

Table 4.23a: Model Summary for Overall Moderating Effect of Auditor's Capacity

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.637 ^a	.406	.401	.45122	.406	83.415	3	366	.000
2	.702 ^b	.493	.485	.41863	.087	20.736	3	363	.000

a. Predictors: (Constant), Reporting Independence, Programming Independence, Investigative Independence

b. Predictors: (Constant), Reporting Independence, Programming Independence, Investigative Independence, X3M, X1M, X2M

Source: (Fieldwork, 2020)

Findings in Table 4.23a shows a moderating relationship between auditor's independence, auditor's capacity and audit quality, indicating that auditor's independence and auditor's capacity explained 49.3 % of the changes in Mbale Municipal Council. As the findings in model, one indicated that auditor's independence exclusively explained 40.6 % of the variance in audit quality, when combined with auditor's capacity they explain 49.3% of the variations in audit quality. Hence, auditor's capacity moderating effect on the relationship

between auditor's independence and audit quality is 8.7 %. ANOVA findings were as shown in table 4.23b.

Table 4.23b: ANOVAa for Overall Moderating Effect of Auditor's Capacity

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	50.949	3	16.983	83.415	.000 ^b
	Residual	74.517	366	.204		
	Total	125.466	369			
2	Regression	61.851	6	10.308	58.822	.000 ^c
	Residual	63.615	363	.175		
	Total	125.466	369			

a. Dependent Variable: Audit Quality

b. Predictors: (Constant), Programming Independence, Investigative Independence, Reporting Independence,

c. Predictors: (Constant), Programming Independence, Investigative Independence, Reporting Independent, X1M, X2M, X3M

Source: (Fieldwork, 2020)

The overall model was significant ($F = 58.822, \rho < .05$) and hence fit to predict the moderation of auditor's capacity between auditor's independence and audit quality.

Table 4.23c: Coefficientsa Overall Moderating Effect of Auditor's Capacity

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.955	.189		5.061	.000
Programming Independence	.075	.047	.080	1.573	.117
Investigative Independence	.293	.053	.296	5.571	.000

Reporting Independence	.389	.046	.390	8.487	.000
2 (Constant)	1.739	.208		8.379	.000
Programming Independence	.091	.258	.098	.354	.023
Investigative Independence	.914	.298	.926	3.070	.002
Reporting Independence	1.089	.236	1.092	4.617	.000
X ₁ M	.013	.065	.090	.195	.035
X ₂ M	.291	.075	2.044	3.896	.000
X ₃ M	.205	.060	1.456	3.438	.001

a. Dependent Variable: Audit Quality

Source: (Fieldwork, 2020)

As depicted in table 4.23c, product variable for Programing Independence and auditor's capacity (X₁M) was found to have a significant effect on audit quality in MMC (Beta value=.075) at 0.05 significance level. Further, product variable for Investigative independence and auditor's capacity (X₂M) was also found to have a significant effect on audit quality in the MMC (Beta value= 2.044) at 0.00 significance level.

The product variable for reporting independence and auditor's capacity (X₃M) was found to have a significant effect on audit quality in MMC (Beta value= 1.456) at 0.01 significance level. From the findings its noted that, product for investigative independence had the highest influence on audit quality followed by reporting independence and programming independence respectively.

Based on the findings, the study derived the following multiple linear regression model as shown below:

$$Y = 1.739 + 0.013X_1M + 0.291X_2M + 0.205X_3M$$

4.10 Summary of Hypotheses Testing Results

The results presented in Table 4.24 indicated the summary of both simple and multiple regression models. Thus, the table shows (R^2) and Δ in (R^2) for both main and interaction effects as well as the decision on the formulated hypothesis.

Table 4.24: Summary of Hypotheses Testing Results

Hypothesis Formulated	t – values	ρ – values	R^2	Decision
Main Effects				
Direct Model – Without Moderation				
	t – values	ρ – values	R^2	
H₀₁ : There is no statistical significant relationship between programming independence and audit quality in Mbale Municipal Council ($Y = \beta_0 + \beta_1X_1 + \varepsilon$)	8.515	0.000	0.165	Null Rejected
H₀₂ : There is no statistical significant relationship between investigative independence and audit quality in Mbale Municipal Council ($Y = \beta_0 + \beta_2X_2 + \varepsilon$)	11.860	0.000	0.277	Null Rejected
H₀₃ : There is no statistical significant relationship between reporting independence and audit quality in Mbale Municipal Council ($Y = \beta_0 + \beta_3X_3 + \varepsilon$)	12.908	0.000	0.312	Null Rejected
Moderation – Auditor’s Capacity				
	t – values	ρ – values	R^2	
H_{04a} : Auditor’s capacity has no statistically significant role in the relationship between programming independence and audit quality in Mbale Municipal Council ($Y = \beta_0 + \beta_1X_1m_1 + \varepsilon$)	10.294	0.000	0.352	Null Rejected
H_{04b} : Auditor’s capacity has no statistically significant role in the relationship between Investigative independence and audit quality in Mbale Municipal Council ($Y = \beta_0 + \beta_1X_1m_1 + \varepsilon$)	9.222	0.000	0.413	Null Rejected
H_{04c} : Auditor’s capacity has no statistically significant role in the relationship between reporting independence and audit quality in Mbale Municipal Council ($Y = \beta_0 + \beta_1X_1m_1 + \varepsilon$)	7.795	0.000	0.409	Null Rejected

Source: (Fieldwork, 2020)

From Table 4.24, the findings indicated that all the null hypotheses were rejected and were all positive and statistically significant to audit quality.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Discussion of Findings

The main objective of this study was to examine the relationship between auditor's independence and audit quality in Mbale Municipal Council. The moderating role of auditor's capacity. The study established the relationship between programming independence, investigative independence and reporting independence and audit quality in Mbale Municipal Council as moderated by auditor's capacity. From the findings of this study, it was established that auditor's capacity significantly moderates the relationship between auditor's independence and audit quality in Mbale Municipal Council.

5.1.1 The relationship between Programming Independence and Audit Quality

The first objective of this study was to establish the relationship between programming independence on audit quality in Mbale Municipal Council, Uganda. A sample survey was carried out in Mbale Municipal Council that was one of the local governments whose audit quality was rated as low for FY2015/16, 2016/2017 and 2017/2018 (GOU, 2017) to empirically examine this research objective.

Data analysis and interpretation revealed two major findings under this objective. It revealed that respondents were very highly in agreement that the auditor's strategy in the conduct of audit very highly determines the audit quality. If the audit process independence derived from the non-interference from the management and the obedience by the auditors to audit strategies then audit quality will be assured in the audit reports in Mbale Municipal Council. This study has verified that programming independence as a result of being compliance to the audit procedures and strategies besides non-infiltration by the management of audit process were some of the most important components of programming independence that determines

the quality of audit report especially in MMC.

The inferential analysis's findings showed that programming independence and audit quality had a statistically significant link. With a p value less than 0.05, Pearson's correlation between programming independence and audit quality was found to be moderate, positive, and significant. The results of this study supported those of Arens et al. (2010), who found that programming independence effectively safeguards the auditor's capacity to decide on the best course of action when carrying out an audit, which results in high-quality audits. They go on to say that the auditing industry is dynamic and that auditors may choose to employ newly developed and improved procedures.

Additionally, the study by Ayorinde et al. (2018) suggested that auditor independence be enhanced by adopting various actions to deal with the problems that can pose dangers to auditors. They added that among the measures would be a regular rotation of auditors, a reduction in auditor tenure, and reasonable audit fees.

This study further shows that there is management influence and modification of audit portions to suit their preference and this remains a quagmire to audit quality. This means that, to effectively attract audit quality in Mbale Municipal Council then management should stay clear from audit process to fight the dogma. This is interesting since management of these companies is felt to have contrary roles and intentions with the audit reports. Therefore, there is great need of understanding what could be making the revenue officers to have totally contradicting opinions on these two categories of employees within these companies. This is connected to the conclusions drawn by Olagunju (2011), who stated that it is evident that the independence of the auditors' programming is essential to the financial statements' credibility and that the users of the financial statements base their judgments on the auditors' opinion.

In a same vein, the standard (IAS 24) outlines a procedure that an auditor should adhere to when doing an audit but does not assign primary duty for the prevention of fraud to an auditor. It says that the auditor is required to take into account the possibility of a major misstatement in the financial statement as a result of fraud and error when organizing, carrying out, reporting, and assessing the audit method. The auditor programs his work without excessive interference in order to achieve this. For this reason, the study "The Impact of Audit Independence on Programming Independence: Adeyemi and Okpala (2021)" came to this conclusion. Based on evidence from Nigeria, it was determined that programming independence effectively safeguards the auditor's capacity to decide on the best course of action when carrying out an audit. Auditors ought to have the liberty to tackle a task in whatever way that they deem most appropriate.

The results of the study also indicated a strong correlation ($F = 16.758$) between programming independence and audit quality. We reject H_01 , which states that there is no statistically significant relationship between programming independence and audit quality at the Mbale Municipal Council, because the p value in this instance is .000, which is less than the level (.05). According to a different study by Maury (2000), programming independence must be devoid of bias, influence, or coercion in order to uphold the highest ethical standards for the accounting profession. Furthermore, the independent auditor must look impartial to those who depend on the audit's conclusions and must have no prejudice towards the client that is the subject of the audit.

Furthermore, as the quality of an auditor's view on a financial statement is significantly influenced by the audit quality (De Fond & Zhang, 2014), the difficulty in assessing audit quality is the primary factor driving the growing significance of programming independence. The auditor is an impartial reviewer, therefore there will be less opportunity to gauge the quality. According to Rajgopal, Srinivasan, and Zheng (2015), audit quality refers to an auditor's capacity to identify violations of generally accepted accounting principles without exerting excessive influence over audit programs. Because of this, the study also found no evidence of a positive, statistically significant correlation between audit quality and programming independence.

Furthermore, it was determined that programming an auditor's independence is a crucial audit function in a study by Nasution and Östermark (2019) on "the impact of auditors' awareness of the profession's reputation for independence on auditors' ethical judgment." This is due to the fact that it gives the auditor two benefits: it improves the auditor's credibility as a professional and the validity of the opinion the auditor expresses. The results of this study clearly show a direct correlation between auditor programming independence and audit quality.

5.1.2 The Relationship between Investigative Independence and Audit Quality

The second objective was to examine the relationship between investigative independence on audit quality in Mbale Municipal Council, Uganda. A sample survey was carried out in Mbale Municipal Council that was one of the local governments whose audit quality was rated as low for FY2015/16, 2016/2017 and 2017/2018 (GOU, 2017) to empirically examine this research objective.

From the study findings, changes in investigative independence are correlated with changes in audit quality. As per the study's second objective, this is based on the Pearson's Correlation results for the relationship between investigative independence ($r = 0.434$, $p < 0.000$). A similar study portrayed that the auditor should be free to collect and evaluate all the evidence deemed necessary without interference (Mutchler, 2003). This goes further in explaining the importance of investigative independence in achieving audit quality.

Data analysis and interpretation revealed reservations about the Investigative Independence's contribution to audit quality. This was evident from the moderate mean ratings of some items like 'The auditors have direct access to officers/employee of the company' and 'the auditors have access to other sources of information with respect to business activities'. Independence of audit investigation at face value remains contingent in audit quality but perhaps the respondents felt that in the conduct of the audit, some of the officers/employees of the company and other sources of information with respect to business activities are at sometimes reserved from the auditors. These findings are consistent with the Institute of Internal Auditors (2001), which states that an audit environment where an individual auditor or audit team performs assurance audit services should have investigative independence; that is, the individual auditor or audit team should not have any material conflicts of interest that could compromise their objectivity.

It was found out in this study that the p value equaled 0.000, which was less than the level (.05), so the null hypothesis H_{02} that there is no statistical significance between investigative independence and audit quality in Mbale Municipal Council was rejected. There is thus adequate evidence that investigative independence explains audit quality in Mbale Municipal Council. In another related study by Dart (2011) on "UK Investors' perceptions of auditor

independence,” it was found out that auditors’ investigative independence is necessary not only for the purpose of obtaining assurance on the financial statements, but also to prevent financial misstatement/ fraud.

Moreover, the values of R and R². The simple correlation is represented by the R value, which is 0.189, showing a strong degree of relationship. The adjusted R² value shows the extent to which the independent variable "investigative independence" can account for the whole variation in the dependent variable "audit quality." In this instance, a meagre 18.9% can be accounted for. Additional related research demonstrated a positive relationship between audit quality and investigative independence. Arens et al. (2010), for example, also noted that investigative independence safeguards the auditor's authority to apply the strategies anyway they see fit. Arens continues, saying that essentially, all firm data must be accessible to auditors without restriction, and the corporation must respond to any inquiries about its operations and accounting practices.

The client organization is not permitted to impose any limitations on the gathering of audit evidence, as it is a crucial procedure (Olagunju, 2011). The independence of internal auditors has a major impact on professional judgment, which impacts audit quality, according to Asmara (2017) in his paper "The Effects of Internal Auditors Competence and Independence on Professional Judgment: Evidence from Indonesia." This strengthens the study's associated conclusions, which showed a strong correlation between investigative independence and audit quality.

Additionally, according to Seol et al. (2011), the profession of auditing requires unique personal qualities, like independence, objectivity, and ethics, which are difficult to quantify or describe. The international standards for the professional practice of internal auditing define the fundamental rules in addition to personal abilities. Additionally, the audit activity and internal auditors' duties define a set of organizational and technical abilities needed for audit investigations. To attain audit quality, certain competencies are required (IIARF, 2013).

Lestari et al (2020) in their data analysis used the Partial Least Square test to examine the influence of the variables of auditors' investigative independence and audit quality. The results of this study concluded that audit quality could be influenced by auditors' professional commitment either directly or indirectly through auditors' investigative independence, while audit time budget pressure only indirectly affects audit quality through auditors' independence. These findings, according to Lestari et al, indicated that the majority of BPK RI auditors have conducted quality audits because they are parties with high professional commitment and parties who can work professionally under audit time budget pressure in every audit assignment by maintaining their investigative independence.

5.1.3 The relationship between Reporting Independence and Audit Quality

The third objective aimed at assessing the relationship between reporting independence and audit quality in Mbale Municipal Council, Uganda. A sample survey was carried out in Mbale Municipal Council that was one of the local governments whose audit quality was rated as low for FY2015/16, 2016/2017 and 2017/2018 (GOU, 2017) to empirically examine this research objective. Findings revealed that changes in reporting independence are correlated with changes in audit quality. This is based on the Pearson Correlation results which show reporting independence was positive and significant with all the p-value less than 5%. For

this reason, it is thus concluded that positive relationship exists between reporting independence and audit quality variables. This can be related to a study by Lestari et al (2020) that majority of BPK RI auditors cannot be influenced by personal interference or closeness with the audited entity to produce quality audit reports (LHP).

The study revealed that respondents overwhelmingly agreed that the Reporting independence (RI) is highly important when audit quality is to be guaranteed. It was further revealed that the respondents were very certain that there are no personal interests in the audit activity and no limitations of the examination of any activity/records. This is as reported by the persons (Town Clerks/Deputy Town Clerks, Local Council Officials, Revenue Officers, Internal Auditors and External auditors) involved in financial management especially with regard to auditing and accountability in Mbale Municipal Council. Another similar research study reported that auditor's opinion depends on or based on the audit findings (Tuanakotta, 2014). There are several important decisions that must be made by the auditor, before signing a report that contains his opinion and these decisions need be in accordance with the applicable financial reporting framework (ISA: 700.16).

The null hypothesis (H_{03}) that there is no statistically significant relationship between reporting independence and audit quality in Mbale Municipal Council was rejected since the p value of 0.000 is less than the 5% level of significance. These results align with Mandakranta's (2019) assertions that reporting independence safeguards auditors' discretion to decide which information to make public. Directors of the corporation will work to stop the auditors from disclosing any instances in which they misled shareholders by fabricating accounting data. This is the kind of circumstance when the independence of auditor reporting is most likely to be jeopardized. The study concluded that, from the findings, they found that all the countries they studied put emphasis on the reporting independence of auditors though

it is true that there is variation amongst the countries in this respect.

The respondent's low rating was surprisingly antagonistic, as it was noted that auditors are free from any sense of obligation or loyalty to the company and that they avoid the practice of excluding significant matters from formal reports in favor of including them in any informal report. Reports from auditors are transparent reports in every sense. To be more specific, it was discovered that a major barrier to reporting independence and, consequently, quality audit in the Local Government Units, particularly in the Mbale Municipal Council in Uganda, was the practice of leaving important matters out of the formal report in favor of including them in any informal report. As the auditors decide on what and otherwise to include in the audit report, the respondents were hesitant as per whether all the significant matters are always included in the audit report especially in MMC.

A significant degree of association is indicated by the simple correlation's R value of 0.227. The adjusted R² shows the percentage that the independent variable reporting independence can account for in explaining the overall variation in the dependent variable, audit quality. In this instance, a sufficient amount of 22.7% can be explained. Only when the auditor is allowed to publish the audit's findings without hindrance can this be accomplished (Mutchler, 2003). Moreover, Adeyemi and Okpala (2021) contend that an impartial and manipulative-free auditor's report is necessary in order to make the right decisions. The auditor should be dissuaded from offering non-audit services in order for them to be able to accomplish this effectively (Olagunju, 2011; Arens et al., 2010). This means that in order to provide audit quality, reporting independence works in harmony with investigative and programming independence.

In a different study by Kumar (2019) titled "Literature Review on Methodological Aspects of Reporting Independence & Materiality Perspective," it was highly advised that reporting and disclosure be trustworthy in order to achieve the study's primary goals. This is so because auditing is one of the external factors that is required by global regulations. Therefore, adhering to regulatory obligations depends heavily on reporting independence. According to a different study by Brown (2011), the auditor modifies the threshold of materiality based on the qualitative data at hand in order to guarantee the caliber of reporting, rendering the misstatement qualitatively insignificant. However, if reporting independence is lacking, the auditor may only have a limited window of time to do his reporting freely, which would degrade the audit quality and make such adjustments impossible.

Therefore, in this study, reporting independence was found to have a significant positive relationship with audit quality and the hypothesis HO₃ of the study was rejected. The findings interrelated with results of other scholars' studies on the related research areas of reporting independence and audit quality. Thus, we can reliably state in this study that the reporting independence of auditors requires greater and due respect that it deserves. Once this has been done, from the research findings, audit quality will no longer be a wish for the interested parties, but rather, an achievement worth celebrating.

5.1.4 The Moderating Role of Auditor's Capacity in the Relationship Between Auditor's Independence and Audit Quality

The fourth objective was to establish the moderating role of auditor's capacity in the relationship between programming independence and audit quality in Mbale Municipal Council, Uganda. A sample survey was carried out in Mbale Municipal Council that was one of the local governments whose audit quality was rated as low for FY2015/16, 2016/2017

and 2017/2018 (GOU, 2017) for multiple regression moderation analysis to examine this research objective. The outcomes revealed that auditors' independence with moderation effects of audit capacity contributed significantly to the audit quality in the Local Government Units especially in Mbale Municipal Council in Uganda.

Data analysis and interpretation revealed major findings. Most persons (Town Clerks/Deputy Town Clerks, Local Council Officials, Revenue Officers, Internal Auditors and External auditors) involved in financial management especially with regard to auditing and accountability in Mbale Municipal Council indicated that the audit capacity catalyzes positively the relationship between auditors' independence and quality audit.

Finally, this research looked at the joint contribution of Programing independence, Investigative Independence and Reporting Independence and Audit quality moderated by Audit Capacity. A joint interplay, without auditors' capacity asserts that Reporting Independence and Investigative Independence have strong influence over the audit quality in the Local Government Units in Mbale Municipal Council, Uganda. Meanwhile, overall, the study found out that auditor's capacity in the relationship between auditor's independence and audit quality in Mbale Municipal Council, Uganda is significant.

Changes in the link between the independence of the auditor and the quality of the audit are generally correlated with changes in audit capacity. This is predicated on the findings of the Pearson Correlation, which indicate audit capacity with a p-value of less than 5%. Thus, it can be said that there is a positive correlation between audit capacity and the relationship between the independence of the auditor and audit quality. This relates to Frank's (2007) assertion that auditor independence increases the dependability of financial statement users on the financial reporting process and helps to ensure high-quality audits. He continued by

saying that even in situations where their independence is questioned or they find themselves in a potentially dangerous situation, an independent auditor is still capable of making independent audit decisions.

With the moderating impacts of audit capacity, programming, investigative, and reporting independence all showed a significant positive beta, indicating that audit capacity is improving the predictive association between the independence of the auditor and audit quality. Every variable made a substantial contribution to the Mbale Municipal Council's audit quality. Reporting Independence of the audit process made the most significant contribution to audit quality in Mbale Municipal Council

5.2 Conclusions

Basing on the study findings, we can conclude that there was a relationship between programming independence and audit quality variables in Mbale Municipal Council. This was confirmed by the result of the study's inferential statistics that showed significant relationship between the two variables of programming independence and audit quality. The study thus comes forward to state that audit quality derives its improvement from the level of programming independence that auditors yield in the process of carrying out their auditing duties. This further means that an auditor who lacks programming independence cannot be trusted to deliver audit results as he/she can easily be compromised in the process.

It is therefore pertinent for auditors to note that they are required to persist and command programming independence, day in and day out, during audit activities. Once an auditor realizes that they have lost their independence to organize quality audit programs without any undue influence, the best course of action should be to not continue with the audit or find other mitigating factors that can enable him regain his independence in drawing or carrying out audit programs. Overall, this study seeks to put forward a conclusion that without

programming independence, audit quality should not even be anticipated, whether after three separate external audits or even a hundred audits.

Bringing the study's second goal—examining the connection between investigative independence and audit quality in the Mbale Municipal Council—to light, the findings showed a strong correlation. Because of this, we can say that there was a clear positive correlation and strong association between the audit quality indicators and investigative independence. This relationship therefore means that for audit quality to improve in Mbale Municipal Council, the responsible stakeholders should rally behind establishing stronger investigative independence marks that can be utilized as a bench-mark for other municipalities in the country.

In a case where investigative independence fails to be properly observed and adhered to, the level of audit quality should not be expected to improve. The study, having been informed by other scholars' results maintains that developing nations have a greater need to strengthen the investigative independence of its auditors such that instances of corruption, abuse of office, fraud, and other vices that are deafening diseases that are eating all over governments are checked.

A dependable and substantial association between audit quality and reporting independence has been found in the Mbale Municipal Council, according to a one-way analysis of variance. This study is related to other authors' findings and conclusions that contribute to reporting independence. Because of this, auditors who lose their independence are less likely to disclose problems, which lowers the caliber of the audit. In addition, compromised auditors may not produce reliable audit reports and if the reports are not credible, investors, creditors, and other stakeholders will have impending trouble with the concerned entity as the decisions

they will be making will not be as sound as they should have been.

Furthermore, lack of reporting independence could mean the audit team would be reporting without some grey matters discovered in the audit process, which will affect the quality of the report. Henceforth, this study concludes that auditors can have all the programming independence that they need, they can possess the independence to carry out their audit investigations smoothly, but without reporting independence, all other independence is invalid – cancelled.

This study investigated the relationship between auditor's independence and audit quality the moderating role of auditor's capacity in Mbale Municipal Council, Uganda. Programming independence, investigative independence, and reporting independence were used as determinants of audit quality in Mbale Municipal Council, Uganda. The moderating effects of audit capacity on the audit quality determinants were established through linear regression. It was intended to determine whether audit capacity has any effect on the relationship that initially existed between auditor's independence and audit quality.

This drew from the perspectives of the persons (Town Clerks/Deputy Town Clerks, Local Council Officials, Revenue Officers, Internal Auditors and External auditors) involved in financial management especially with regard to auditing and accountability in Mbale Municipal Council, Uganda. This was in line with the need to understand if auditor's independence constructs like programming independence, Investigative independence and Reporting independence, moderated by auditor's capacity are in place, and then the output would be auditing quality. This would give the auditor the ability to select, implement and reveal information without bias.

The study specifically sought to determine whether audit capacity is enhancing the predictive relationship between audit independence and audit quality in Mbale Municipal Council, Uganda. It also intended to establish if there exists a relationship between programing independence, investigative independence, reporting independence as constructs of audit independence and audit quality in Mbale Municipal Council, Uganda. The study established that most respondents were slightly satisfied with the audit quality without audit capacity insights hence the above average contributions of all the determinants in the study.

It was further established that with the moderating effects of audit capacity, programing independence of the auditor ranked low among the respondents though they insisted that it plays a major role as a determinant of audit quality. The reporting independence was found to be high and the persons (Town Clerks/Deputy Town Clerks, Local Council Officials, Revenue Officers, Internal Auditors and External auditors) involved in financial management especially with regard to auditing and accountability in Mbale Municipal Council, Uganda were comfortable with it. Based on the results of this study, it was concluded that auditors should have the necessary experience and an understanding of company's businesses

5.3 Recommendations

This study adds a great deal to our understanding of the connection between the independence of the auditor and the caliber of the audit in MMC. The capacity of the auditor's moderating role. In addition, it offers insight into the requirements and preferences of the auditor, which may be necessary for Local Government Units and Government Policy-Making Arms to deliver better audit services. Several recommendations are given in accordance with the study's aims in light of these findings, which could be helpful to MMC and other relevant authorities.

In objective one, the researcher recommends that the Ministry of Local Government offers auditors with an opportunity to be guided by the audit processes and the auditors should select the most appropriate strategies when conducting audit. In doing this, they should not compromise the programming independence of the auditors. This can be done by allowing auditors to inquire according to their needs, but not to be prompted by any representative of the Local Government Unit under audit. If there is audit process independence, derived from the non-interference from the management and the obedience by the auditors to audit strategies, then audit quality will be assured in the audit reports in Local Government Units. Furthermore, the researcher recommends that the auditors espouse audit-programming technology such as Metric Stream Audit Management, Intalex Audit Software, and Master Control Audit Management use of computerized auditing software or mobile applications. This software helps streamline audit processes and ensures high-level compliance across all audit programming. They are also attributed to quality management, health, safety, and environmental protection. It is therefore important that the auditors adopt this software in carrying out their duties.

In objective two, the researcher recommends that Local Government Units, under the guidance of the Ministry of Local Government should give direct access to their employees/staffs and all sources of information with respect to all the activities of the Local Government Units. Independence of audit investigation is a major determinant of quality audit hence in the conduct of the audit, some of the officers/employees of the company and other sources of information with respect to business activities should never be reserved from the auditors.

Furthermore, the researcher, in pursuit of audit quality in MMC, recommends that Parliament of Uganda mandates the adoption of instant forensic technology used in acquiring audit evidence. Such technologies may range from IBM Security QRadar, Forensic Toolkit, DYMO Mapper, to Screaming Frog. This software is rated to have the capability to aggregate security information from hardware, network logs, and files to present audit professionals with a full picture of the likely causes of audit incidents.

For objective three, the researcher recommends that avoidance of the practice of excluding significant matters from the formal report on favour of their inclusion in an informal report of any kind is a significant obstacle to reporting independence and by extension quality audit in the Local Government Units especially in Mbale Municipal Council in Uganda. This is a great contribution to theory since it challenges the present status quo of audit theory. As the auditors decide on what and otherwise to include in the audit report, all the significant matters should always be included in the audit report especially in the Local Government Units.

Relatedly, the audit reporting hierarchies should be streamlined and respected. When auditors have information, there should be a clear governance structure on who should be accorded with what kind of information by the auditors and the information flow should never be interrupted. The researcher further recommends that government through its policy making and implementation arms implements the institution of audit reporting software in all their operations. Without specialized technology today, keeping security and controls clean and current is extremely difficult. Therefore, adopting reporting software such Oracle ERP Cloud, Gensuite, Qualityze and Auditor, has become not only a good decision but also an urgent task for every audit firm.

For objective 4a, b and c, the researcher recommends that for quality audit, the Ministry of Local Government and its sister organs should not only emphasize on auditor's independence

but also the necessary competences for appropriate execution of the audit. There should be clearer understanding by the auditors to the business activities of the company. Auditors should also ensure to keep up-to-date with the necessary audit competences needed in the constantly changing technological era. This is in addition to having sound judgment, participating in risk management, overseeing and reviewing the work completed, having a high level of staff continuity, having enough time to complete the audit, being reachable to the management and those in charge of governance, and engaging teams in a well-structured way, among other things.

5.4 Future Research

The integrated model created for this thesis offers a methodical approach to comprehending the connection between audit quality and the independence of the auditor. The intended auditors' moderating function in auditor capacity. Nonetheless, there are still a number of worthwhile topics for investigation in the future. The current study's findings, for instance, are restricted to the moderating effect of the auditor's capacity in the relationship between audit quality and independence in the Mbale Municipal Council in Uganda. Subsequent investigations could utilize or duplicate this analysis in alternative contexts, including the entirety of Ugandan municipalities or Local Government Units, on a regional or even worldwide scale. This would be helpful in proving the model's external validity.

Furthermore, testing and examining the model created for this study in various contexts, such as NGOs or private practices or businesses, will be an intriguing area for future research. This will be helpful in demonstrating the research model's resilience in various organizational and cultural contexts. It is acknowledged that the model's resilience may change in various organizational and cultural contexts, necessitating empirical testing (Mao and Palvia, 2016).

Furthermore, the cross-sectional survey used to gather the data for this study means that longitudinal data will be required in future research to determine the moderating impact of auditor capacity in the association between auditor independence and audit quality. Previous research suggests that people's perceptions are shaped by experience, time, and ongoing input from their environment (e.g. Venkatesh and Davis, 2000; Davis et al., 1989). Therefore, it is anticipated that subsequent research will examine the results of this study through more thorough analyses utilizing longitudinal data. To improve the research's capacity for generalization, a bigger sample size would be needed.

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APPENDICES

APPENDIX I: Questionnaire

Dear Respondent,

I am Masakala Kamuli Chris, a PhD Student of Kisii University, Kenya undertaking a study on “The relationship between Auditor’s Independence and Audit Quality. The moderating role of auditor’s capacity in Mbale Municipal Council Uganda.” You have been identified as a potential respondent and I kindly you to complete this questionnaire as honestly as possible. Your participation is voluntary and you are free to withdraw participation when you feel like. The information you provide will be kept confidential and be used for academic purposes only. Please sign here below if you have consented to participate in the study.

Signed: Respondent.
Thank You.

Section A: Background Information

For this section, tick in the appropriate box.

1. Gender 1. Male 2. Female
2. Age bracket 20– 25yrs 2. 26 – 30 yrs. 3. 31 – 35 yrs 4. 36-40 yrs
5. Above 40 yrs
3. Highest educational level 1. Masters 2. Bachelor’s degree 3. Diploma

Section C: Investigative Independence

To what extent do you agree with the following statements on investigative independence of auditors?

Scale: 1. Strongly Disagree (SD) 2. Disagree (D) 3. Not Applicable (N/A)
 4 Agree (SA) 5. Strongly Agree (SA)

Sn	ITEMS	1	2	3	4	5
1	The auditors have free access to all company books/records					
2	The auditors have direct access to officers/employee of the company					
3	The auditors have access to other sources of information with respect to business activities					
4	The auditors have access to any other company obligations/resources.					
5	There is active cooperation from managerial personnel during the course of the auditors' examination.					
6	There is no any managerial attempt to assign or specify the activities					
7	There is no managerial attempt to decide on what is to be examined					
8	There is no managerial influence in establishing the acceptability of evidential matter					
9	There are no personal interests in the audit activity					
10	There are no relationships leading to exclusion from the audit activity					
11	There are no limitations of the examination of any activity/records					
12	There are no restrictions to consulting with any person that may be included in the audit					

Section D: Reporting Independence

The following statements are attributed to reporting independence; what is your evaluation on the level of agreement to the following attributes of reporting independence.

Scale: 1. Strongly Disagree (SD) 2. Disagree (D) 3. Not Applicable (N/A)
 4 Agree (SA) 5. Strongly Agree (SA)

Sn	ITEMS	1	2	3	4	5
1	Auditors are free from any feeling of loyalty or obligation to the company					
2	Auditors choose to reveal to the public any information they believe should be disclosed					
3	Auditors are free to modify the impact of reported facts on any party					
4	There is avoidance of the practice of excluding significant matters from the formal report on favour of their inclusion in an informal report of any kind					
5	There is avoidance of intentional or unintentional use of ambiguous language in the statement of facts, opinions, and recommendations and in their interpretation.					
6	Management does not attempt to overrule the auditor’s judgment as to appropriate content of the audit report either factual matter or his opinion.					
7	Audit reports are written in a manner that conveys clearly the auditor’s opinion on the financial statements					
8	Audit reports address the needs of users of financial statements in the context of applicable law/regulations					
9	Auditors’ reports properly conclude as to the truth/fairness of the financial statements					
10	Auditors’ reports are transparency reports in all ways.					
11	The annual reports provide an aggregate view on the results of audit firm inspections					
12	The auditors are free to make reports to financial and prudential regulators					

Section E: Audit Quality

In your personal assessment, what is the extent at which you agree with the following aspects of audit quality?

Scale: 1. Strongly Disagree (SD) 2. Disagree (D) 3. Not Applicable (N/A)
 4 Agree (SA) 5. Strongly Agree (SA)

Sn	ITEMS	1	2	3	4	5
1	The audit process truly present the audit findings in the accounting system of its client for the public interest					
2	There are clear governance arrangements in place that establish independence of the auditors					
3	The auditors present the personal characteristics essential to audit quality					
4	Financial considerations do not drive actions/decisions that may have a negative effect on audit quality					
5	The auditors emphasize the importance of access to high-quality technical support					
6	The auditors exercise a culture of consultation on difficult issues					
7	The auditors have robust systems for making client acceptance and continuance decisions.					
8	Auditors exhibit professional scepticism in their work when in dealing with issues identified during the audit					
9	Auditors have sufficient experience in audit work					
10	The audit methodology/tools applied to the audit are well structured					
11	The auditors provide for compliance with auditing standards without inhibiting the exercise of judgments					
12	Audit quality control procedures are effective, understood and applied					
13	High quality technical support is available when the audit team requires it or encounters a situation it is not familiar with					
14	The objectives of ethical standards are achieved, providing confidence in the integrity, objectivity and independence of the auditor					
15	The collection of sufficient audit evidence is not inappropriately constrained by financial pressures					

Section F: Audit Capacity

For this section, you are required to indicate whether you;

Scale: 1. Strongly Disagree (SD) 2. Disagree (D) 3. Not Applicable (N/A)
 4 Agree (SA) 5. Strongly Agree (SA)

Sn	ITEMS	1	2	3	4	5
1	The auditors have the necessary competences to appropriately execute the audit					
2	The auditors have a clear understanding of the company's business.					
3	The auditors are capable of making reasonable judgments.					
4	The auditors are actively involved in risk assessment, planning, supervising, and reviewing the work performed.					
5	The auditors have sufficient experience in audit work					
6	The auditors' work is appropriately directed, supervised and reviewed					
7	There is a reasonable degree of staff continuity.					
8	The auditors have sufficient time to undertake the audit in an effective manner.					
9	The auditors are accessible to management and those charged with governance					
10	The auditors have sufficient time to deal with difficult issues as they arise					
11	The engagement teams are properly structured					
12	The more senior auditors provide less experienced staff with timely appraisals and appropriate coaching or on-the-job training					

Thank you for participating in this study

END

APPENDIX II: Interview Guide for key Informants

The following items will be used to collect data during face-to-face interviews with key informants.

ITEMS

1. What do you have to say about the auditing process in Mbale Municipal Council?
2. How does Mbale Municipal Council secure their Auditors?
3. Does Mbale Municipal Council have both internal and external Auditors?
4. If yes, are their roles clearly defined?
5. Auditors' Independence is very important in the auditing process. Would you say that auditors of Mbale Municipal Council are independent? Please explain.
6. In respect of programming independence, how does the latter affect audit quality in Mbale Municipal Council? Please, kindly elaborate on your response.
7. What do you have to say about effect of investigative independence on audit quality in Mbale Municipal Council?
8. Comment on the effect of reporting independence on audit quality in Mbale Municipal Council.
9. On the whole, what is the effect of auditors' independence on audit quality in Mbale Municipal Local Government?
10. What advice would you offer to management of Mbale Municipal Council with respect to auditors' independence and audit quality in Mbale Municipal Council?

APPENDIX III: Risk Mitigation Plan for Conduct of Research Amidst COVID-19 Pandemic

The current novel coronavirus disease 2019 (COVID-19) pandemic has led to substantial changes in health risks and daily interactions. Through these and other challenges, the pandemic is affecting ongoing research as there is urgent need for risk mitigation through interventions aimed at preventing participants from contracting COVID-19. Thus, there is need for meaningful alterations to the implementation of protocol-specified procedures for adherence and involvement of study participants. The researcher, in a bid to protect study participants has planned to mitigate study risks using the strategies listed below;

1. The researcher and research assistants will clean their hands often using soap and water, or an alcohol-based hand rub. All research participants will undergo the washing hands practice and sanitizing in every engagement with the research team.
2. The research team will ensure to maintain a safe distance from the participants and or among participants.
3. The research personnel will always and at all times wear masks in addition to physical distancing. Where possible, the researcher will offer a mask to a participant who does not have one.
4. All research personnel will be advised and encouraged not to touch their eyes, nose or mouth.
5. Both the research team and participants will be advised to cover their nose and mouth with bent elbows or a tissue when they cough or sneeze.
6. In case of any suspected Covid-related symptoms, either from the research team members or participants, they will be required to stay home until they are well and proven safe from the Covid-19 infection.
7. In case of any suspected infection, the researcher will immediately contact the Ministry of Health through its Toll Free Numbers: 0800-203-033 / 0800-100-066 / 0800-303-033.
8. Table tops and any other surfaces the research team will use will be sanitized during the interaction. Any shared equipment will be disinfected each time they are shared. Participants will be requested to place the consents in a box after signing it and after showing your signature to the researcher so that the research team does not touch them

Chris Masakala Kamuli- Researcher
0772- 475101

APPENDIX IV: Research Permits



KISII UNIVERSITY

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SCHOOL OF BUSINESS AND ECONOMICS

OFFICE OF THE COORDINATOR, POST-GRADUATE PROGRAMMES

Ref: KSU/SBE/DCB10/10529/16

Monday, 10th February, 2020

The Director,
National Commission for Science, Technology &
Innovation (NACOSTI)
NAIROBI.


Dear Sir,

REF: APPLICATION FOR A RESEARCH PERMIT FOR
MASAKALA CHRIS KAMULI REG. NO. DCB10/10529/16

The above named is a PhD student in our institution who intends to carry out a Research. The intended study is titled; "The role of Audit Capacity in the relationship between Auditor's Independence and Audit Quality in Mbale Municipal Council, Uganda".

The purpose of this letter is to request you to give him a research permit to enable him conduct the research.

Thank you.


Dr. Joshua Wafula, PhD
COORDINATOR, POST-GRADUATE PROGRAMMES

WJC/pa

KISII UNIVERSITY IS ISO 9001:2008 CERTIFIED



RESEARCH PERMIT LETTER 2

THE TOWN CLERK
MBALE MUNICIPAL COUNCIL

Dear Sir/Madam,

Re: PhD (Doctor of philosophy) Academic Research

Christian greetings!

Mr. Chris Masakala Kamuli of Registration Number; **DCB10/ 10529/16** pursuing a PhD Business administration –Accounting from Kisii University Kenya. He is required to carry out an academic research/project on the topic: **The Role of Audit Capacity in the Relationship between Audit independence and Audit Quality in Mbale Municipal Council** and thereafter produce three copies (9) of well bound hard cover research report (**block**) in color for Postgraduate students as a University requirement for the award of a PhD (Doctor of philosophy) in Business administration - Accounting degree in the academic discipline that he is pursuing.

I shall be grateful for the help you may offer to him accordingly.

Thank you.

Yours faithfully,



Chris Masakala Kamuli
PhD Research student

Granted

14.9.




For Town Clerk
Mbale Municipal Council

RESEARCH PERMIT 3

Republic of Kenya
National Commission for Science, Technology and Innovation

Ref No: **925471**

RESEARCH LICENSE




This is to Certify that Mr. Chris Kamuli Masakala of Kisii University, has been licensed to conduct research in Baringo on the topic: The role of Auditor's Capacity in the relationship between auditor's independence and audit Aquality in Mbale Municipal Council- Uganda for the period ending : 09/June/2021.

License No: **NACOSTI/P/20/5144**

Applicant Identification Number: **925471**

Director General
NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION

Verification QR Code



NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

RESEARCH PERMIT LETTER 4

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013

The Grant of Research Licenses is Guided by the Science, Technology and Innovation (Research Licensing) Regulations, 2014

CONDITIONS

1. The License is valid for the proposed research, location and specified period
2. The License any rights thereunder are non-transferable
3. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research
4. Excavation, filming and collection of specimens are subject to further necessary clearance from relevant Government Agencies
5. The License does not give authority to transfer research materials
6. NACOSTI may monitor and evaluate the licensed research project
7. The Licensee shall submit one hard copy and upload a soft copy of their final report (thesis) within one month of completion of the research
8. NACOSTI reserves the right to modify the conditions of the License including cancellation without prior notice

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off Waiyaki Way, Upper Kabete,
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Mobile: 0713 788 787 / 0735 404 245
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Website: www.nacosti.go.ke

RESEARCH PERMIT LETTER 5

Telephones: General Line: 039-3280584
041-4671162

E-mail: mrrhrec@gmail.com



MINISTRY OF HEALTH
MBALE REGIONAL HOSPITAL
P.O. BOX 921
Mbale – Uganda

THE REPUBLIC OF UGANDA

In any correspondence on this

Subject, please quote: MRRHREC-OUT- 12/2020

Date: 24th November 2020

MRHREC ACCREDITED BY THE UNCST, REGISTRATION NUMBER UG-REC-011

REC APPROVAL NOTICE

To: CHRIS MASAKALA
Principal investigator

Our e-Ref: MRRH- 2020/12 co-opted to MRRH-REC OUT 079/2020

Re: MRRH-2020-12: THE ROLE OF AUDITOR'S CAPACITY IN THE
RELATIONSHIP BETWEEN AUDITOR'S
INDEPENDENCE AND AUDIT QUALITY IN MBALE
MUNICIPAL COUNCIL, UGANDA, 1.0, 2020-06-11

Type: Initial Review
 Protocol Amendment
 Letter of Amendment (LOA)
 Continuing Review
 Material Transfer Agreement
 Other, Specify _____



Re: Full Approval for the informed consent form amendments to include the contact detail suggested on table 1 and the Risk Management.

Thank you for submitting the above study which Mbale Regional Referral Hospital Research and Ethics Committee (MRRH-REC). The Committee first reviewed the above application during the review Meeting #04 convened on 28/07/2020. In line with the application that you submitted on the Fri, Oct 23, 1:28 PM 2020 following UNCST's, recommendations, MRRH-REC during the 18th expedited review meeting of 24th November 2020 reviewed the above application. I am glad to inform you that the committee voted to approve the above requested amendments.

Approval of the research is for the period of 12 months as indicated in the stamp 24/11/2020 to 05/10/2021

You are responsible for fulfilling the following requirements of approval:

1. All Co-investigators must be kept informed of the status of the research.
2. Changes, amendments, and addenda to the current protocol version (2020) or the consent form must be submitted to the REC for review and approval **prior** to the activation of the changes. The REC application number (**e-Ref: MRRH- 2020/12**) assigned to the research should be cited in any correspondence.
3. Reports of unanticipated problems involving risks to participants or other must be submitted to the REC. New information that becomes available which could change the risk: benefit ratio must be submitted promptly for REC review.
4. Only approved consent forms are to be used in the enrollment of participants. All consent forms signed by subjects and/or witnesses should be retained on file. The REC may conduct audits of all study records, and consent documentation may be part of such audits.
5. Regulations require review of an approved study not less than once per 12-month period. **Therefore, a continuing review application must be submitted to the REC eight weeks**

prior to the above expiration date in order to continue the study beyond the approved period. Failure to submit a continuing review application in a timely fashion may result in suspension or termination of the study, at which point new participants may not be enrolled and currently enrolled participants must be taken off the study.

6. The following (in **table I**) is the list of all documents reviewed and Amendments approved in this application by Mbale Regional Referral Hospital Research and Ethics Committee.

Table 1: Documents Reviewed and Approved

DOCUMENTATION	Section	VERSION	DATES
Protocol / Proposal THE ROLE OF AUDITOR'S CAPACITY IN THE RELATIONSHIP BETWEEN AUDITOR'S INDEPENDENCE AND AUDIT QUALITY IN MBALE MUNICIPAL COUNCIL, UGANDA.	English	1.0	10 th July 2020
Informed consent form: Amendment: placing the name of MRRH REC chairperson before provision of his contacts; the word assent removed; revised contact for UNCST as 0414705500; mobile contact of researcher should be filled in where there is a statement, 'I may contact ...' as opposed to leaving space to be filled in and there should be a statement that research participants may contact you in case of study related queries	English,	1.	10 th July 2020
Risk Management Plan For Covid 19	English,	1.	23 October 2020
Data collection tools. Appendix III Appendix B: Interview Guide for the Women and their significant others	English	1.1	10 th July 2020

7. You are required to Notify Uganda National Council for Science and Technology (UNCST) about these Changes.

On behalf of the Mbale Regional Referral Hospital Research & Ethics Committee (MRRH-REC), I

wish you the best in your study.

Yours sincerely 24 NOV 2020  05 OCT 2021


MBALE REGIONAL REFERRAL HOSPITAL
RESEARCH & ETHICS COMMITTEE
(MRRH- REC)

Mr. Francis Okello BSc. MSc. (QE)

Secretary MRRH-REC.

APPENDIX V: Map of Mbale Municipal Council

