

*Full Length Research Paper*

## Accountability of local government authorities: A developing economy perspective

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The purpose of this study is to report the contribution of internal controls and managerial competencies on accountability of Local Government Authorities (LGAs). This study is cross sectional and correlational. Data were collected through a questionnaire survey of 73 sub counties from which 64 responded and the questionnaire was designed on a 5 point Likert scale. The study's unit of analysis was a sub county. Senior Assistant Secretaries (SAS) and Sub Accountants (SA) were the study's unit of inquiry. Data were analyzed through correlation coefficients and ordinary least squares regression using Statistical Package for Social Sciences. The results indicate that internal controls and managerial competencies are significant predictors of accountability of LGAs. However, information technology and control environment as components of internal controls individually do not have a significant association with accountability of LGAs. The study findings further indicate that experience as a dimension of managerial competencies has no significant relationship with accountability of LGAs. The study is limited to LGAs of developing countries particularly those of African setting and it is possible that the results are only applicable to Uganda's LGAs. Nevertheless, the findings have implications to Governments who may be wishing to improve accountability of their LGAs. To the researchers' knowledge, this is the first paper to examine the contribution of internal controls and managerial competencies to accountability of LGAs in a single study in a developing country.

**Key words:** Accountability, Uganda, sub county, managerial competencies, internal controls.

### INTRODUCTION

The purpose of this study is to report the contribution of internal controls and managerial competencies to accountability of local Government Authorities in Uganda – a developing economy. This study is motivated by the

likelihood of accountability in ensuring efficient utilization of both financial and non-financial resources for better services delivery (Mzenzi and Gasper, 2015; Lodhia and Burrit, 2010). Stewart (1984) defines accountability as a

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relationship between different parties that is to say, the party that accounts and is held to account and the party that holds the other to account. In this study, we define accountability as the process of reporting on how appropriated funds have been utilized. Accountability of Local Government Authorities (LGAs) is critical since LGAs are accountable to the local community for their decisions, actions and services and thus must demonstrate a strong sense of responsibility in the use of public resources (Elad et al., 2009; Lodhia and Burritt, 2010; Dellaportas et al., 2012; Monfardini, 2010). Elad et al. (2009) points out that shareholders (tax payers) provide resources to state institutions (LGAs), and this calls for the need by managers of these state institutions to demonstrate a sense of responsibility in the use of such resources provided otherwise, these shareholders may decline to provide further resources. Dellaportas et al. (2012) indicate that charities while performing their selfless activities must provide a report to the donors justifying how the previous donated funds were spent before receiving further funds. Equally, politicians worldwide who are agents to voters have been forced to disclose more information to gain public confidence (Monfardini, 2010).

In Uganda, accountability failures in LGAs continue to raise (Auditor General reports, 2013 to 2015) despite the various offices like Office of the Auditor General which is responsible for the audit of government bodies, Inspectorate of Government whose mission is to promote good governance, accountability and the rule of law in public offices, the police among other monitoring mechanisms put in place like boards. This poses a question of what exact mechanism can be employed in LGAs to ensure accountability. Previous studies indicate various explanations of variances in accountability of LGAs for example external auditing (Mzenzi and Gasper, 2015), the audit trinity (Porter, 2009), systems of accounting (Nyamori, 2009), governance (Dunne, 2013; Dellaportas et al., 2012). In this study, we explore managerial competencies and internal controls as possible explanations of accountability of LGAs. As per the researchers' knowledge, no study has employed managerial competencies and internal controls as explanations of accountability of LGAs in a developing economy like Uganda where there is decentralisation in a single study. Previous studies have defined competencies as a panoply of the characteristics (skills, attitudes and abilities), behaviours and traits necessary for job performance (Abraham et al., 2001; Albanese, 1989; Koenigsfeld et al., 2012; Qiao and Wang, 2009; Dessler, 2009).

We thus define managerial competencies in this study as a combination of attitude of a manager, skills possessed by a manager, experience and knowledge of a manager in performing work. In his guest editorial, internal controls are a mechanism used by organisational

leaders to convey the strategy, vision and the desires to the rest of the organisation and internal controls exist in the form of standards, policies, procedures and rules (Pathak, 2005). However, Zakaria et al. (2016) describes internal controls as policies and procedures established to provide reasonable assurance that the specific entity objectives will be achieved. Internal controls include the control activities, control environment, risk assessment, information technology and monitoring activities (Zakaria et al., 2016; Pathak, 2005).

Findings of this study are important for a number of reasons. First, it adds on the existing literature in the area of accountability of LGAs in a developing country. This study provides an initial empirical account of the contribution made by managerial competencies and internal controls on accountability of LGAs. Second, it provides recommendations to improve accountability of LGAs in developing countries especially in Uganda and any other countries who may be experiencing similar situations. Lastly, the community is now made aware of their right to demand for accountability. The community has to demand for accountability for the taxes paid directly to LGAs and those to central government.

## LITERATURE REVIEW

### Theoretical foundation

In this study, the stakeholder theory is used to explain the relationship between internal controls, managerial competencies and accountability of LGAs. The stakeholder theory requires management of various institutions to know the various stakeholders of such institutions. The perceptions surrounding stakeholder theory mean that managers of entities (LGAs) should be aware of the various user needs of the LGAs' financial statements to the extent that shareholders need to make a decision on whether to keep providing finances to government without complaints or cease to support government operations. The stakeholder theory is to the effect that the entity (for this case LGAs) satisfies all the needs of stakeholders and this can be done through provision of quality financial statements and being fiscally compliant (Abor, 2015; Christopher, 2010; Donaldson and Preston, 1995). To achieve quality financial statements, there is need for proper record keeping in terms of complete and accurate payment vouchers, invoices, cash receipts and books of accounts. In some cases, especially in Africa, not all transactions can be supported with source documents (receipts, invoices, payment vouchers) but financial statements will be prepared. However, this theory only requires managers to design appropriate strategies in addressing stakeholders' interests. Abor (2015) further asserts that managers must treat all the stakeholders' interests as important to the

firm in equal terms. Key stakeholders may thus require financial statements and other activities of the organization verified by an auditor (Mzenzi and Gaspar, 2015) so that there are no material misstatements. To achieve this, management must have the necessary competencies like skills, abilities and experience to prepare error free financial statements and internal controls must be in place. In forming an opinion by auditors, it is clear that, it is the role of management to prepare financial statements that are free from material misstatements (ISA 700, 2016) and this can be achieved when management is competent with effective internal controls in place. Therefore, internal controls and managerial competencies are typical determinants of accountability of LGAs.

Having considered stakeholder theory in explaining LGAs' accountability, it is now suitable to gain an understanding of what other researchers have found in the area of accountability of LGAs and how the existing literature has led to the development of hypotheses to guide this current study.

### **Internal controls and accountability**

Abdirisq and Yassin (2014) argue that internal control is at the heart of accountability for a nation's resources and how effectively government uses them. Abdirisq and Yassin (2014) further explain that internal controls serve as the first line of defense in safeguarding assets and preventing and detecting errors and fraud. Ebaid (2011) found out that 94% of internal audit time in Egyptian listed firms is spent on financial audit and internal control activities while the remaining 6 percent of internal audit time is spent on risk management activities, consulting activities, and corporate governance activities.

Sanusi and Mustapha (2015) indicate that in Nigeria, majority of the respondents (60%), strongly agree that adequate verification of vouchers and other financial documents is one of the major control mechanism that could be used to enhance good internal control and financial accountability in the local government council and few respondents (15%) believe that adequate verification of vouchers and other financial documents is a control mechanism used to ensure good internal control and financial accountability. Sanusi and Mustapha (2015) further reveal that majority of the respondents (more than 65%) agree that approval and confirmation of financial transaction, adequate control over cash and bank balances as well as severe punishment for blundering officers are the key control mechanisms that can be used to ensure good internal control and financial accountability in the local government council and less than 30% have weak belief on this as a control tool.

Mzenzi and Gaspar (2015) found out that accountability of LGAs in Tanzania is not proper because of internal

auditors not performing their duties as expected and one such duty is the review and evaluation of internal controls. It has also been argued that some of the recent challenges regarding financial accountability in the developing nations like Uganda can be attributed to weak control systems (El-Nafali, 2008).

From this line of argument, deficiencies in the control systems give room to misuse of public resources, low levels of transparency and provision of doctored financial statements. Thus internal controls act as a framework that facilitates financial accountability. In this study, we try to re affirm that there is a relationship between internal controls and accountability by hypothesizing that:

H1: there is a positive relationship between internal controls and accountability of LGAs

### **Managerial competencies and accountability**

Abaraham et al. (2001) investigated competencies that managers must possess and whether those competencies are considered for appraisal purposes. Abraham et al. (2001) found out 23 competencies and confirmed that they are considered for appraisal purposes. These competencies include the following; communication skills, customer focused, team work, interpersonal skills, trustworthiness, ability in foreign languages, problem solver, purposeful, technical expertise, flexibility, staff developer, experience, results oriented, leadership skills, hard work, quality focus, uncompromising, self-consciousness, time manager, professional dress, imaginative (creativity or inventiveness), safety consciousness and risk taker.

Diane et al. (2012) argues that managerial competencies provide a sound basis for an improved accountability and for the case of LGAs, the sub accountants must have the technical competence for example the sub accountants should have received training in accounting. In addition, Martina et al. (2012) indicates that the dynamic business environment requires managerial competencies to achieve strategic organizational goals since skills are observed as a significant tool for achieving accountability in any business setting. Karmen et al. (2014) found that managerial competencies are associated with the organizational structures and studied these structures in terms of market performance (customer satisfaction, product quality, innovativeness and market share), process oriented and project structures.

In a bid to emphasize on the various roles people in management positions play to ensure accountability, Klein (2009) argued that management competencies are vital. In particular, the scholar argued that managers have to act as role models for others to enhance accountability,

and be able to coach and instruct them on how to go about their work. This therefore would call for competencies such as the technical ability or the leading competencies. In this study, we hypothesize that:

H2: Managerial competences is positively associated with accountability of LGAs

## METHODOLOGY

### Research design, population and sample

This study employs a cross sectional and correlational research design to investigate accountability of LGAs of a developing economy. Cross sectional research design is a type of observational study that analyzes data collected from a population, or a representative subset, at a specific point in time while correlational research design is a quantitative method of research in which there are 2 or more quantitative variables from the same group of subjects from which a relationship can be determined if it exists or not. This study's population was 90 sub counties of Busoga region in Uganda (AG report, 2014) from which a sample of 73 sub counties was determined using Krejcie and Morgan (1973) table of sample selection approach and employed the rotary method of selecting the subjects. Of the 73 sub counties, completed questionnaires were received from 64 sub counties indicating a response rate of 87%. The response rate was high for a survey of this type considering that previous studies involving such surveys are known to generate lesser percentage response rates. The higher percentage response rate was possible because respondents were given 5 months to complete the questionnaire and a number of call backs were made. This study's unit of analysis was a sub county and the unit of inquiry was the Senior Assistant Secretary (SAS) and the Sub Accountant (SA).

### Measures and the questionnaire

A five point Likert scale questionnaire ranging from strongly disagree to strongly agree designed to measure the opinion of a respondent was utilized. This study utilizes a questionnaire with close ended questions since it is aimed at calculating the mean ratings of the extent of agreement with the statements given. The questionnaire is adopted for this study because it is suitable for collecting data from many respondents within a short period of time. The questionnaire design is based on reviewing the existing literature on internal controls, managerial competencies and accountability. We operationalize internal controls by measures as control environment, risk assessment, monitoring activities, information technology and control activities (Mohapatra et al., 2015; Zakaria et al., 2016; Pathak, 2005). Managerial competencies was operationalized in terms of attitudes, skills, abilities, experience and knowledge (Koenigsfeld et al., 2012; Qiao and Wang, 2009; Dessler, 2009; Perdue et al., 2000). The dependent variable for this study is accountability which is operationalized using measures as fiscal compliance and financial reporting (Baron, 2007; Nyamori, 2009; Nurunnabi and Kamrul, 2012).

### Validity and reliability

This study utilizes factor analysis based on principal components, content validity index and Cronbach (1951)  $\alpha$  to examine the validity

and reliability of the scales as measures of the study constructs. To establish convergent validity, the principal components for each variable was extracted by running principal component analysis using varimax rotation method and factor loadings below 0.5 coefficients were suppressed to avoid extracting factors with delicate loadings. Before executing the principal component analysis for our scales, we assessed the suitability of the data for factor analysis based on sample size adequacy, the Kaiser-Meyer-Olkin (KMO) and Bartlett tests. The KMO and Bartlett (1954) test of sampling adequacy was computed to ensure that factor analysis yields different and reliable factors (Kaiser, 1974). The KMO values for internal controls, managerial competencies and accountability are 0.712, 0.784 and 0.779 respectively. The KMO values for the predictor and outcomes variables are all above 0.5 which is acceptable. Bartlett's test of sphericity in all scales also reached statistical significance. For reliability, the Cronbach's reliability index was used. Field (2009) explains that a Cronbach's  $\alpha$  values of 0.7 to 0.8 is acceptable and Cronbach's  $\alpha$  values substantially lower than 0.7 indicate an unreliable scale. This study's cronbach  $\alpha$  values for internal controls, managerial competencies and accountability were 0.700, 0.754 and 0.778 respectively. Kline (1999) notes that although the generally accepted value of 0.8 is appropriate for cognitive tests such as intelligence tests, for ability tests a cut-off point of 0.7 is more suitable.

### Model and definition of variables

The study utilizes ordinary least squares (OLS) multiple regression model in investigating the effects of internal controls and managerial competencies on accountability of LGAs. The choice of OLS was dictated by the nature of the dependent variable (it is not a binary variable). Specifically, the model below was tested (Table 1).

$$ACC = \beta_0 + \beta_1 ICS + \beta_2 MC + \epsilon_j$$

## RESULTS

### Demographic characteristics

The male respondents were 65 (or about 55%) and the female respondents were 53 (or about 45%), and this means that in Uganda, the male are more into government employment compared to their counterparts. Majority of the respondents were aged between 38 to 47 years representing 40% of the respondents and 54% had served LGAs for 4 years and above implying that there was maturity in interpreting and answering the questionnaire. About 48% had completed university education (bachelor's degree) and only 11% had post graduate education while 31% had completed ordinary diplomas and 10% had certificates which means that the respondents had the capability of interpreting the questionnaire.

### Descriptive statistics

We generated means and standard deviations to summarize the observed data and this is because means represent a summary of data and standard deviations

**Table 1.** Measurement of the dependent and independent variables.

Variable	Acronym	Variable description
Dependent		
Accountability	ACC	Measured by average score of questions on fiscal compliance and financial reporting
Independent		
Internal controls	ICS	Average score of questions on the control environment, control activities, risk assessment, monitoring activities and information technology
Managerial competencies	MC	Average score of questions on skills, experience, abilities and attitudes
$E_j$		Error term

**Table 2.** Descriptive statistics.

Item	Min	Max	Mean	Std. Deviation	Skewness	Kurtosis
Attitudes	1.86	5.00	3.575	0.657	-0.226	-0.324
Abilities	2.40	4.70	3.779	0.566	-0.573	-0.124
Experience	1.80	4.90	3.562	0.735	-0.550	-0.389
Skills	2.30	4.80	3.709	0.606	-0.195	-0.450
Managerial competencies	2.50	4.83	3.656	0.483	0.109	-0.275
Control activities	2.67	4.83	3.830	0.534	-0.266	-0.766
Monitoring activities	2.67	5.00	3.841	0.566	-0.128	-0.660
Control environment	2.00	5.00	4.012	0.512	-1.390	3.197
Risk assessment	2.50	5.00	3.615	0.672	0.320	-0.990
Information technology	2.75	5.00	3.985	0.453	-0.378	0.176
Internal controls	3.30	4.62	3.856	0.307	0.431	-0.352
Fiscal compliance	1.80	4.90	3.732	0.664	-0.361	-0.064
Financial reporting	2.38	5.00	4.014	0.555	-0.864	0.780
Accountability	2.53	4.85	3.873	0.507	-0.082	-0.442

Source: Primary data.

indicate how well the means epitomize the data (Field, 2009). The main objective here is to establish whether the statistical means are a good fit for the observed data (Field, 2009). The mean and standard deviation for internal controls, managerial competencies and accountability is 3.856 and 0.306, 3.656 and 0.483, and 3.872 and 0.507, respectively.

The standard deviations are closer to each other and this implies that there are minimal variations in perceptions of accountability of LGAs. The mean values are higher for all the study variables implying that they are all relevant. However, internal controls has a much higher mean value than managerial competencies implying that it is more relevant for improving accountability of LGAs.

According to Field (2009) and Nkundabanyanga et al. (2015), when deviations are small compared to mean values, it is obvious that the data points are close to the means and hence calculated means highly represent the observed data (Table 2).

We further present skewness and kurtosis values in Table 2 for assessing normality of the data since Pearson correlation coefficient requires data to be normal. Nkundabanyanga et al. (2014) and Tabachnick and Fidell (2007) maintain that normality of variables enhances the solution and such normality tests are done using measures of variation and specifically skewness and kurtosis whose values should be zero.

According to Garson (2012), a skew should be within +2 to -2 range when the data are normally distributed and a skew of +1 to -1 is also acceptable. Garson (2012) further explains that once kurtosis is within the range of +2 to -2, the data set are normally distributed.

Field (2009) explains that, normal data will have values of skewness and kurtosis ranging from 3.29 to -3.29. Field (2009) further demonstrates that, positive values of skewness indicate a pile up of scores on the left of the distribution whereas negative values indicate a pile up on the right. Field (2009) further explains that positive values of kurtosis indicate a pointy and heavily tailed distribution

whereas negative values indicate a flat and light tailed distribution. Table 2 results indicate that our data set is normally distributed with values falling into the range of 3.29 to -3.29.

### Correlation analysis results

We employ Pearson correlation coefficient to investigate the study variables. Pearson correlation coefficient was adopted for this study as it is a parametric statistic and requires interval data for both variables (Field, 2009) and to test its significance, normality is assumed. Parametric statistics assumes that the sample data comes from a population that follows a probability distribution based on a fixed set of parameters.

Correlation results indicate that there is a positive relationship between internal controls and accountability in Local Governments and thus *H1* which states that there is a positive relationship between internal controls and accountability of LGAs is supported. The implication of this finding is that in Local Governments, internal controls which is a summation of control activities, control environment, monitoring activities, risk assessment and information technology should be given attention to achieve accountability.

However, control environment and information technology as individual components of internal controls have no significant association with accountability of LGAs. Results further indicate that there is a positive relationship between managerial competencies and accountability in Local Governments and therefore *H2* which states that Managerial competences is positively associated with accountability of LGAs is substantiated. To improve accountability of LGAs managerial competencies are also critical. There is need to improve the attitudes, skills, experience and abilities of managers to improve accountability of LGAs and this can be done through recruiting experienced accountants and senior assistant secretaries, organise trainings for such staff to equip them with more skills and instil a positive attitude in them towards their jobs. Experience in its own capacity has no significant association with accountability.

### Multiple regression results

We further employ ordinary least squares multiple regression to establish the contribution of each predictor variable on to the outcome variable. Results indicate that internal controls and managerial competencies explain 32.8% of the variance in accountability of LGAs (Adjusted  $R^2 = .328$ ). The adjusted  $R^2$  provides an idea of how well the model generalizes the study variables and every researcher would like the Adjusted  $R^2$  values to be the same as or close to  $R^2$ .

For this study, the difference for the model is  $0.349 - 0.328 = 0.021$ . The shrinkage of 0.021 (2.1%) means that if the model were derived from the population rather than a sample, it would account for approximately 2.1% less variance in the outcome.  $R^2$  is a measure of how much of the variability in the outcome is accounted for by the predictors (Field, 2009).

Multicollinearity which is a situation in which two or more variables are very closely linearly related was tested using tolerance statistics and Variance Inflation Factor (VIF). Tolerance statistics measure multicollinearity and are simply the reciprocal of VIF ( $1/VIF$ ). Field (2009) recommended that tolerance values below 0.1 indicate a serious multicollinearity problem and tolerance values below 0.2 indicate a potential problem. VIF is another measure of multicollinearity and it indicates whether a predictor has a strong linear relationship with other predictor(s). Myers (1990) suggests that a value of 10 is a good value at which to worry. For this study, the VIF values are all below 10 and the tolerance statistics are above 0.2. Therefore, there were no multicollinearity problems in our data (Tables 3 and 4).

### DISCUSSION

Based on the current results, managerial competencies and internal controls are a mechanism for ensuring accountability of LGAs.

The stakeholder theory suggests that all stakeholders should be planned for by the organization especially in terms of consideration for information availability on how the entity is performing. It is important that in Uganda, before a manager or a head of a local government is appointed, past experience, abilities and skills are paramount. The candidate for the position of senior assistant secretary who is the Chief Executive Officer of a sub county must have served at a lower level in the local government especially as a parish chief for some years. The sub accountant (the accountant of a sub county) must as well have served as a cashier or in any other capacity in the office of the accountant or should have been an accountant. Further, the attitude towards job performance of both the sub accountant and the senior assistant secretary (locally known as Gombolola chief) should be positive. To occupy the office of the sub accountant and the senior assistant secretary, one should possess skills and abilities like communication skills which are vital for improving accountability of LGAs.

The components of an internal control system which include the control environment, control activities, information technology, monitoring activities and risk assessment are vital for improving accountability of LGAs. Management is responsible for designing and implementing internal controls in an organization but this

**Table 3.** Zero order.

Variable	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Attitudes (1)	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Abilities (2)	0.207	1	-	-	-	-	-	-	-	-	-	-	-	-
Experience (3)	0.347**	0.441**	1	-	-	-	-	-	-	-	-	-	-	-
Skill (4)	0.361**	0.579**	0.609**	1	-	-	-	-	-	-	-	-	-	-
Managerial competencies (5)	0.645**	0.712**	0.817**	0.837**	1	-	-	-	-	-	-	-	-	-
Control activities (6)	0.697**	0.060	0.018	0.332**	0.365**	1	-	-	-	-	-	-	-	-
Monitoring activities (7)	0.066	0.589**	0.403**	0.611**	0.540**	0.094	1	-	-	-	-	-	-	-
Control environment (8)	0.360**	0.123	0.185	0.138	0.272*	0.212	0.022	1	-	-	-	-	-	-
Risk assessment (9)	0.272*	0.309*	0.489**	0.445**	0.508**	0.248*	0.354**	-0.112	1	-	-	-	-	-
Information technology (10)	-0.059	0.112	0.152	0.244*	0.147	0.072	0.326**	0.077	0.064	1	-	-	-	-
Internal controls (11)	0.489**	0.447**	0.475**	0.653**	0.682**	0.583**	0.660**	0.389**	0.636**	0.494**	1	-	-	-
Fiscal compliance (12)	0.480**	0.567**	0.395**	0.682**	0.692**	0.469**	0.509**	0.200	0.409**	0.177	0.649**	1	-	-
Financial reporting (13)	0.380**	0.020	-0.048	0.146	0.162	0.481**	-0.083	0.170	0.093	-0.067	0.214	0.382**	1	-
Accountability (14)	0.522**	0.382**	0.232	0.525**	0.542**	0.570**	0.288*	0.223	0.318**	0.079	0.541**	0.863**	0.797**	1

\*\*Correlation is significant at the 0.01 level (2-tailed); \*Correlation is significant at the 0.05 level (2-tailed) (Source: Primary data).

**Table 4.** Multiple regression analysis.

Variable	Unstandardized coefficients		Standardized coefficients	t	Sig.	Collinearity statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	0.587	0.659	0	0.891	0.377		
Managerial competencies	0.338	0.147	0.322	2.298	0.025	0.535	1.870
Internal controls	0.532	0.232	0.322	2.295	0.025	0.535	1.870

R=0.590 R<sup>2</sup>=0.349; Adjusted R<sup>2</sup>=0.328; F change=16.59 df1=2 df2=62; Durbin Watson=1.888 (Source: Primary data).

can be done only when management has the necessary competencies. The control environment includes the governance and management functions and the attitudes, awareness and actions of those charged with governance and management concerning the entity's internal control and its importance in the Local Government Authorities. A strong Internal Control environment provides a good basis for the other components of the internal control. For example, if management has a negative attitude towards control in general, this will undermine the effectiveness of other controls no matter how well they were designed. However, our findings indicate that, the control environment when taken in isolation does not have a significant relationship with accountability.

The findings of this study regarding the positive relationship between internal controls and accountability of LGAs are consistent with those of Abdirisaq and Yassin (2014) who argued that internal control is at the heart of accountability for a nation's resources and how effectively government uses them. However, Mzenzi and Gasper (2015) assert that accountability of LGAs in Tanzania is not proper given that auditors do not perform their duties as expected. So, in any government entity,

once there are any accountability failures, the implication is that management overrides internal controls or the monitoring mechanism for internal controls is weak. For managerial competencies, our results agree with the findings of Diane et al. (2012) who argued that management competencies are vital and as such managers have to act as role models for others to enhance accountability, and be able to coach and instruct them how to go about their work.

## Conclusion

This study aimed to establish the contribution of internal controls and managerial competencies to accountability of LGAs of a developing country like Uganda. To achieve this, we used a questionnaire survey of 64 sub counties of Busoga region in Uganda. We use Pearson correlation coefficient and ordinary least square multiple regression analysis to analyse the data. Results of this analysis indicate that managerial competencies and internal controls contribute significantly to accountability of LGAs.

This study's results are important to both researchers/

academicians and society for example, managerial competencies and internal controls are a mechanism for enhancing accountability of LGAs. Those charged with governance of LGAs should put emphasis on internal controls and managerial competencies through ensuring that, the process of recruitment is transparent to enable those with the necessary skills, abilities and experience to be selected for the job. Internal controls should also be reviewed consistently and a strong monitoring mechanism needs to be put in place. Society too can always demand for accountability of their resources. Whereas there is a notion that tax is a non-*quid pro quo* payment, in the current situation where accountability failures continue to increase at an increasing rate, such a notion may only be applicable where society is satisfied with government spending.

As with any study, this study has a number of limitations for example, the study was cross sectional. This implies that a change in behaviour over time was not monitored. Further, the study did not allow respondents to freely express their feelings on accountability since the study used close ended questionnaires. Regardless of the above limitations, this study can still be useful for managers and those charged with governance of various public sector entities in different national settings to improve accountability. However, further research may investigate the appropriate mechanism for accountability in the private sector or even in the public sector in any other national setting.

## CONFLICT OF INTERESTS

The authors have not declared any conflict of interests.

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