Internal controls and service delivery in the health service sector of Uganda

A Case of: Masaka District Local Governments

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Dedication

I dedicate this research to my friend Godfrey Muhumuza, my parents Mr &Mrs Kizza Dennis and my sister Tina who have provided me with the inspiration, support, and encouragement over this long journey. Special appreciation goes to Godfrey for the support rendered to me since I started this course up to its completion.

Many thanks to Mum and Dad who have brought me a long way since childhood and always asked how school was going, stating their pride in my efforts. Without their support, this course may not have been completed. Mum and Dad, may you draw inspiration from this report to do great.

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Research, an absolutely difficult and time consuming undertaking, is one adventure that can only be done with maximum support.

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Acronyms and Abbreviations

ACCA – Association of Chartered Certified Accountants

AGM – Annual General Meeting

AIDS – Acquired Immunodeficiency Syndrome

ARVS – Anti Retro Virals

CCM – Cold Chain Management

CQI – Continuous Quality Improvement

DQA – Data Quality Assessment

EMTCT – Elimination of Mother To Child Transmission

FY – Financial Year

HIV – Human Immunodeficiency Virus

HMIS – Health Management Information System

HPV – Herpes Simplex Virus

IAS – International Accounting Standards

IPT – Intermittent Preventive Treatment

IT – Information Technology

ISO – International Standards Organization

MCH – Maternal Child Health

MoH – Ministry of Health

NP – Net Profit

QI – Quality Improvement

SD – Standard Deviation

SPSS – Statistical Package for the Social Sciences

TT – Tetenus Toxoid

VHTs – Village Health Teams

WHO – World Health Organization

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Abstract

This study looked at internal controls and service delivery in the health service sector of Uganda with a case of Masaka District Local Government. Specifically the study reviewed control environment, control activities, monitoring and evaluation and how they affected health service delivery in District Local Governments.

The study adopted a case study design and had a study population of 202 and a sample size of 133 which was derived from the Krejcie and Morgan sampling table (1970). Stratified random sampling method was used by the researcher in data collection.

The empirical data was analyzed both quantitatively and qualitatively to examine the relationship between internal controls and health service delivery.

The key findings of the study indicated that internal controls i.e. control environment, control activities, monitoring & evaluation have a positive and significant effect on health service delivery. Therefore, it was concluded that control environment has positive effect on health service delivery; control activities have a very strong positive relationship on health service delivery; and monitoring & evaluation has a positive effect on health service delivery.

From the study, it was recommended that the existing internal controls be revised and strengthened to further improve health service delivery; the controls be thoroughly reviewed and adherence enforced; while monitoring & evaluation be carried out. It was recommended that more investment should be devoted on control environment; keen attention should be employed in improving activities like proper segregation of duties, performance reviews, physical controls, risk mitigations, approvals, authorizations, proper management of human capital, budget reviews, authorization lines, strict logins which would in turn enhance the health service sector, and proper monitoring and evaluation in terms of risk identification, putting up measures to control risk, carrying out periodic evaluations, audit reviews, availing more resources to monitoring and evaluation activities, data quality assurance, continuous quality improvement would enhance the health service sector of Uganda

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

This chapter contains the back ground of the study, statement of the problem, purpose of the study, research objectives, and research questions, scope of the study, conceptual framework, and significance.

1.1 Background of the study

Globally, internal controls have been known to lead to improved performance and better service delivery. It is also a general belief that properly instituted systems of internal controls improve the reporting process and also give rise to reliable reports which enhances the accountability function and management of any organization. Internal controls are processes that guide an organization towards achieving its objectives. These objectives include operational efficiency and effectiveness, reliability of financial reporting, and compliancy with laws and regulations (COSO, 2013). These ultimately translate into improved health service delivery. The United States of America and elsewhere in Europe have encouraged nations and corporate organizations to place more emphasis on their internal control systems, internal auditing functions and risk management (Mercer University, 2010).

Effective internal controls help organizations manage risks in a systematic and effective way. The internal control framework of the Committee of Sponsoring Organizations of the Tread way Commission (COSO) helps many organizations manage risks. But the framework does little to

establish who is responsible for the specific duties it describes. Coordination under this model can help minimize gaps in controls and eliminate unnecessary duplication of assigned duties.

A new COSO white paper Leveraging COSO across the Three Lines of Defense, describes how organizations can better establish and coordinate duties related to risk and control. The model proposes that senior management and the board oversee and direct three separate groups (or lines of defense) that contribute to effective management of risk and control. These separate groups include: Own and manage risk and control (operating management), monitor risk and control in support of management (risk control, and compliance functions put in place by management) and to provide independent assurance about effectiveness of risk management and control to the bard and senior management (internal audit report 2013).

A recent global survey of internal auditors found that 56% of organizations use this model and consider internal audit to be the third line of defense. But 20% of global respondents, including 43% in South Asia, were not familiar with the three-lines-of-defense model. Under the model, each group has a distinct role within the organization's governance framework: Senior management and the board of directors have ultimate responsibility for making sure governance, risk management, and control processes are effective; all three lines of defense should exist in some form at every organization; each group within the three lines of defense should have clearly defined roles and responsibilities; sharing information and coordinating activities among the lines of defense is necessary to improve efficiency, avoid duplication of work, and ensure that risks are addressed effectively; and lines of defense should not be combined or coordinated in a manner that compromises their effectiveness (Tysiac, K 2015).

In Africa, many organizations have instituted internal controls aimed at enhancing production, service delivery, financial reporting, effective and efficient utilization of resources. The national treasury of the Republic of South Africa instituted an Internal Audit Framework aimed at establishing a minimum guideline for the development and operation of internal auditing in the Public Service, to be a reference and pre-eminent guidance mechanism on internal auditing in the Public Service. The Framework was also intended to ensure that the Internal Audit Activities (IAA) comply with the legal requirements (National Treasury 2009).

A well-prepared budget could be undone during its execution if sound internal controls and accounting systems are not in place to ensure that the budget is being implemented as planned, and in accordance with prospective cash flows. The key issues are whether: the budget outturn is likely to be within the approved figures and in accordance with the planned expenditure priorities; there are any hidden financial implications of transactions not being adequately identified and reported during expenditure execution; expenditure transactions comply with applicable laws and regulations; any problems are being encountered and/or fiscal risks are emerging during budget execution, such as the buildup of payment arrears; and the reliability of accounting records and financial reports is being assured (Lubin D, & Pattanayak, S 2008).

In Uganda, many studies have been carried out on internal controls, and their relevance to organizational growth, financial stability, and legal implications. For example, the research findings on internal controls and financial performance of banks in Uganda, specifically on Post Bank indicated that the internal audit function, the board's Audit Committee, written policies and procedures, and clear division of responsibilities of middle to top managers which are all indicators of internal controls are all important and affect the financial performance of the bank (Ssempeebwa *et al* 2012).

Well defined internal controls would enhance the health service sector by regulating the different departments which include immunization programs, Maternal services, Human Resource Development, Health Promotions and Education, eMTCT, Cold Chain Management, HMIS, CQI, Drug Inspectorate, Environmental Health Division, MCH, Laboratory Services, HIV/AIDS Coordination, Malaria Prevention and control, Disease surveillance programs, Budget performance, and Medicines and Medical Supplies, (Health Sector Annual Report 2015/2016).

Though the ideal situation demands for government to provide good health care services, it is not the case in the health service sector of Uganda in particular Masaka District Local Government where by health care has faced many challenges as evidenced in failure to put up or weak internal controls to ensure that all the processes and different functions at the district are aimed at achieving objectives through operational efficiency and effectiveness, reliable financial reporting, and compliance with laws, regulations and policies.

Poor health service delivery in the District was reported through the increasing number of people with no access to health services in terms of consultation from medical workers probably due to absenteeism, the gaps in the stuffing levels, inadequate drug supplies, minimum social mobilization activities, limited support to the VHTs by the district, the increasing number of pregnant women missing Maternal Child Health Services, and also the fact that many HIV positive people are not initiated on drugs (Health Sector Annual Report 2015/2016).

Though the different health programs put in place by the District, health service delivery is still facing a number of challenges as evidenced by inadequate drug supplies in some Health Centers, absenteeism, inadequate disease surveillance, limited sensitization on different disease controls and management. This situation in Masaka District Local Government has perhaps been due to

the poor or lack of internal controls thus presenting a problem that needs to be attended to and the need to carry out the study (Health Sector Annual Report 2015/2016).

1.2 Problem statement

Internal controls play an integral role in the success of any organization. They provide reasonable assurance regarding effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. Internal controls also help in preventing fraud, detecting fraud, protecting tangible and intangible assets or resources of an organization.

Masaka District Local Government has to a some extent instituted internal controls in form of segregation of duties, ensuring system checks and balances, monitoring programs are instituted on different grounds, human resource policies and practices instituted to attract, develop and retain talents in support of the district's objectives through managing performance, accountability, QI, DQA, HIV and Malaria sensitization programs.

Despite the presence of internal controls, Masaka District Local government has reported that patients lack quality and timely medical care; there is inadequate supply of drugs; poor sanitation as well as poor customer care (district health department report 2015/16). It was reported that only 578 (29.1%) mothers deliver in public and PNFP health units, of the 773 HIV positive mothers identified in ANC, only 68% (526) receive ARVs, some health units experience vaccine and drug stock outs for TT, IPV, HPV, and PCV antigens, limited funds allocated to immunization activities, some drug shops are not to the standards, inadequate resources to carry out activities like CQI, DQA, HIV and Malaria sensitization. All these have affected the quality and accessibility of health services as some people have no access to health consultation and

medicine given the fact that absenteeism is on an increase (Health Sector Annual Report 2015/2016).

The researcher therefore seeks to undertake this research to find out the effects of internal controls on health service delivery in Masaka District Local Government.

1.3 General objective

To establish the effect of internal controls on health service delivery.

1.3.1 Specific objectives

The specific objectives are as follows:

i. To examine the effect of control environment on health service delivery.
ii. To examine the effect of control activities on health service delivery.
iii. To examine the effect of monitoring and evaluation on health service delivery.

1.3.2 Research questions

i. What is the effect of control environment on health service delivery?
ii. What is the effect of control activities on health service delivery?
iii. What is the effect of monitoring and evaluation on health service delivery?

1.4 Scope of the study

The scope of the study included the geographical scope, content scope, and time scope.

1.4.1 Geographical scope

The study was limited to Masaka District Local Government located in Masaka district with divisions of Kimanya - Kyabakuza, Nyendo Ssenyange, and Katwe Butego. Specifically, all health centers in Masaka District were studied. Masaka District is bordered by Bukomansimbi District to the north-west, Kalungu District to the north, Kalangala District to the east and south, Rakai District to the south west and Lwengo District to the west. It is approximately 140 kilometers (87 miles), by road south west of Kampala on the high way to Mbarara (district health department report 2015/16).

1.4.2 Content scope

The study focused on internal controls and health service delivery mainly focusing on the effect of control environment, control activities, monitoring & evaluation and their effect on health service delivery in form of quality, accessibility, accountability and efficiency.

1.4.3 Time scope

The researcher considered evidence available for a period between 2010 and 2016. This period was considered due to the fact that most of the employees working at the district were within this range and had a clear understanding of the District thus were in place to give relevant information concerning the study. Specifically, the study was done in May 2017.

1.5 Justification

It was reported that patients lack quality and timely medical care, inadequate supply of drugs, poor sanitation, only 578 (29.1%) mothers deliver in public and PNFP health units, many

mothers miss ANC services and a lot of absenteeism in the different health units (district health department report 2015/16). This presented a problem justifying the study.

Investigations on internal controls and health service delivery were conducted by the researcher and he was guided by his two supervisors throughout the research.

Basing on the time allocated for the research, the researcher was in position to devout time and resources to carry out an explicit study in order to realize the objectives of the study.

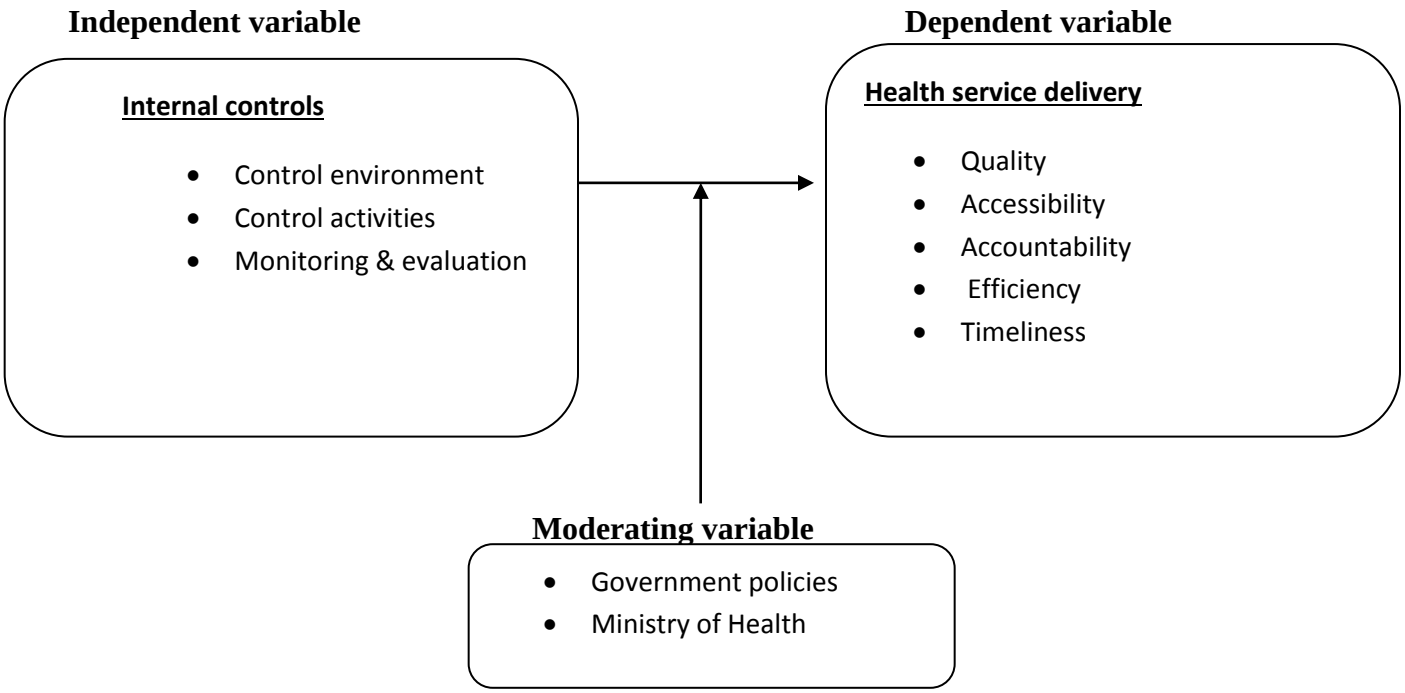
1.6 Significance of the study

The study findings, conclusions and recommendations will be useful mainly to the Ministry of Health as this study was aimed at investigating the relationship between internal controls and service delivery in the health service sector as evidenced by the control environment, controls activities, monitoring & evaluation and their influence on quality, accessibility, accountability and efficiency of health care.

The study findings will also be useful to the district management, other Government organizations and of Non-Governmental organizations as they will find relevant literature on internal controls.

The study is going to avail the information about internal controls which greatly affects health care, and can be used also for academic references and for other related purposes.

1.7 Conceptual Frame work



Source: *developed basing on ideas adopted from WHO report (2013) and the revised COSO framework (2015) and modified by the researcher*.

From the above Conceptual framework, it is clear that Internal controls as an Independent variable (as measured by the Control Environment, Control Activities and monitoring) affects health service delivery a dependent variable (as measured by quality, accessibility, accountability efficiency and timeliness). However, there are also moderating factors like Policies established by the Government through directives from the Ministry of Health.

1.7 Limitations

Although the study was meant to establish the effect of internal controls on health service delivery in District Local Governments, it was only limited to one District (Masaka). The findings may therefore not be true for all District Local Governments that are outside Uganda

and those whose operations are in Uganda but whose characteristics differ from those of this case.

The data collection was affected by the unexpected resignation of some key respondents from the the process of filling in questionnaires. Their replacements had to start from scratch and given the sensitivity of the subject matter, they really had to get a feel of the entire process before attempting to answer the questionnaire; this prolonged the timeframes involved.

1.8 Conclusions

The chapter started with an introduction in which the concept of Internal Controls was put into perspective, this was followed by the background to the study in which we brought out the general perception that Institution of internal controls will always lead to improved health service delivery, giving rise to improved reporting and also enhance the accountability function of management. The Chapter proceeded with the problem statement seeking to establish the persistence of poor health service delivery in Masaka District Local Government.

The Chapter handled the general objective of the study which is establishing the relationship between internal controls and health service delivery followed by specific objectives then followed by the research questions which are basically derived from the research objectives.

The scope included the geographical, content and time scope. The chapter tackled the justification and significance of the research, where the justification was to determine the relationship between Internal controls and improved health service delivery whereas the significance of the research was to help District Local Government Institutions and those charged with governance in determining the link between Internal controls and health service delivery. A diagrammatical representation linking internal controls (in particular the control

environment, control activities and monitoring & evaluation) and health service delivery was done. Lastly the chapter handled limitations which basically included the fact that the study has been widely done before and that the research may never be read.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

A number of scholars have undertaken research on internal controls and health service delivery. The purpose of this chapter therefore is to identify relevant data that best suites the study. The review has been obtained from relevant journals, magazines, seminars, presentations, newspapers, article, textbooks, internet and Acts. This chapter includes the theory of the study and review of related literature relating the independent and the dependent variables.

2.2 Theoretical Framework

2.2.1 Stewardship theory

In order to define stewardship, it is necessary to first understand the concept of a covenantal relationship. Stewardship theorists have posited that individuals hold a covenantal relationship with their organizations that represents a moral commitment and binds both parties to work toward a common goal, without taking advantage of each other (Caldwell, Bischoff, & Karri, 2002). (Caldwell & Karri, 2005). A sense of mutual obligation arises from this implicit social contract At a macro-organizational level, this social contract binds industries, companies, and economic systems into communities At the individual and group levels, the social contract represents a commitment between an employee and the organization (Barnett & Schubert, 2002) to “a transcendent set of values,” which can include “an overarching mission, the furtherance of a distinctive concept, or a vision of some idealized future state or condition”. Individuals are

bound to this social contract by a sense of moral obligation: an internalized pressure to behave consistently with their value system. Thus, the covenantal relationship is a reciprocal promise-based agreement, containing both transactional and psychological elements: individuals recognize their fiduciary obligations to protect the interests of stakeholders and believe they are morally obliged to pursue these interests (Hernandez 2012).

Firm's that follow stewardship theory, it is argued, will generate higher revenues because customers will be willing to pay more for services and products, lower costs because suppliers and employees will be either willing to accept lower fees or be more productive, and less regulatory oversight because the firm will be proactively working with government to address issues (Tse, 2011).

Stewardship Theory has been framed as the organizational behavior counterweight to rational action theories of management (Donaldson 2008). This theory holds that there is no conflict of interest between managers and owners, and that the goal of governance is, precisely, to find the mechanisms and structure that facilitate the most effective coordination between the two parties. Stewardship Theory holds that there is no inherent problem of executive control, meaning that organizational managers tend to be benign in their actions (Donaldson, 2008). The essential assumption underlying the prescriptions of Stewardship Theory is that the behaviors of the manager are aligned with the interests of the principals. Stewardship Theory places greater value on goal convergence among the parties involved in corporate governance than on the agent's self-interest (Van Slyke, 2006). The economic benefit for the principal in a principal-steward relationship results from lower transaction costs associated with the lower need for economic incentives and monitoring.

Stewardship draws on notions of accountability and a long-term orientation and responsibility for protecting assets over time which is critical in district local governance in particular Masaka District Local Government. However, used in the corporate and business sense, stewardship means something conceptually quite different. The theory of the firm provides a useful conceptual basis upon which to build on. Stewardship theory suggests that managers will act as responsible stewards of the assets they control on behalf of the owners. Stewardship theory depicts management executives as having motives aligned with the objectives of their principals. Stewards are not purely self-interested. They identify themselves with the business, and are motivated to maximize organizational performance. As such, their behaviors are aligned with the interests of the organization (Cossin *et al* 2015).

Stewardship Theory is mainly concerned with identifying the situations in which the interests of principal and the steward are aligned. According to this theory, there are situational and psychological factors that predispose individuals to become agents or stewards. On the one hand, there are situational factors that influence the executive to become a steward. These situational factors refer to the surrounding cultural context, rather than to an organization's work environment. Some of the situational factors that predispose an individual towards stewardship are working in an involvement-oriented management system, as opposed to a control-oriented management system; a collectivistic culture, as opposed to an individualistic one; a low-power distance culture; or when corporate governance structures give them authority and discretion. On the other hand, there are psychological factors that predispose the executive to become a steward. Some of these factors include having higher-order motivations, better disposition to identify with the objectives of the firm, value commitment orientation, and greater use of personal power as a basis to influence others. To sum up, the psychological and situational characteristics of the

principal and the manager are antecedents for their rational choice between agency or stewardship relationships. It is the duty of managers in District Local Governments to align their goals to the objectives of the organization and act as responsible stewards in execution of their duties thus the relevance of this theory to the study.

2.2.1.1 Relevance of the theory

The World Health Report (2000), introduced the concept of stewardship as the most fundamental function of a health system, as it makes possible the attainment of the health system goals of: improving and promoting people's health; ensuring responsive and quality health service delivery and protecting citizens against the financial costs of illness (WHO 2000). There is now global recognition of the importance of leadership and governance to the optimal performance of health systems which enable improved population health outcomes and returns on health investment (Holmberg and Rothstein 2011).

2.2.1.2 Criticisms of the theory

Stewardship theory presents with criticisms of the role of the 'steward' being over-simplified and unrealistic, the theory reinforces the egos of senior executives, the needs model is unrealistic, and lack of empirical evidence.

2.3. Related literature

2.3.1 Internal Controls

According to statement of Auditing Standards (SAS, 300); internal controls are defined as all policies and procedures adopted by the directors and management of an entity to assist in achieving their objectives of ensuring, as far as practicable, the orderly and efficient conduct of its business, including adherence to internal policies, the safe guarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and timely preparation of reliable financial information.

Internal controls are structures, processes, practices, reports, measurements and systems that are put in place to implement an organization's strategy and enforce compliance (Spacey 2017).

Internal controls refer to policies or procedures put in place to safeguard assets, provide reliable financial information, promote efficient and effective operations and ensure policy compliance.

An Internal control is a business practice, policy or procedure that is established within an organization to create value and minimize risk. Internal controls are designed to ensure that the information technology within an organization operates as intended that is reliable, and that the organization is in compliance will all applicable laws and regulations.

In small firms, internal controls can often be implemented simply through management supervision. At large firms and organizations like Masaka District Local Government however, a more elaborate system of internal controls and other formalized safeguards is often required to adequately control the organization’s operation.

2.3.2 Types of Internal Controls

Vanderbilt University (2016) presents three basic types of internal controls that the entity's internal audit function should recognize: preventive, Directive and detective controls.

2.3.2.1 Preventive controls

Preventive controls are internal controls designed to discourage errors or irregularities from occurring. For example, processing a requisition only after it has been properly approved by the appropriate personnel. Preventative internal controls are policies and procedures that do not allow certain events to occur. Preventative internal controls are proactive and the first line of defense in a financial accounting system. In a district local government, there should be segregation of duties, approvals, authorization, verifications, security of assets which are all prevent certain fraudulent acts to occur (Vanderbilt University 2016).

2.3.2.2 Detective controls

Detective controls are controls which are designed to find errors or irregularities after they have occurred. For instance, reviewing the monthly statement of accounts for an activity in line with the area of specialization signifies detective controls. Detective internal controls are the backup procedures that ensure that preventive internal controls are operating as intended. Items or events missed by the first line of defense have the potential to be caught by the detective controls (Vanderbilt University 2016).

2.3.2.3 Directive controls

Direct controls are controls designed to encourage desirable events, for example, written policies and training seminars assist in the accomplishment of area goals and objectives. Authorization controls prevent fraudulent or erroneous transactions from taking place.

Spacey (2017) gave ten types of internal controls which can be adopted by a district Local Government and these include; financial controls such as adopting an accounting standard and segregation of duties, IT Controls related to IT operations and information security For example, a process of approvals for adding user permissions to a system. Change controls to assets such as software. For example, a change controls board. Project Controls including Controls of projects using project management, risk management and project governance processes. Risk Controls implying the process of identifying and controlling risk such as to know your customer process for reducing credit risk. Compliance Controls which are directly related to compliance such as a process of disclosing executive compensation to external stakeholders. Safety controls such as a putting up locks to different departments to be accessed by only authorized personnel. Human Resources Controls related to employee performance and organizational culture. For example, a process of employee performance reviews and disciplinary policies. Operational Controls related to an organization's core business processes such as a process of reporting key metrics to senior management. Quality controls which include testing of products and services to ensure conformance to specifications and policy (Specey 2017).

Kenkel., (2014) is in agreement that we all use internal control in our everyday life. We lock our houses and cars. We don't keep our PIN numbers with our debit cards. We review our credit card statement for unauthorized charges. We keep receipts to support our tax returns. We

routinely put the trash out the day before trash day. Each of those actions is an example of an internal control. He further states four main types of internal controls:

A house policy on when to take out the trash is an example of a directive control. Directive controls provide guidance to employees that help the cooperative prevent risk or loss. A procedure for bin entry would be a directive control for both worker safety and regulatory compliance. Policies, procedures and training sessions all fit under the category of directive controls. Directive controls are the simplest component of an internal control system, although perhaps the easiest to bypass.

Locking your house and car is an example of a preventative control. Preventative controls are designed to prevent loss or risk. In addition to physical security measures, limits on authorized spending, and separation of duties and various sign off and approval systems are all examples of preventative controls. When considering preventative controls, the balance between the inefficiency and inconvenience of the procedure must be balanced against the possible risk. Excess controls increase the incentives to bypass or override the control procedure.

Reviewing your bank statement or credit card bill is an example of a detective control. Detective controls are designed to discover the source of an error or irregularities and correct it. Detective controls can help to prevent little problems from becoming big problems. For example, regular measuring of grain inventories may uncover the fact that the cooperative is not considering grain shrinkage during turning or cleaning. Correcting shrinkage estimates could avoid a large inventory discrepancy when the bins are eventually emptied (Kenkel., 2014) .

If your policy of always putting the trash out the night before trash day stemmed from missing getting the trash out on time, it is also an example of a corrective control. Corrective controls

strive to remedy problems that can be systematically corrected. Additional training or changes in procedures are simple examples of corrective controls. Very often corrective controls are put in place because of regulatory requirements. Corrective controls become directive and preventive controls. The distinction is that they are developed from observing systematic problems, not through an assessment of risks. Though the simplicity Kenkel presents these internal controls, Masaka District Local government can take them on such that they are reflected right from the daily operations on individual level to management level which would in turn improve the quality, accessibility, accountability and efficiency of service delivery in Masaka.

2.3.3 Internal controls and health service delivery

Many writers have undertaken the study on internal controls and health service delivery. This section will provide relevant literature to the section under study. According to the revised COSO (2015), there exists five components of internal controls that must be present in order to conclude that internal controls are effective namely; Control environment, control activities, risk assessment, information and communication, and monitoring and review.. For the purposes of this study, control environment, control activities and monitoring and review have been chosen.

According to the Institute of Medicine (2000), the Medicines and Health Service Delivery Monitoring Unit is a presidential initiative established to ensure an improvement in health services delivery through monitoring the management of essential medicines, health service delivery accountabilities and making appropriate interventions with the other government stakeholders.

People-centered and integrated health services are critical for reaching universal health coverage. People-centered care is care that is focused and organized around the health needs and

expectations of people and communities, rather than on diseases. Whereas patient-centered care is commonly understood as focusing on the individual seeking care (the patient), people-centered care encompasses these clinical encounters and also includes attention to the health of people in their communities and their crucial role in shaping health policy and health services. (Zaslavsky 2010)

According to Jha (2006), integrated health services encompasses the management and delivery of quality and safe health services so that people receive a continuum of health promotion, disease prevention, diagnosis, treatment, disease-management, rehabilitation and palliative care services, through the different levels and sites of care within the health system, and according to their needs throughout the life course.

According to WHO report (2014), National health policies, strategies, and plans play an essential role in defining a country's vision, priorities, budgetary decisions and course of action for improving and maintaining the health of its people. Most countries have been using the development of national health policies, strategies, and plans for decades to give direction and coherence to their efforts to improve health (WHO 2014).

The Ugandan government through the Ministry of Health aims to provide quality health services to the stakeholders, accessible to the people, and there must be accountability and efficiency of the health service systems. This clearly brings out a clear picture of the quality of the health service delivery. The reports have revealed that failing to apply an integrated approach to the components of internal controls has weakened internal controls which have greatly impacted on the quality of health service delivery plan. The new accounting and auditing standard should try

to give critical emphasis relating on internal control and health service delivery (health sector annual report 2015/16).

Through the internal controls, the desired service delivery is achieved in accordance with the set internal control objectives as well as the guiding organizational policy (Groths 2005).

According to the WHO, internal controls and health service delivery transformation measures have to be designed to help organizations in the effort to create a flexible, scalable and efficient service delivery. However for this to be successful, strong internal controls have to work through the service model. This explains why controls have been provided globally for efficient health service delivery (WHO report 2014)

Internal controls ensure usage of funds on planned organizational activities, investment of idle funds, and regular monitoring of utility (ACCA, 2004). Monitoring is important to health service delivery because it provides vital feedback on how services are being delivered and whether delivery of those services makes any difference in terms of achieving the organization's specified goals. Monitoring also shows whether the system in place is performing effectively, as this can be seen from the health service delivery in Masaka District Local Government.

Strengthening service delivery is crucial to the achievement of the health-related Millennium Development Goals (MDGs), which include the delivery of interventions to reduce child mortality, maternal mortality and the burden of HIV/AIDS, tuberculosis and malaria. Service provision or delivery is an immediate output of the inputs into the health system, such as the health workforce, procurement and supplies, and financing. Increased inputs should lead to improved service delivery and enhanced access to services. Ensuring availability of health

services that meet a minimum quality standard and securing access to them are key functions of a health system.

To monitor progress in strengthening health service delivery, it is necessary to determine the dimensions along which progress would be measured. Presented down are the eight key characteristics of good service delivery in a health system. These ideal characteristics describe the nature of the health services that would exist in a strong health system based on primary health care, as set out in the 2008 World Health Report *(1).*

The process of building evidence for the strengthening of health service delivery must therefore proceed alongside efforts to restructure service delivery in accordance with the values. Health sector leaders and policy-makers who are tasked with assessing their health systems should participate in the process to deliberate on ways to assess these key characteristics in their countries. Researchers should continue to experiment with methods and measures that would allow progress to be assessed over time, along these important dimensions.

For some of the dimensions of service delivery, such as quality of care, widely accepted methods and indicators for assessment are available, although research to refine these continues. For other characteristics in the list, such as person-centeredness, research and dialogue on what and how to measure it is in the early stages.

Some concepts that have frequently been used to measure health services remain extremely relevant and are part of the key characteristics. For example, terms such as access, availability, utilization and coverage have often been used interchangeably to reveal whether people are receiving the services they need. Access is a broad term with varied dimensions: the comprehensive measurement of access requires a systematic assessment of the physical,

economic, and socio-psychological aspects of people's ability to make use of health services. Availability is an aspect of comprehensiveness and refers to the physical presence or delivery of services that meet a minimum standard. Utilization is often defined as the quantity of health care services used. Coverage of interventions is defined as the proportion of people who receive a specific intervention or service among those who need it (WHO MBHSS 2010).

2.3.3.1 Sources of information on health service delivery

There are multiple sources of data on health service delivery. These include routine facility reporting systems, health facility assessments (both facility censuses and surveys), and other special studies. No single method provides all the information required assessing service delivery, and multiple methods are needed to understand it completely. The strengths and limitations of the different methods are summarized in Table 1.1 and discussed below.

2.3.3.2Routine health facility reporting system

A routine facility reporting system, often referred to as a Health Management Information System (HMIS), is generally used to monitor service delivery. Service data are generated at the facility level and include key outputs from routine reporting on the services and care offered and the treatments administered. Reporting may include supervisory or clinic-reported data on medicine stock-outs in a defined reference period (e.g. during the last month), functioning of outreach services and availability of health workers. Because the data are routinely collected (often monthly or quarterly), it provides information on a continuous basis for time and seasonal trend analyses.

The problems associated with developing service coverage estimates from facility data relate to completeness and accuracy of recording and reporting as well as biases arising from differences in use of services by different populations. In general, routine facility reporting systems give only limited information on the status of service delivery. In many settings, the HMIS often covers only public sector facilities (which may include not-for-profit facilities).

Hospital records are the basis for statistics on performance related to inpatient activities, including the numbers of beds, admissions, discharges, deaths and the duration of stay. Outpatient records are the basis for utilization data. As with other routine facility reporting, problems arise from incomplete and late reporting as well as from biases resulting from differences in population use of services.

2.3.3.3 Health facility assessments

Health facility assessments provide externally generated information either through interviews and/or observation for data collection. Health facility assessments can be implemented as a census (i.e. assessment of all facilities in a district or country) or by using a sample survey approach (i.e. a sample of facilities are selected and assessment).

2.3.3.4 Facility census

A facility census includes visits to all public and private health facilities in a defined area (can be national in scope or sub-national, covering one or more provinces, regions or districts). It is designed to form the basis for a national and sub-national monitoring system of service delivery. The key output is a national database, and where possible, district databases of health facilities. The database should be updated on a regular basis, e.g. every 3–4 years. Once a reliable database

system (that can be used at the district level) is in place, the census can be carried out by district teams as part of their regular supervision, with a quality control component provided by regional teams.

The World Health Organization (WHO) service availability and readiness assessment methodology provides a standard health facility assessment questionnaire to assess, map and monitor service availability and readiness. It is designed to support a health facility census with a focus on the core functional capacities and availability of services. The instrument can be further adapted at the country level to respond to specific country contexts. If resources are limited and do not allow for visiting all health facilities in a country (or sub-nationally in a district, region, or province), a census can be implemented in sentinel districts with additional districts added each year, to achieve a full census over a longer time period.

The key topic areas and core functional capacities of a facility census of service availability and readiness include: Identification, location and managing authority of health facility (public and private); facility infrastructure and amenities, such as availability of water supply, telecommunications and electricity; basic medical equipment, such as weighing scales, thermometer and stethoscope ; availability of health workforce (e.g. cadre of human resources, staff training and guidelines); drugs and commodities — availability of general medicines; diagnostic facilities — availability of laboratory tests (e.g. HIV, malaria, tuberculosis (TB), others) ; Standard precautions on prevention of infections — availability of general injection and sterilization, disposal and hygiene practices; specialized services, such as family planning, maternal and newborn care, child health, HIV/AIDS, tuberculosis, malaria and chronic diseases.

Facility censuses also serve as an independent source for numbers of health workers, which may be compared with those from other sources and analyzed in conjunction with them. Additional particulars, such as the presence of workers on the day of the visit, can also be gathered. Comparisons between districts and regions provide valuable evidence about the distribution of services within a country. Information on minimum standards can be used for key services to provide feedback to program planners.

The identification of all facilities, however, is a major challenge. Small private facilities are more likely to be missed, and special efforts have to be made to include them, especially in urban areas. Completeness is likely to improve with subsequent rounds of censuses. Other sources, such as household surveys in which respondents are asked which facilities they utilize, may be used to identify more centers. Obtaining access to private facilities for the brief interview can pose another challenge.

A facility census can only check on the basic elements of service quality. In general, no data are collected on patient satisfaction or knowledge and practices of health workers, as this would be very time-consuming and costly. Thus, quality ascertainment could only be achieved through facility surveys and further in-depth assessments.

2.3.3.5 Indicators of good Health Service Delivery

There are a number of indicators as different writers put up of a good health service delivery system which to a less extent Masaka District Local Government has adopted.

According to the World Health Organization (WHO), there are two main components of health service delivery that affect the impact of clinical health services. The first is coverage, or what proportions of the population who need such services actually seek and receive them in a timely

fashion. The second is effectiveness, meaning the probability that a person who wants to access health services will receives appropriate services (WHO 2013).

The following indicators measure these components. Outpatient consultation rate - measured using program data; Proportion of illness episodes for which appropriate care was sought - often measured during surveys by interview; average delay in seeking health care - also measured in surveys. (Report and Opinion of the Auditor General 2013)

Facility surveys

A general facility survey usually focuses on a wide range of key health services and collects information on facility infrastructure, equipment and supplies, support systems, management systems and providers' adherence to standards.

Facility surveys may also measure the quality of specific services and whether all required elements are present to provide routine care; for example, immunization and diarrhea treatment in the survey of child health services. The core questionnaire reflects generally accepted standards for health-care services, including United Nations Children's Fund (UNICEF) immunization guidelines and standards set by the Safe Motherhood initiative, with local adaptations as necessary.

The United States Agency for International Development (USAID) and Macro International Inc. have developed a comprehensive facility survey instrument called Service Provision Assessment. The survey is conducted in a nationally representative sample of health facilities (often exceeding 400 facilities, stratified by type) to provide information on the characteristics of health services, including their quality, infrastructure, utilization and availability. The assessment covers all types of health service sites, from hospitals to health posts, including public and

private institutions. Data collection includes facility resources audit, provider interviews, client–provider observations and client exit interviews. Another example of a comprehensive facility assessment is the "balanced scorecard" in Afghanistan used to monitor the scale-up of health services

Good service delivery is a vital element of any health system. Service delivery is a fundamental input to population health status, along with other factors, including social determinants of health. The precise organization and content of health services will differ from one country to another, but in any well-functioning health system, the network of service delivery should have the following key characteristics;

Comprehensiveness: A comprehensive range of health services is provided, appropriate to the needs of the target population, including preventative, curative, palliative and rehabilitative services and health promotion activities.

Accessibility: Services are directly and permanently accessible with no undue barriers of cost, language, culture, or geography. Health services are close to the people, with a routine point of entry to the service network at primary care level (not at the specialist or hospital level). Services may be provided in the home, the community, the workplace, or health facilities as appropriate.

Coverage: Service delivery is designed so that all people in a defined target population are covered, i.e. the sick and the healthy, all income groups and all social groups.

Continuity: Service delivery is organized to provide an individual with continuity of care across the network of services, health conditions, levels of care, and over the life-cycle.

Quality: Health services are of high quality, i.e. they are effective, safe, centred on the patient's needs and given in a timely fashion.

Person-centeredness: Services are organized around the person, not the disease or the financing. Users perceive health services to be responsive and acceptable to them. There is participation from the target population in service delivery design and assessment. People are partners in their own health care.

Coordination: Local area health service networks are actively coordinated, across types of provider, types of care, levels of service delivery, and for both routine and emergency preparedness. The patient's primary care provider facilitates the route through the needed services, and works in collaboration with other levels and types of provider. Coordination also takes place with other sectors (e.g. social services) and partners (e.g. community organizations).

Accountability and efficiency: Health services are well managed so as to achieve the core elements described above with a minimum wastage of resources. Managers are allocated the necessary authority to achieve planned objectives and held accountable for overall performance and results**.** Assessment includes appropriate mechanisms for the participation of the target population and civil society (Report and Opinion of the Auditor General 2013).

2.4 Actual literature review (objective by objective)

2.4.1 Control environment and health service delivery.

Control Environment is the set of standards, processes, and structures that provide the basis for carrying out internal control across the organization. The board of directors and senior management establish the tone at the top regarding the importance of internal control including expected standards of conduct. Management reinforces expectations at the various levels of the organization. The control environment comprises the integrity and ethical values of the organization; the parameters enabling the board of directors to carry out its governance oversight responsibilities; the organizational structure and assignment of authority and responsibility; the process for attracting, developing, and retaining competent individuals; and the rigor around performance measures, incentives, and rewards to drive accountability for performance. The resulting control environment has a pervasive impact on the overall system of internal controls (COSO 2015).

Control Environment component has five (5) principles relating to it:

The organization demonstrates a commitment to integrity and ethical values.

The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.

Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.

The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.

The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

These principles in turn have approaches which serve as guides in accomplishing them. The approaches, although defined, are not meant to restrict entities application as they can introduce approaches of their own especially when not specifically addressed by the Framework.

This is in line with Kansas State University as it stipulated that the control environment, as established by the organization's administration, sets the tone of an institution and influences the control consciousness of its people. Leaders of each department, area or activity establish a local control environment. This is the foundation for all other components of internal control, providing discipline and structure. Control environment factors include: Integrity and ethical values; the commitment to competence; leadership philosophy and operating style; the way management assigns authority and responsibility, and organizes and develops its people (Kansas State University 2017).

This is in agreement with the Institute of Internal Auditors that present Control Environment as the set of standards, processes, and structures that provide the basis for carrying out internal control across the organization. The board of directors and senior management establish the tone at the top regarding the importance of internal control including expected standards of conduct. Management reinforces expectations at the various levels of the organization. The control environment comprises the integrity and ethical values of the organization; the parameters enabling the board of directors to carry out its governance oversight responsibilities; the

organizational structure and assignment of authority and responsibility; the process for attracting, developing, and retaining competent individuals; and the rigor around performance measures, incentives, and rewards to drive accountability for performance. The resulting control environment has a pervasive impact on the overall system of internal control (Institute of Internal Auditors., 2012).

It is in this regard that Masaka District Local Government should establish a sounding environment fully fledged with these control environment components in order to realize efficiency in operation and then a sounding health services delivery system.

Anthony (2004) further noted that control environment sets the tone for the organization, influencing the consciousness of its people. It is the foundation for all the other components of internal controls. Success (2004) states that control environment is the consciousness of the organization, thus, the atmosphere that compels organizational members to conduct their activities and responsibilities as per the laid down control objectives.

An effective control environment is where competent people understand their responsibilities, the limits to their authority, and are knowledgeable, mindful, and committed to doing what is right and doing it the right way. Jenny and Pamela (2006) assert that "a governing board and management enhance an organization's control environment when they establish and effectively communicate written policies and procedures, a code of ethics, and standards of conduct". They also enhance the control environment when they behave in an ethical manner - creating a positive tone at the top and when they require that same standard of conduct from everyone in the organization.

Zhang (2016) discussed the five control environment factors: first is the Integrity and ethical value: Many organizations seek a high level of integrity and ethical value. But how do organizations obtain them? Usually, those organizations have a clear Code of Conduct and/or Conflict of Interests policies. They periodically communicate these polices to employees to promote honesty and integrity. In addition, some organizations adopt business best practices and emphasize internal controls, which is also clear evidence that the organizations are striving to integrate the integrity and ethical value into the daily business operations.

Second is Competence of the entity's people: Competence is the knowledge and skills necessary for particular functions. So does an organization set up the tone of hiring only competent employees? First, management determines the knowledge and skills required for each position, then establishes the job descriptions for these positions. Furthermore, there is a well-designed hiring process and performance review process to ensure that new hires and employees are competent to perform their assigned tasks and assist the organization in achieving their objectives.

Third is Management's philosophy and operating style: Management may not achieve its business objectives if it does not introduce and maintain a philosophy and operating style that supports the business objectives and strategies. Management's philosophy and operating style include management's attitudes towards the organization objectives, the approaches to minimize the business risks and attitude toward internal controls over financial reporting. For example, if management sets up an unrealistic financial goal and aggressively persuades employees to achieve the goal, what will happen? The chance of misstatement in financial statements becomes higher.

Forth is the authority and responsibility: The control environment is greatly influenced by the extent to which individuals recognize that they will be held accountable. Accountability plays a critical role in carrying out internal controls in an organization. Sections 302 and 404 of the Sarbanes-Oxley Act (SOX) hold management in an organization accountable for financial reporting to ensure financial reporting is accurate and timely. In the organization, management holds employees accountable for all activities and business practices to ensure the organization is in compliance with SOX. To have an accurate, effective and timely financial reporting system, management must ensure that adequate reporting relationships and authorization hierarchies are in place.

And lastly direction provided by the board of directors: An effective Board of Directors and Audit Committee provide an important oversight function and, because of management's ability to override controls, they play an important role in the control environment, helping to set a positive tone at the top. For private companies, often there is no Audit Committee. However, to have the Board of Directors is very important for private companies as well. It oversees the organization's plans and performance, provides management directions with experiences, and oversees the organization's internal control function (Zang 2016).

2.4.2 Control activities and health service delivery.

Control activities are critical to the success of any organization. Many writers have investigated these control activities which in this regard the District should take on in order to realize proper and sounding health service delivery as discussed.

These are the policies and procedures that help ensure that management directives are carried correctly and in a timely fashion, (Lamoye 2005). These involve control activities such as

performance reviews, information processing, physical controls, and segregation of duties, these activities are implemented by management to ensure accomplishment of organizational objectives and the mitigations of risk.

Craig (2012) states that control activities are the administrative and supervisory actions that management engages in to keep the organization focused and cautious in addition to keeping members effective and efficient at task execution. Dublin considers control activities as activities that provide evidence that a loss has occurred. They include; analysis, reconciliations, and reviews. He emphasized the importance of authorizations in the form of expenditures as a result of an approved budget as a control activity. Approval of budget expenditure should involve questioning of unusual items, justification of the transaction and review of source documents (Van Horne, 2012).

Internal controls rely on the principle of checks and balances in the workplace. The following components focus on the control activity: Personnel need to be competent and trustworthy, with clearly established lines of authority and responsibility documented in written job descriptions and procedures manuals. Organizational charts provide a visual presentation of lines of authority and periodic updates of job descriptions ensures that employees are aware of the duties they are expected to perform.

Authorization Procedures need to include a thorough review of supporting information to verify the propriety and validity of transactions. Approval authority is to be commensurate with the nature and significance of the transactions and in compliance with University policy (Manhattan University 2017).

Segregation of Duties reduces the likelihood of errors and irregularities. An individual is not to have responsibility for more than one of the three transaction components: authorization, custody, and record keeping. When the work of one employee is checked by another, and when the responsibility for custody for assets is separate from the responsibility for maintaining the records relating to those assets, there is appropriate segregation of duties. This helps detect errors in a timely manner and deter improper activities; and at the same time, it should be devised to prompt operational efficiency and allow for effective communications.

Physical Restrictions are the most important type of protective measures for safeguarding University assets, processes and data. Documentation and Record Retention is to provide reasonable assurance that all information and transactions of value are accurately recorded and retained. Records are to be maintained and controlled in accordance with the established retention period and properly disposed of in accordance with established procedures. Monitoring Operations is essential to verify that controls are operating properly. Reconciliations, confirmations, and exception reports can provide this type of information (Manhattan University 2017).

Control activities are actions supported by internal control objectives, procedures and policies that enable managers to address risk timely, effectively and efficiently (Steeves, 2004). He further categorized the activities as preventive and detective. Managerial and administrative measures that are pro-active in nature and prevent undesirable events from occurring are what he referred to as preventive controls. They comprise; competent personnel, proper authorization, segregation of duties, sufficient documentation, and physical control of assets.

Personnel need to be competent and trustworthy, with clearly established lines of authority and responsibility documented in written job descriptions and procedures manuals. Organizational charts provide a visual presentation of lines of authority and periodic updates of job descriptions ensures that employees are aware of the duties they are expected to perform.

Authorization Procedures need to include a thorough review of supporting information to verify the propriety and validity of transactions. Approval authority is to be commensurate with the nature and significance of the transactions and in compliance with available policy.

Segregation of Duties reduces the likelihood of errors and irregularities. An individual is not to have responsibility for more than one of the three transaction components: authorization, custody, and record keeping. When the work of one employee is checked by another, and when the responsibility for custody for assets is separate from the responsibility for maintaining the records relating to those assets, there is appropriate segregation of duties. This helps detect errors in a timely manner and deter improper activities; and at the same time, it should be devised to prompt operational efficiency and allow for effective communications.

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2.4.2.1 Key Internal Control Activities (Michigan technological university, 2017).

The following internal control activities can be found in the workplace. All employees fit into the organizational picture of internal control, whether or not their job responsibilities are directly related to these example activities.

Segregation of Duties; duties are divided among different employees to reduce the risk of error or inappropriate actions. For example, responsibilities for receiving cash or checks, preparing the deposit, and reconciling the deposit should be separated.

Authorization and Approval; transactions should be authorized and approved to help ensure the activity is consistent with departmental or institutional goals and objectives. For example, a department may have a policy that all purchase requisitions and invoice vouchers must be approved by the director. It is important that the person who approves transactions have the authority to do so and the necessary knowledge to make informed decisions.

Reconciliation and Review; performance reviews of specific functions or activities may focus on compliance, financial, or operational issues. Reconciliation involves cross-checking transactions or records of activity to ensure that the information reported is accurate. For example, revenue and expense activity recorded on accounting reports should be reconciled or compared to supporting documents to ensure that the transactions are recorded in the correct account and for the right amount.

Physical Security; equipment, inventories, cash, checks, and other assets should be physically secured and periodically counted and compared with amounts shown on control records. For example, the periodic confirmation of equipment by individual departments is a physical security control.

This is in line with Nickel (2017) who places a heavy emphasis on a service organization's core elements of internal control. As such, control activities, a core component of the five elements of internal controls, are the policies and procedures that help ensure management directives are carried out. In short, they help ensure that necessary actions are taken to address the risks that can prevent the achievement of an organization's control objectives.

Control activities occur throughout the organization, at all levels and in all functions and they include a wide range of activities, such as the following: approvals, authorizations, verification functions and activities, reconciliation procedures, reviews of operating performance, security of assets and segregation of duties Nickel (2017).

2.4.3 Monitoring & evaluation and health service delivery.

Monitoring and evaluation is critical to the success of Masaka District Local Government as this would help streamline all functions and departments thus reaching organizational objectives thus attaining good health service delivery.

The COSO Framework states that “monitoring ensures that internal controls continue to operate effectively.” Monitoring should evaluate whether management reconsiders the design of controls when risks change, and whether controls that have been designed to reduce risks to an acceptable level continue to operate effectively. When monitoring is effective, it provides the necessary support for management and others who are charged with governance to be confident that internal control is operating effectively at any given point in time, including at the end of the year when formal assertions by management may be required (COSO 2013).

Audit committee members should note that large, fourth-quarter efforts, designed solely to comply with Section 404 of SOX or similar reporting requirements, likely are indicative of:

Inadequate monitoring procedures earlier in the year, a weak internal control system that needs correction, and a duplication of effort already addressed by the organization's effective monitoring procedures.

Organizations perform their most effective monitoring & evaluation when they focus on gathering and evaluating persuasive information about the operation of key controls that address meaningful risks to their objectives. This process includes the following:

Understanding and prioritizing risks to organizational objectives, identifying key controls across the internal control system that address those prioritized risks, identifying information that will persuasively indicate whether those controls are operating effectively and developing and implementing cost-effective, ongoing or periodic evaluations that evaluate that persuasive information

Effective monitoring expends minimal time or effort on risks that are not meaningful or on controls whose evaluation is not necessary to support a conclusion about internal control effectiveness. It is important, then, to understand the definition of "key controls."

COSO's monitoring guidance defines key controls as having one or both of the following characteristics:

Their failure could materially affect the objectives for which the evaluator is responsible, but might not be detected in a timely manner by other controls.

Their operation may prevent other control failures or detect such failures before they have an opportunity to become material to the organization's objectives.

The intent of identifying key controls is to help organizations devote monitoring resources where they can provide the most value. If a given control's failure is likely to be immaterial to the financial statements, or to be detected and corrected in a timely manner by other controls, then perhaps monitoring should focus on those other controls. Understanding this dynamic can help the audit committee ensure that management, the internal auditor and the external auditor have an appropriate internal control evaluation scope.

The Institute of Internal Auditors considers monitoring to encompass activities such as periodical evaluations, internal audits and management self-assessments. COSO (2015) views monitoring as needed to ensure that planned administrative, operational and financial tasks and activities are carried out in a timely and proper manner such that set internal control objectives and organizational performance are achieved. Monitoring aims at determining whether organizational members are carrying out or have carried out their tasks efficiently and effectively as required by the organization's policies.

The monitoring of internal controls requires the organization to evaluate whether internal controls are operating as intended and timely communicate any deficiencies to those with authority to take corrective action. The COSO Framework prescribes monitoring activities in the form of separate and ongoing evaluations, or a combination of both. The figure below provides an overview of manual and automated internal controls monitoring in separate and ongoing evaluations (Kokin 2014).

She further stresses that separate evaluations refer to periodic checks that are not built into the routine operations of the organization. Separate evaluations occur with varying frequencies depending on management's judgment of risks involved and importance of the processes to the

organization. Ongoing evaluations, on the other hand, refer to routine monitoring activities which are built into the operations of the organization. Ongoing evaluations include "regular management and supervisory activities, peer comparisons and trend analysis using internal and external data, reconciliations, and other routine actions" (COSO 2009). Both separate and ongoing evaluations can be performed manually (by user) or with the help of software (automated), (Kokon 2014).

According to Anthony (2004), the purpose of monitoring is to determine whether internal control is adequately designed, properly executed, and effective. Internal control is adequately designed and properly executed if all the control components are present and functioning as designed. Internal control is effective if management and interested stake holders have reasonable assurance that they understand the extent to which operational objectives are achieved, published financial statements are being prepared reliably, applicable laws and regulations are being compiled.

2.4.3.1 A service delivery monitoring system

Given the strengths and weaknesses of each data source, it is clear that no single source can provide sufficient information for monitoring service delivery. Thus, a service delivery monitoring system would need to rely on multiple sources of data to be brought together for analysis and decision-making. Data from routine health facility reporting systems need to be supplemented with data from health facility assessments. The topics included in these assessments will vary over time and the questionnaire should use a modular approach selected on the basis of current priorities and needs. In addition, data generated through facility assessments should be complemented or cross-checked with data from other sources, such as the databases of

health workers, infrastructures, equipment and procurement, that are often available in various departments of the ministries of health. This can serve as a complementary or benchmarking material for data on service delivery generated through the routine HMIS.

Information, regardless of the source, should preferably be collected and made available at the district level. Ideally, the foundation of a system of monitoring health resources lies at the district level, as it provides information required for decision-making. Therefore, establishing a district-based system is the primary goal with support at the national or regional/provincial levels. In the context of decentralization, provinces are often given the responsibility for monitoring and evaluation, but little investment is made to assist them in carrying out this role. By investing at the provincial level, an independent monitoring system that provides essential data for the district level and allows comparison between districts can be set up.

Thornton (2009) presented the roles and responsibilities of monitoring & evaluating internal controls. Everyone in an organization shares some responsibility for internal control. Their roles and responsibilities can be characterized as follows:

Management

The chief executive officer ultimately is responsible for and should assume "ownership" of the system. The chief executive, above others, sets the tone at the top that affects integrity, ethics and other attributes of a positive control environment. Large-company CEOs fulfill this duty by providing leadership and direction to senior managers, and reviewing the way they control their units' business. In smaller organizations, the influence of the chief executive (often an

owner-manager) is usually more direct.

Board of directors

Management is accountable to the board of directors, which provides governance, guidance and oversight. Effective board members are objective, capable and inquisitive. They also have knowledge of the entity's activities and environment, and commit the time necessary to fulfill their board responsibilities. The board can be particularly effective when sound upward communications channels and capable financial, legal and internal audit functions are in place.

Audit committee

Audit committee member responsibilities are separate and apart from those of conventional board members. The audit committee generally is responsible for overseeing the accounting and financial reporting processes of an organization, and for the appointment, compensation and oversight of the external auditor. This is especially true under the Sarbanes-Oxley requirements for audit committees of U.S.-listed public companies.

In addition, audit committees of companies listed on the New York Stock Exchange are obligated to review their organization's risk management practices. The New York Stock Exchange went further by specifying additional audit committee oversight expectations through a modification to Section 303A of its Corporate Governance Standards. Regardless of the audit committee's area of focus, its role is one of oversight, not execution. Audit committee procedures should be focused on (1) understanding the risks, and (2) verifying that management, the auditors and others are focused appropriately on those risks. To that end, an effective internal audit function is a valuable tool to the audit committee.

Internal auditors

Internal auditors play an important role in evaluating the effectiveness of control systems and contribute to ongoing effectiveness. Because of its organizational position and authority in an entity, an internal audit function often plays a significant monitoring role.

Other personnel

Virtually all employees are responsible either for producing information used in the internal control system or for taking other actions needed to effect control.

A responsibility shared by all personnel is that of upward communication of operations problems, code of conduct noncompliance, and other policy violations or illegal actions.

External parties

External parties often contribute to an entity's achieving its objectives. External auditors, in bringing an independent and objective view, contribute directly and indirectly — directly through the financial statement audit and indirectly via information that is useful to management and the board in executing their responsibilities. Moreover, auditing standards require external auditors to communicate to the audit committee any identified significant deficiencies or material weaknesses in internal control over financial reporting. Legislators and regulators, customers and others transacting business with the enterprise, financial analysts, bond raters and the news media all provide information that is useful to the entity's effecting internal control. External parties, however, are not responsible for, nor are they a part of, the internal control system (Thornton 2009).

Monitoring & evaluation programs are critical to the success of any organization. It is on this ground that Masaka District Local Government should streamline these programs to ensure sounding health service delivery.

2.5 Conclusion

From the above literature, internal controls and health service delivery are described but this presents a gap of the underlying factors that influence these key issues which are not discussed thus the need to carry on with the study. The literature raises a number of contextual gaps. For instance, most studies were carried out in the western world, (e.g. COSO 2015; Kansas State University 2017; Institute of Internal Auditors, 2012; Anthony, 2004; Success,2004; Jenny and Pamela 2006; Zhang 2016; Zang 2016; Lamoye 2005; Craig 2012; Van Horne, 2012; Manhattan University 2017; Nickel 2017; COSO 2015; Kokin 2014; Thornton 2009; Thornton 2009).

These gaps made it imperative in the context of the developing world of Africa and particularly in Uganda for this study to investigate the relationship between internal controls (control environment, control activities, monitoring & evaluation) and health service delivery (accountability, efficiency, timeliness, accessibility).

CHAPTER THREE: METHODOLOGY

3.1 Introduction

This chapter concentrated on the detailed description of the research design, study population, scope of the study, sample size and selection, sampling techniques, data collection methods, data management and analysis, reliability and validity, ethical considerations, limitations and then conclusion.

3.2 Research design

The research design adopted for this study was the case study design using both qualitative and quantitative data. This design was selected because it enabled the researcher to have a detailed and comprehensive review of the problem at hand.

Stephenie (2015) defined case study design as an in-depth study of a phenomenon, like group or situation. The phenomenon is studied in detail, cases are analyzed and situations, or interpretations are presented. It can provide a deeper understanding of a complex topic or assist a person in gaining experience about a certain historical situation

According to Yin, case studies can be used to explain, describe or explore events or phenomena in the everyday contexts in which they occur. These can, for example, help to understand and explain causal links and pathways resulting from a new policy initiative or service development. The case study approach can offer additional insights into what gaps exist in its delivery or why one implementation strategy might be chosen over another. This in turn can help develop or refine theory (Yin 2013).

3.3 Area of study

The study was done in Masaka District Local Government covering divisions of Katwe Butego, Nyendo Ssenyange, and Kimanya Kyabakuza specifically in all health centers.

3.4 Study population

The study population included all health workers of Masaka District Local Government including those in the different health centers and patients who were directly concerned with the topic under study. There were a total number of 202 health workers in Masaka District Local Government (Staff list 2015/2016).

3.5 Sample size and selection

The researcher derived the sample size by use of Krejcie and Morgan (1970) sampling table where by the researcher had 133 respondents as his sample size.

A total of 133 respondents was determined using the Krejcie and Morgan table because it is an effective method of determining a representation of the study population. The target population was then divided into strata. The researcher interviewed four patients from each stratum which helped him to get detailed and qualitative information on health service delivery.

Sample size

Table 1: Showing the sample size

Health facility	Population (n)	Sample (s)	Sampling technique
District	10	6	Stratified random sampling
HC IV	64	42	Stratified random sampling
HC III	88	58	Stratified random sampling
HC II	40	26	Stratified random sampling
TOTAL	202	133	

Source: *personnel in health DHO's office (2016)*

3.6 Sampling technique

The researcher used stratified random sampling technique and purposive sampling technique. Crossman (2017) defined stratified sampling technique as one that assures subgroups (strata) of a given population are each adequately represented within the whole sample population of a research study. The researcher divided the sample population into different subgroups then randomly selected the final subjects proportionally from the different strata. Stratified sampling technique was adopted because it enabled the researcher to obtain a sample size that best represented the entire population that was studied.

The researcher used purposive sampling method mainly in interviewing patients whereby the researcher selected four patients from each stratum. Suri 2011 says stratified random sampling

helps in selecting a small number of rich cases who provide in depth information and knowledge of a phenomenon of interest (Suri 2011).

3.7 Data Collection Tools

The researcher used two data collection methods, namely questionnaires and interview guide. This explored the originality of data through gathering information relevant to the study. Data was obtained from client and employee responses to phrases paused in the questionnaires and the interview guide.

3.7.1 Self-administered questionnaire

Quantitative data was collected using self-administered questionnaires. A self-administered questionnaire was selected because it enabled collection of data from a large number of respondents in a short time. In addition questionnaires give respondents more time to understand the meaning of the questions and compose answers, which improves the quality of answers. The questionnaire was simple, short, and structured enabling the respondents to fill it more easily (De Leeuw, Hox & Kef, 2003).

According to Oso and Onen, (2008) questionnaires are a data collection technique in which the respondents respond to the number of items in writing. Questionnaires were used simply because of the time limitation and partly because the Research was aimed with an elite community (respondents).

The questionnaire had two sections, that is section (A) on background characteristics containing nominal questions and section (B) containing questions on the independent and dependent variables based on a five point Linkert scale with 5 intervals: (1= strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree).

3.7.2 Interview Guide

Qualitative data was collected using an interview guide on a few patients to explore their perspectives on the subject matter under inquiry. The interview guide helped to collect data that was exploratory in nature by gathering more detailed information (Gill, Kate, Treasure & Chadwick, 2008). The interview guide contained open ended questions requiring detailed views from patients.

Secondary data was collected from available recorded information related to the issue researched as it was convenient to the researcher. This information included books, journals, periodicals, online information.

3.8 Data Management and Analysis

The study targeted departmental heads, management committee members, and Finance and Accounts personnel and patients to form Units of inquiry. The collected Data was fed into a computer program (particularly the Statistical Package for Social Scientist, SPSS) with the help of an expert for easy analysis and interpretation of results.

The data was analyzed using both statistical and descriptive methods. Correlation was used as a way of assessing the relationship between internal controls and health service delivery. Descriptive analysis obtained from the interview guide was used to explain the qualitative results of the study. Qualitative data supplemented quantitative data and helped in providing explanations.

3.9 Reliability and validity

The reliability was ensured by testing the instruments for the reliability of values (Alpha values) as recommended by Cronbatch, (1946). Cronbatch recommended analysis for Alpha values for each variable under study. According to Sekaran, 2001 Alpha values for each variable under study should not be less than 0.6 for the statements in the Instruments to be deemed reliable.

Consequently, all the indicators under each variable were subjected to this test and proven to be above 0.6.

Table 2: Showing Reliability

Construct	Alpha values
Control environment	0.84
Control activities	0.88
Monitoring & evaluation	0.81

The table above reveals that all the variables have Alpha Values above 0.6 mark recommended by Sekaran (2001). Therefore all the variables in the instrument are deemed reliable.

Amin (2005), refers to validity as appropriateness of the instrument of research while Christopher (2014) defines validity as the degree in which a test or other measuring tool is truly measuring what it is intended to measure. He further argues that Content validity, which the researcher based on as a validity measure, is concerned with an instrument's ability to include or represent all of the content of a particular construct

The validity of the data collection instruments was done with the help of experts, (the researcher's supervisors) to edit the questionnaire. The Researcher forwarded the structured

questionnaire to his supervisors who are experts in the area under study for editing and reviewing. The test content validity was established through inters judges with two research consultants. Each judge rated the items on a two point scale of relevant (R) and irrelevant (IR). The computation of CVI (Content Validity Index) was done by summing up the judges rating on either sides of the scale and dividing by two to get the average. The items rated irrelevant for the study were replaced with relevant ones. The formula used to calculate CVI was:

CVI= n/N

Where n= number of items rated relevant

N= Total number of items in the instrument

The CVI results are presented in the table

Table 3: showing the Content Validity Index

Items	Number of items	Content validity index
Control environment	10	0.81
Control activist	11	0.91
Monitoring & evaluation	9	0.85

Source: primary data

The CVI for the questionnaire was valid at 0.81 which was above 0.7, the least CVI recommended in survey study should be 0.7 (Yau et al., 2015)

3.10 Ethical considerations

In order to achieve informed consent, the researcher sought permission from relevant authorities and concerned people before carrying out the research.

In the case of privacy, the researcher maintained the respondent's results with a high degree of confidentiality. The results obtained from the sample researched were regarded only for study generalization of knowledge and references.

In this research, the researcher conducted himself in a respectful, honest and truthful manner to all the respondents in presenting the findings from the study.

3.11 Limitations

The researcher was faced with confidentiality of some information related to the topic under study given the fact that some managers were conservative in responding to the questionnaires. In this regard, the researcher assured respondents that the information availed to him will be treated with the highest degree of confidentiality and privacy.

Limited time allocated to the researcher to carry out the study and gather the necessary information relevant and reliable to the study. This is because the research was carried out at the time when lectures were going on and also the fact that the researcher is employee to a certain organization. In this regard, the researcher dedicated time to carry out the research though the tight schedule. The research was treated with a high degree of priority since it was a requirement for the fulfillment of the degree and the anticipated relevance of the research to district management and the MoH at large.

3.12 Conclusion

This chapter mainly focused on the methodology for the study which included the research design, population of the study, area of the study, sample size and selection, sampling techniques, data collection methods, data management and analysis, reliability and validity, ethical considerations, and limitations of the study.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter presents the analysis and discussion of findings on the study that investigated the effect of internal controls on health service delivery mainly focusing on control environment, control activities and monitoring and evaluation as the independent variables. The study employed both quantitative and qualitative approaches as presented below.

4.1 Response rate

The researcher distributed 133 questionnaires. However, due to some limitations emanating from the respondents side only 111 questionnaires were received back leading to a response rate of 83.5%. A response rate of 80% and above is assumed to be commendable according to Fincham, (2008).

4.2 Bio data of respondents

4.2.1 Gender of respondents

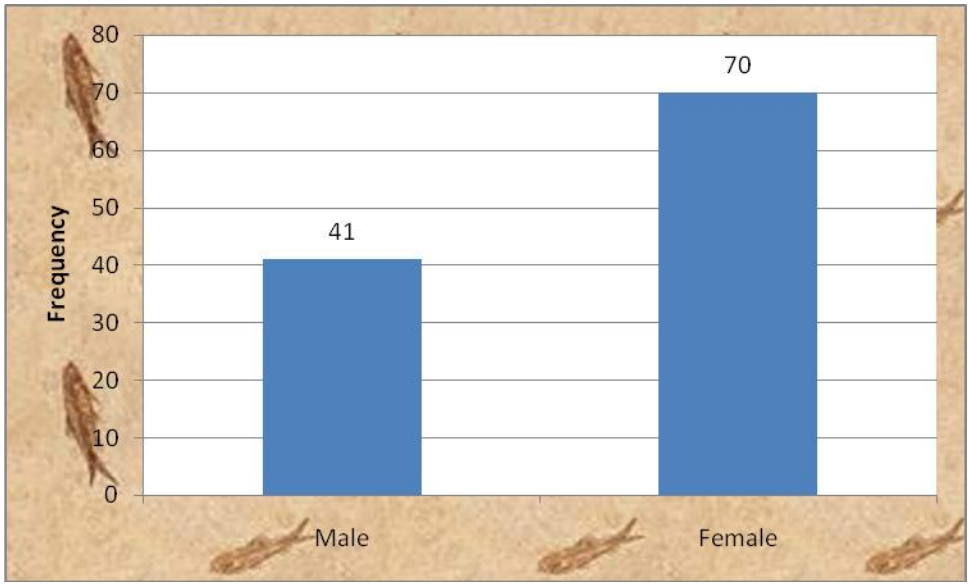
Table 4.2.1: Gender of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	41	36.9	36.9	36.9
	Female	70	63.1	63.1	100.0
	Total	111	100.0	100.0	

Source: Primary data (2017)

The findings as presented in table 4.2.1 above indicated that there were more female (63.1%) as compared to the male (36.9%). This implied that each gender was represented.

Figure 4.2.1: Gender of respondents



Source: Primary data (2017)

4.2.2 Duration at current employment

Table 4.2.2: Duration at current employment

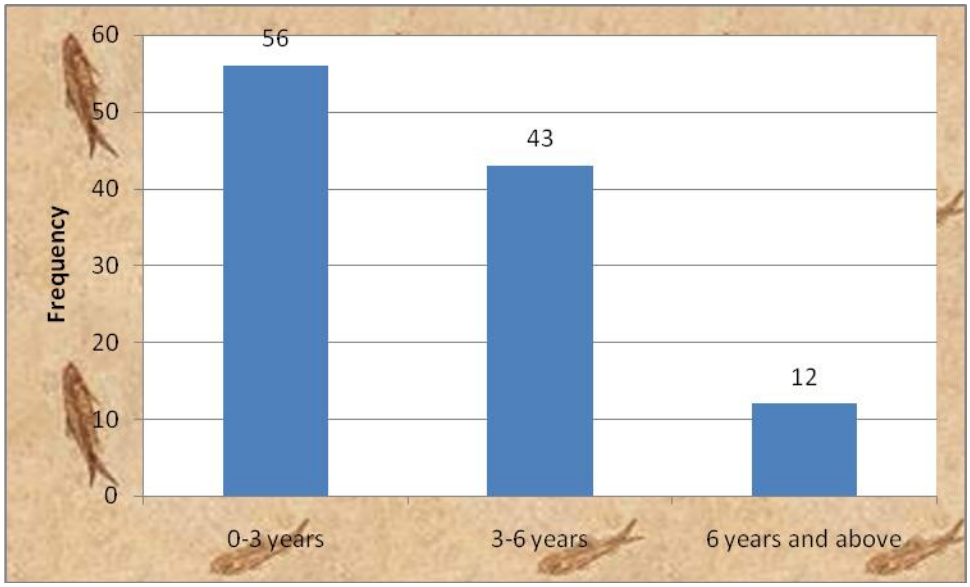
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-3 years	56	50.5	50.5	50.5
	3-6 years	43	38.7	38.7	89.2
	6 years and above	12	10.8	10.8	100.0
	Total	111	100.0	100.0	

Source: Primary data (2017)

Findings in table 4.2.2 above revealed that majority of the respondents had served in their current employment for a period of 0 – 3 years (50.5%), while 38.7% had served 3 – 6 years and lastly (10.8%) for a period above 6 years. The findings indicated that majority

of the respondents had some reasonable experience with the case study hence suggesting reasonable reliability of the findings.

Figure 4.2.2: Duration at current employment



Source: Primary data (2017)

4.2.3 Level of education of the respondents

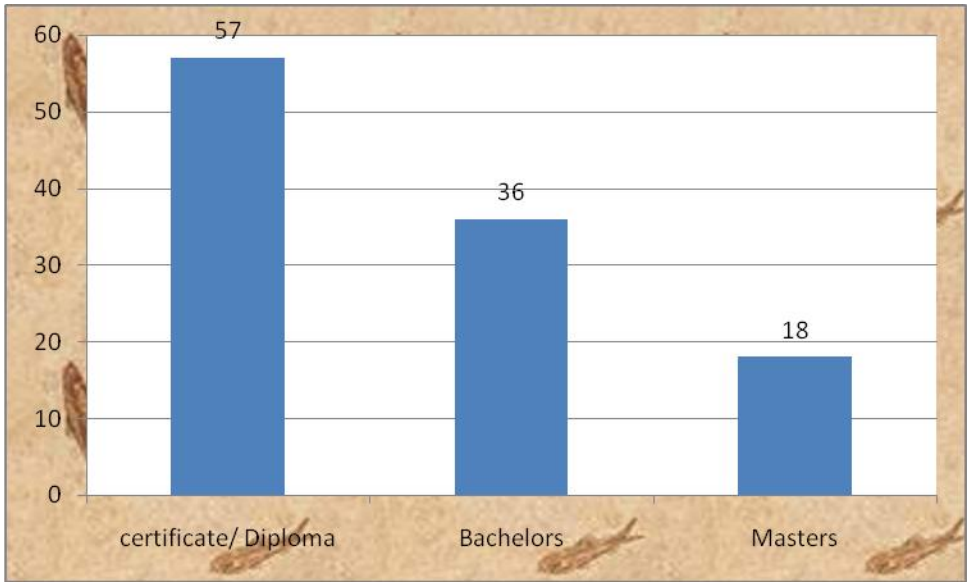
Table 4.2.3: Level of education of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	certificate/ Diploma	57	51.4	51.4	51.4
	Bachelors	36	32.4	32.4	83.8
	Masters	18	16.2	16.2	100.0
	Total	111	100.0	100.0	

Source: Primary data (2017)

Findings in table 4.2.3 above revealed that majority of the respondents were certificate/ diploma holders (51.4%), while 32.4% were bachelor's degree holders and the least were masters' holders (16.2%). This indicated that all the respondents were able to read and interpret the research tool

Figure 4.2.3: Level of education of respondents



Source: Primary data (2017)

4.2.4 Health facility of the respondent

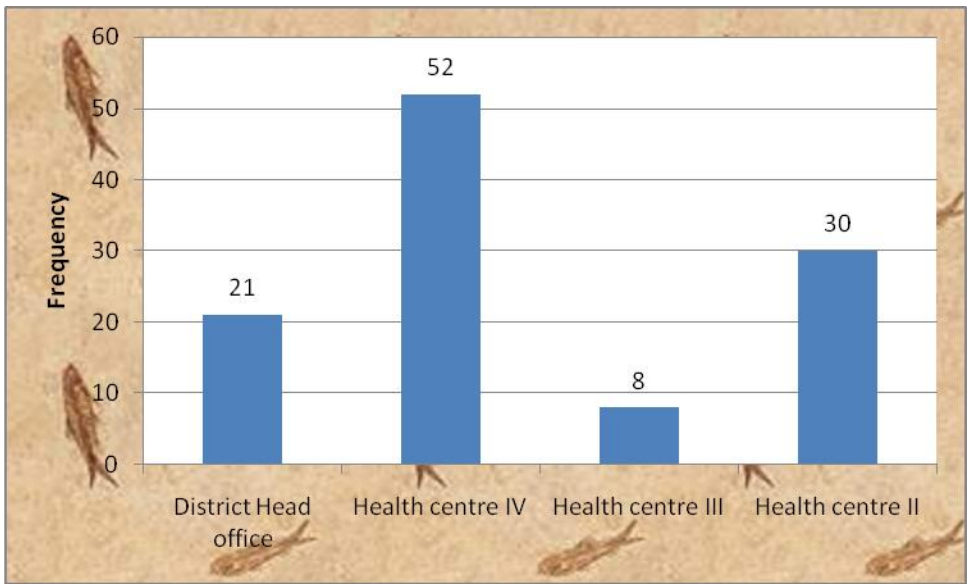
Table 4.2.4: Health facility

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	District Head office	21	18.9	18.9	18.9
	Health centre IV	52	46.8	46.8	65.8
	Health centre III	8	7.2	7.2	73.0
	Health centre II	30	27.0	27.0	100.0
	Total	111	100.0	100.0	

Source: Primary data (2017)

Findings in table 4.2.4 above revealed that majority of the respondents were attached to Health centre IV (46.8%), while 27.0% attached to Health centre II, 18.9% were attached to District head office and lastly 7.2 for health centre III.

Figure 4.2.4: Health facility



Source: Primary data (2017)

4.2.5 Management level

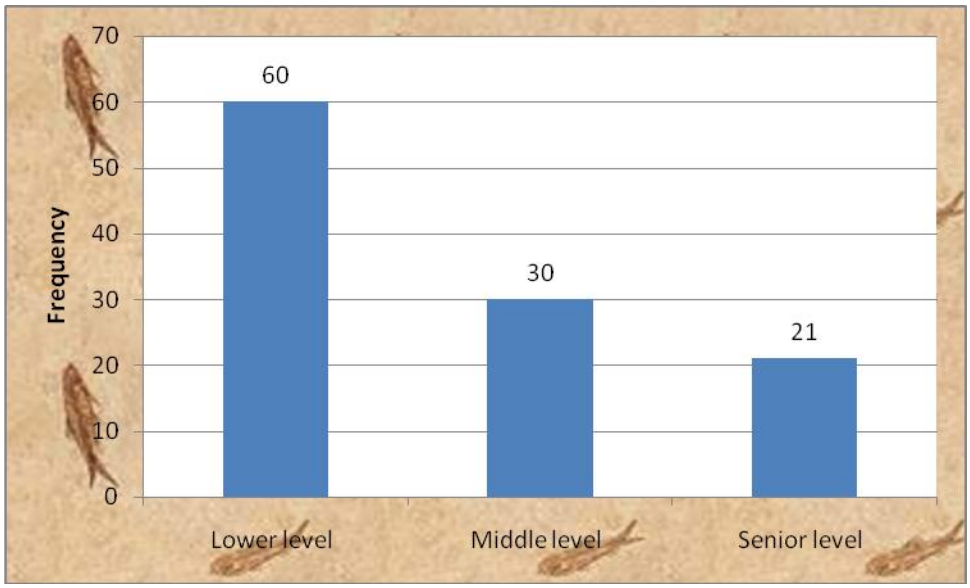
Table 4.2.6: Management level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Lower level	60	54.1	54.1	54.1
	Middle level	30	27.0	27.0	81.1
	Senior level	21	18.9	18.9	100.0
	Total	111	100.0	100.0	

Source: Primary data (2017)

Findings in table 4.2.5 above revealed that majority of the respondents were lower level managers (54.1%), followed by middle level (27.0%) and lastly senior level at 18.9%. the finding revealed good representation of all the levels of management.

Figure 4.2.6: Management level



Source: Primary data (2017)

4.3 Descriptive statistics of the findings

4.3.1 Effect of control environment on health service delivery

Table 4.3.1: Descriptive Statistics on control environment.

	N	Min	Max	Mean	Std. Deviation
Masaka district local government has an accounting financial management system	111	1	5	4.20	.776
Management is committed to the operation of the accounting system	111	1	5	3.72	.987
Management closely monitors implementation of internal controls	111	1	5	4.15	.979
Ethical values are up held at Masaka District Local Government	111	1	5	4.08	.806
Staffs depict a high level of integrity	111	1	5	4.13	.858
Senior management established the code of conduct	111	1	5	4.51	.068
Employee retention schemes are executed	111	1	5	4.11	.875
Performance measures are carried out periodically	111	1	5	3.22	.967
There are high rates of professional standards	111	1	5	4.12	.503
Internal controls are implemented	111	1	5	4.65	.761
Management disseminates employees to the set objectives	111	1	5	2.85	1.065
Employees are held accountable for pursuit of their objectives	111	1	5	3.78	1.160
Resources are utilized effectively and efficiently	111	1	5	2.07	.530
Employees perform as per laid down objectives	111	1	5	4.18	.782
Employees understand the limits to their authority	111	1	5	4.63	.816
Management communicates the written policies and procedures	111	1	5	3.12	.537
Valid N (listwise)	111				

Source: Primary data 2017

Findings on control environment as in table 4.3.1 above indicated that respondents were in agreement with the statement "Masaka district local government has an accounting financial management system" with mean response 4.20, and standard deviation 0.776. This was in agreement with the Masaka District Local Government report (2015/16) that clearly indicates that there is an Integrated Financial Management System which is used for every financial transaction at the district.

Responses were neutral on the statement "Management is committed to the operation of the accounting system" with mean 3.72 and standard deviation 0.987. The finding slightly deviated from the statement implying that respondents had mixed feeling on whether management is committed to the financial management system.

Respondents were in agreement with the statement "Management closely monitors implementation of internal controls" with mean response 4.15, and standard deviation 0.979. This implied that there is adequate monitoring of internal controls and their respective activities at the District.

Respondents were in agreement with the statement "Ethical values are up held at Masaka District Local Government" with mean response 4.08, and standard deviation 0.806. Managers must acknowledge their role in shaping organizational ethics and seize this opportunity to create a climate that can strengthen the relationships and reputations on which their companies' success depends. Executives who ignore ethics run the risk of personal and corporate liability in today's increasingly tough legal environment (Spine 2015).

Respondents were in agreement with the statement "Staffs depict a high level of integrity" with mean response 4.13, and standard deviation 0.85. This is in agreement with COSO (2015) states

that control environment comprises of integrity and ethical values of the organization. The committee of standard organizations of the trade way commission stipulated that for any organization to prosper in meeting its objectives there has to be a high level of integrity and ethical values as this would enhance performance (COSO 2015).

Respondents were in strong agreement with the statement "senior management established the code of conduct" with mean response 4.51, and standard deviation 0.068. The board of directors and senior management establish the tone at the top regarding the importance of internal control including expected standards of conduct. Management reinforces expectations at the various levels of the organization (COSO 2015).

Respondents were in agreement with the statement "Employee retention schemes are executed" with mean response 4.11, and standard deviation 0.875. This is in line with the five components of control environment which states that the organization should demonstrate a commitment to attract, develop, and retain competent individuals in alignment with objectives (COSO 2015).

Responses were neutral on the statement "Performance measures are carried out periodically" with mean 3.22 and standard deviation 0.967. This is in agreement with Craig (2012) who states that there should be administrative and supervisory actions that management engages in to keep the organization focused and cautious in addition to keeping members effective and efficient at task execution (Craig 2012).

Respondents were in agreement with the statement "Internal controls are implemented" with mean response 4.65, and standard deviation 0.76. This is postulated in the revised COSO framework that stresses that management has a duty to put up and implement internal controls for attainment of efficiency and accountability, reliability of financial reporting and adherence to the rules and regulations (COSO 2015).

Respondents were in disagreement with the statement "Management disseminates employees to the set objectives" with mean response 2.85, and standard deviation 1.065). This is in line with Pamella who asserts that a governing board and management enhances an organization's control environment when they disseminates employees to the set objectives, establish and effectively communicate written policies and procedures, a code of ethics, and standards of conduct (Pamella 2006).

Responses were neutral on the statement "Employees are held accountable for pursuit of their objectives" with mean 3.78 and standard deviation 1.160. COSO (2015) stipulates that the organization should hold individuals accountable for their internal control responsibilities in the pursuit of objectives which further backs up this variable.

Respondents were in agreement with the statement "Employees perform as per laid down objectives" with mean response 4.18, and standard deviation 0.782. This is in agreement with Success (2004) who stated that control environment is the consciousness of the organization, thus, the atmosphere that compels organizational members to conduct their activities and responsibilities as per the laid down control objectives.

Respondents strongly agreed with the statement "Employees understand the limits to their authority" with mean response 4.63, and standard deviation 0.503. According to Lower (1998), an effective control environment is where competent people understand their responsibilities, the limits to their authority, and are knowledgeable, mindful, and committed to doing what is right and doing it the right way.

Responses were neutral on the statement "Management communicates the written policies and procedures" with mean 3.12 and standard deviation 0.537. Jenny and Pamela (2006) assert that

“a governing board and management enhance an organization’s control environment when they establish and effectively communicate written policies and procedures, a code of ethics, and standards of conduct”.

Respondents were in disagreement with the statement “Resources are utilized effectively and efficiently” with mean response 2.07, and standard deviation 0.305. Okwach (2000) disclosed that under such an environment, the organizational members utilize the available resources efficiently and effectively hence, achieving the expected organizational performance.

Respondents were in agreement with the statement “There are high rates of professional standards” with mean response 4.12, and standard deviation 0.503. This is in agreement with Pamela who states that control environment is enhanced when employees behave in an ethical manner - creating a positive tone at the top and when they require that same standard of conduct from everyone in the organization (Jenny & Pamela 2006).

4.3.2 Effect of control activities on health service delivery

Table 4.3.3: Descriptive Statistics on control activities

	N	Minimum	Maximum	Mean	Std. Deviation
Management directs policies and procedures in Masaka District Local Government	111	1	5	4.72	.453
Performance reviews are done periodically	111	1	5	4.39	.491
Information processing programs are in place	111	1	5	3.95	.834
Physical controls are implemented	111	1	5	3.81	.931
Duties are segregated properly	111	1	5	2.98	1.117
Organizational objectives are aligned with operational work	111	1	5	3.00	.508
Risks are mitigated	111	1	5	3.38	.985
Approvals are held before any transaction	111	1	5	4.13	.930
All transactions have to be authorized	111	1	5	4.94	.030
Staffs are trained to implement the accounting financial management system	111	1	5	3.89	.850
There is proper management of human capital	111	1	5	4.01	.815
There is timely recording of transactions	111	1	5	3.84	1.063
There is accurate recording of transactions	111	1	5	3.91	1.042
Management clearly defines the lines of authority	111	1	5	3.52	.959
Physical restrictions are implemented	111	1	5	4.41	.955
Departments have budget reviews	111	1	5	4.10	1.040
Explanations for any variances are given	111	1	5	2.97	.933
Valid N (listwise)	111				

Source: Primary data 2017

Findings on control activities as in table 4.3.3 above indicated that respondents were in strong agreement with the statement "Management directs policies and procedures in Masaka District Local Government" with mean response 4.72, and standard deviation 0.453. Control activities such as performance reviews, information processing, physical controls, and segregation of duties, these activities are implemented by management to ensure accomplishment of organizational objectives and the mitigations of risk Lamoye (2005) .

Respondents were in agreement with the statement "Performance reviews are done periodically" with mean response 4.39, and standard deviation 0.491. This is in agreement with the Michigan Technological University which presents that control activities occur at all levels and functions of the entity. They include a wide range of activities such as approvals, authorizations, verifications, reconciliation, performing reviews, maintenance of security and the creation and maintenance of related records which provide evidence of execution of these activities as well as appropriate documentation (Michigan Technological University 2016)

Responses were neutral on the statement "Information processing programs are in place" with mean 3.95 and standard deviation 0.834. This is in agreement with WHO which presents that for any health system to be efficient, there should be timely and efficient information processing programs put in place to communicate the different health related activities to different stakeholders (WHO report 2012).

Responses were neutral on the statement "Physical controls are implemented" with mean 3.81 and standard deviation 0.931. This is in agreement with DiNapoli (2007) who stressed that control activities are the instructions, rules, methods and decisions established over various

activities by management to prevent or reduce risks that affect the organization in achieving its objectives

Respondents were in disagreement with the statement “Duties are segregated properly” with mean response 2.98, and standard deviation 1.117. Segregation of Duties reduces the likelihood of errors and irregularities. An individual is not to have responsibility for more than one of the three transaction components: authorization, custody, and record keeping. When the work of one employee is checked by another, and when the responsibility for custody for assets is separate from the responsibility for maintaining the records relating to those assets, there is appropriate segregation of duties (COSO 2013).

Responses were neutral on the statement “Organizational objectives are aligned with operational work” with mean 3.00 and standard deviation 0.508. The findings slightly deviated from the statement “Organizational objectives are aligned with operational work”. This presented a gap that has to be further investigated and interventions done as to whether objectives are not aligned with operational work, or the employees do not understand organizational objectives and their respective work plans.

Responses were neutral on the statement “Risks are mitigated” with mean 3.38 and standard deviation 0.985. Control activities are actions supported by internal control objectives, procedures and policies that enable managers to address risk timely, effectively and efficiently (Steeves, 2004). He further categorized the activities as preventive and detective.

Respondents were in agreement with the statement “Approvals are held before any transaction” with mean response 4.13, and standard deviation 0.930. Literature defends the fact that authorization Procedures need to include a thorough review of supporting information to verify

the propriety and validity of transactions. Approval authority is to be commensurate with the nature and significance of the transactions and in compliance with policies (Van Horne, 2012).

Respondents were in strong agreement with the statement "All transactions have to be authorized" with mean response 4.94, and standard deviation .030. This is in agreement with Horn who stated that approval of budget expenditure should involve questioning of unusual items, justification of the transaction and review of source documents (Van Horne, 2012). This is further backed up by the fact that there is an integrated financial management system that is used to permit payment or refuse payment any transactions.

Responses were neutral on the statement "Staffs are trained to implement the accounting financial management system" with mean 3.89 and standard deviation 0.850 this is in agreement with the Manhattan University that stresses that authorization procedures need to include a thorough review of supporting information to verify the propriety and validity of transactions. Approval authority is to be commensurate with the nature and significance of the transactions and in compliance with University policy (Manhattan University 2017).

Respondents were in agreement with the statement "There is proper management of human capital" with mean response 4.01, and standard deviation 0.815. This is in agreement with the organizational support theory which refers to the degree to which employees believe that their organization values their contributions and cares about their wellbeing (Eisenberger, Huntington, & Sowa, 1986; Rhoades & Eisenberger, 2002). These approaches to organizational behavior incorporate employee's motives to carry out specific activities within the mutual obligations between employees and employers. The perceived Organizational Theory and psychological contract assume that employees increase their effort carried out on behalf of the organization to

the degree that the organization is perceived to be willing and able to reciprocate with desired impersonal and socio emotional resources.

Responses were neutral on the statement “There is timely recording of transactions” with mean 3.84 and standard deviation 1.063. The findings deviated from the statement and given the abundant importance of timely recording of transactions, management has to empower employees with the required resources and supervision to ensure that transactions are recorded timely.

Responses were neutral on the statement “There is accurate recording of transactions” with mean 3.91 and standard deviation 1.042.The findings slightly deviated from the statement which implies that respondents had mixed feelings on whether there is accurate recording of transactions. In this regard, there is need for accurate recording of transactions to ensure transparence and efficiency in the financial management system.

Responses were neutral on the statement “Management clearly defines the lines of authority” with mean 3.52 and standard deviation 0.959. Personnel need to be competent and trustworthy, with clearly established lines of authority and responsibility documented in written job descriptions and procedures manuals. Organizational charts provide a visual presentation of lines of authority and periodic updates of job descriptions ensures that employees are aware of the duties they are expected to perform (Steeves, 2004).

Respondents were in agreement with the statement “Physical restrictions are implemented” with mean response 4.41, and standard deviation 0.955. Craig (2012) states that control activities are the administrative and supervisory actions that management engages in to keep the organization focused and cautious in addition to keeping members effective and efficient at task execution.

Respondents were in agreement with the statement “Departments have budget reviews” with mean response 4.10, and standard deviation 1.040. Performance reviews of specific functions or activities may focus on compliance, financial, or operational issues. Reconciliation involves cross-checking transactions or records of activity to ensure that the information reported is accurate. For example, revenue and expense activity recorded on accounting reports should be reconciled or compared to supporting documents to ensure that the transactions are recorded in the correct account and for the right amount. (Michigan technological university, 2017).

Respondents were in disagreement with the statement “Explanations for any variances are given” with mean response 2.95, and standard deviation 0.933. The findings deviated from the statement meaning that there are no clear explanations from budget reviews and control deficiencies which hinders service delivery. In this regard, management should put up strategies to ensure that there are workers are held accountable for any variances from their work plan.

4.3.3 Effect of monitoring and evaluation on health service delivery

Table 4.3.5: Descriptive Statistics monitoring and evaluation

	N	Min	Max	Mean	Std. Deviation
Management identifies risks to organizational objectives in Masaka District Local Government	111	1	5	3.10	1.008
Management develops cost effective periodic evaluations	111	1	5	3.99	.421
The district carries audit reviews	111	1	5	3.96	.534
There is an appropriate internal control evaluation scope	111	1	5	3.86	.831
Monitoring assists in ongoing quality assurance	111	1	5	4.10	.502
Monitoring assists in continuous quality improvement	111	1	5	4.25	.635
Management reconsiders the design of controls when risks change	111	1	5	4.22	.510
Periodic evaluations are held	111	1	5	4.01	.620
There are data quality assessment programs at the District	111	1	5	3.93	.027
Planned activities are implemented in a timely manner	111	1	5	3.88	.015
Monitoring and evaluation assist in quality control	111	1	5	4.49	.601
Feedback is provided to all those involved in the execution of internal controls for further improvement	111	1	5	3.83	.957
Valid N (listwise)	111				

Findings on monitoring and evaluation as in table 4.3.5 above indicated that respondents were neutral on the statement "Management identifies risks to organizational objectives in Masaka District Local Government" with mean response 3.10, and standard deviation 1.008. This is reflected in the COSO framework which emphasizes that Monitoring should evaluate whether management reconsiders the design of controls when risks change, and whether controls that have been designed to reduce risks to an acceptable level continue to operate effectively (COSO 2015).

Respondents were neutral on the statement "Management develops cost effective periodic evaluations" with mean response 3.99, and standard deviation .421. However it should also be noted that respondents almost agreed with the statement and with a low variation in the responses as reflected in the COSO framework that management should develop and implement cost-effective, ongoing or periodic evaluations that evaluate that persuasive information.

Respondents were neutral on the statement "The district carries audit reviews" with mean response 3.96, and standard deviation .534. This is in agreement with the Annual Health Sector report (2015/16) which indicated that both internal and external audits are carried out at the district. However it should also be noted that respondents also almost agreed with the statement and with a low variation in the responses.

Respondents were neutral on the statement "There is an appropriate internal control evaluation scope" with mean response 3.86, and standard deviation .831.

Respondents disagreed with the statement "Management devotes resources to monitoring programs" with mean response 2.48, and standard deviation 1.108. This finding presented a deviation from the statement "Management devotes resources to monitoring programs". This

implies that District management has not done enough to avail resources to monitoring programs. Putting into consideration the many importances of monitoring & evaluation, management needs to avail enough resources to these programs which would enhance service delivery and also the health service sector.

Respondents were in agreement with the statement "Monitoring assists in ongoing quality assurance" with mean response 4.10, and standard deviation 0.502. Walker, Shenkir & Buton (2003) said that monitoring processes are used to assess the quality of internal control performance over time. Monitoring is the assessment of internal control performance over time. It is accomplished by on-going monitoring activities and by separate evaluations of internal control such as self-assessments, peer reviews, and internal audits.

Respondents were in agreement with the statement "Monitoring assists in continuous quality improvement" with mean response 4.25, and standard deviation 0.620. Basing on the statement, continuous quality improvement cannot be attained if there are no monitoring activities thus the need for Masaka District Local Government to ensure that adequate resources are devoted to monitoring programs to further enhance the health service sector of Uganda.

Respondents were in agreement with the statement "Management reconsiders the design of controls when risks change" with mean response 4.22, and standard deviation 0.510 as reflected in the literature by Anthony (2004), the purpose of monitoring is to determine whether internal control is adequately designed, properly executed, and effective. Internal control is adequately designed and properly executed if all the control components are present and functioning as designed.

Respondents were in agreement with the statement “Periodic evaluations are held” with mean response 4.01, and standard deviation 0.620. This implies that periodic evaluations are fundamental as part of monitoring & evaluation activities which would enhance service delivery in the health service sector of Uganda

Respondents were neutral on the statement “There are data quality assessment programs at the District” with mean response 3.93, and standard deviation 0.027 reflected by Walker *et al* Monitoring is the assessment of internal control performance over time. It is accomplished by on-going monitoring activities and by separate evaluations of internal control such as self-assessments, peer reviews, and internal audits (Walker, Shenkir & Buton 2003).

Respondents were in agreement with the statement “There are management self assessments” with mean response 4.12, and standard deviation 0.705.To a good extent, the findings agreed with the statement which implies that management self assessments are critical as part of proper execution of internal controls which would enhance service delivery in the health service sector of Uganda.

Respondents were neutral on the statement “Planned activities are implemented in a timely manner” with mean response 3.88, and standard deviation 0.015. The revised COSO framework states that monitoring is needed to ensure that planned administrative, operational and financial tasks and activities are carried out in a timely and proper manner such that set internal control objectives and organizational performance are achieved COSO (2013).

Respondents were in agreement with the statement “Monitoring and evaluation assist in quality control” with mean response 4.49, and standard deviation 0.601. This implies that an

organization is assured of quality production or good service delivery if monitoring & evaluation is done through he different activities which may include DQA, CQI, among others.

Respondents were neutral on the statement "Feedback is provided to all those involved in the execution of internal controls for further improvement" with mean response 3.83, and standard deviation 0.957. This presented a slight deviation from the statement which implies the importance of feed back in execution of the different activities which to a certain extent is not the case in Masaka District Local Government.

4.3.4 Health services delivery

Table 4.3.7: Descriptive Statistics on health services delivery

	N	Min	Max	Mean	Std. Deviation
Masaka District Local Government provides quality health services	111	1	5	4.21	.536
There are health promotion programs	111	1	5	4.53	.074
The district has disease prevention programs	111	1	5	4.62	.033
There are diagnostic programs at the district	111	1	5	3.78	1.100
Health services are easily accessible	111	1	5	3.55	.517
The district put up a health service delivery system	111	1	5	3.81	.792
The system is efficient	111	1	5	2.52	1.022
Management accounts for the health service function	111	1	5	3.89	1.003
Health services are received timely by clients	111	1	5	2.99	1.140
Outpatient consultation rates are high	111	1	5	4.53	.165
The district has a data base system	111	1	5	4.11	.350
The district has a health management information system	111	1	5	4.21	.915
Reports are timely submitted to the system	111	1	5	4.34	1.083
A comprehensive range of health services is provided	111	1	5	4.61	1.002
All health systems are coordinated	111	1	5	3.65	.719
The district carries out support supervision programs	111	1	5	3.88	1.211
Continuous quality improvement programs are timely done	111	1	5	2.83	1.024
The district has Data Quality Assessment programs	111	1	5	3.92	.539
Valid N (listwise)	111				

Findings on health services delivery as in table 4.3.7 above indicated that respondents were in agreement with the statement "Masaka District Local Government provides quality health services" with mean response 4.21, and standard deviation 0.536. A number of interviewed respondents agreed that they receive quality health services. Malaria, diarhorea, and pneumonia are the three diseases with the highest mortality and morbidity rates and a number of respondents agreed that these diseases are managed well.

Respondents strongly agreed with the statement "There are health promotion programs" with mean response 4.53, and standard deviation 0.740. Many respondents who were interviewed strongly agreed with the statement. They all agreed that the district has put up different health education programs through different avenues like the media which includes mainly radio, television programs and by the use of public address systems which communicate information concerning different health services available mainly free counseling and testing for HIV/ AIDS, malaria prevention programs among others.

Respondents also strongly agreed with the statement "The district has disease prevention programs" with mean response 4.62, and standard deviation 0.33. This is in agreement with the district annual health sector report that shows the different prevention programs carried out at the district (Annual health sector report 2015/16).

Responses were neutral on the statement "There are diagnostic programs at the district" with mean response 3.78, and standard deviation 1.100. This finding presented a slight deviation from the district annual health sector report that shows the different diagnostic programs carried out at the district which include TB/Leprosy, Malaria, and health counseling and testing programs (Annual health sector report 2015/16).

Responses were neutral on the statement “Health services are easily accessible” with mean response 3.55, and standard deviation 0.517. Many respondents were neutral on whether health services are easily accessible. This is mainly due to a combination of different factors; the fact that health workers are few as compared to the large numbers of patients means that some receive health services whereas others miss out, the large distances some people have to travel to reach health centers was another issue, and also the un defined time whereby sometimes people receive treatment within relatively a short time while sometimes it takes long.

Responses were neutral on the statement “The district put up a health service delivery system” with mean response 3.81, and standard deviation 0.792. This is in line with World Health Organization which stresses coverage of the proportions of the population who need health services should actually seek and receive them in a timely fashion (WHO 2013).

Responses disagreed with the statement “The system is efficient” with mean response 2.52, and standard deviation 1.022. This finding deviated from the statement. However; the WHO reports that effectiveness and efficiency of health systems is critical. This means there is a high probability that a person who wants to access health services will receive them appropriately (WHO 2013).

Responses were neutral on the statement “Management accounts for the health service function” with mean response 3.89, and standard deviation 1.003. The findings were found to deviate from the statement “Management accounts for the health service function”. This implied that some respondents were neither in agreement nor disagreed with the statement.

Responses disagreed with the statement “Health services are received timely by clients” with mean response 2.99, and standard deviation 1.140. Most patients who were interviewed disagreed with the statement health services are received timely by clients. This was backed up by the fact that many patients take long in ques waiting to receive health services. They all agreed with the fact that it takes long to see doctors and clinician, then if one has been sent to the Laboratory it even takes more time then back to the consultation rooms and then to the pharmacy. Some patients said that it may take someone the whole day to complete all processes required to receive treatment in health facilities.

Responses strongly agreed with the statement “Outpatient consultation rates are high” with mean response 4.53, and standard deviation 0.165. This was in agreement with all respondents interviewed. They all confirmed the fact that district health facilities have overwhelming numbers. This presents with a problem of health worker being over worked due to the many outpatient consultation rates, and also some patients do not receive health care which has negatively impacted on service delivery in the health service sector of Uganda.

Response agreed with the statement “The district has a data base system” with mean response 4.11, and standard deviation 0.350. This is in agreement with Kokin (2014) who emphasized the importance of a data base system which would generate timely reports that are vital to health systems management and service delivery.

Response agreed with the statement “The district has a health management information system” with mean response 4.21, and standard deviation 0.915. Respondents interviewed were in agreement with this statement that the district has a health management information system. This system generates all reports at the district where key stake holders and the Ministry of Health can

access them. These include weekly report (033b), monthly reports (105 and 106), and the annual report (109). This is further in agreement with the District Annual Health Sector report (2014/15) which confirms that the district has a health management information system that presents the different disease conditions which are presented in the health management information system as extracted from district health information system2. The Health Management Information System (HMIS) is an integrated reporting system used by the Ministry of Health to collect relevant and functional information on a routine basis. The HMIS tools were developed in order to address the information needs of the Health Sector Strategic Plan (HSSP) for monitoring the health sector towards the Joint Action Framework (JAF), National Development Plan (NDP) and the Millennium Development Goals (MDGs). It is designed to assist managers carry out evidence based decision making at all levels of the health care delivery. At the health Unit level, HMIS is used by the health unit in-charge and the HUMC to plan and coordinate health care services in their catchment area.

At the district level, the managers are primarily the DHT members. They are responsible for the management of all health Units within the district, for administration at the district level and for the co-ordination of health activities with all other sectors of (local and central) government ((District Annual Health Sector report (2014/15)

Response agreed with the statement "Reports are timely submitted to the system" with mean response 4.34, and standard deviation 1.083. Sseruyange who was interviewed on whether reports are timely submitted to the Health Management Information System agreed with this statement that monthly reports (HMIS 105, 106) are generated, compiled, and submitted to the district biostatician who then feeds them to the system before the 7th of every new month.

Response strongly agreed with the statement "A comprehensive range of health services is provided" with mean response 4.61, and standard deviation 1.003. This finding is in agreement with the report that states that a comprehensive range of health services are provided, appropriate to the needs of the population, including preventive, curative, palliative, and rehabilitative services and health promotion activities (report and opinion of the auditor general 2013).

Responses were neutral on the statement "All health systems are coordinated" with mean response 3.65 and standard deviation 0.719. Some respondents who were interviewed agreed with the fact that health systems are coordinated, these systems guide the different departments work in harmony for example on many occasions lower health facilities refer to higher health facilities with serious conditions and emergencies and to a greater extent this has been efficient in improving health service delivery in the health service sector. On the other hand, some respondents identified gaps in the different health systems as there are a number of system failures which have led to drug expiries, drug stock outs, and inadequate supplies yet some are reported present at the national medical stores.

Responses were neutral on the statement "The district carries out support supervision" with mean response 3.88 and standard deviation 1.211. This finding is in line with the health sector annual report that indicates the different support supervision programs in the district in form of DQA, CQI, CMEs among others (Health sector annual report 2015/16).

Responses disagreed with the statement "Continuous quality improvement programs are timely done" with mean response 2.83 and standard deviation 1.024. Kajura, one of the respondents interviewed disagreed with this statement as he noted that PREFA one of the implementing partners was the last in promoting quality improvement in Masaka District Health facilities yet

this has to be a duty of district management in ensuring that periodic quality improvement programs are carried out across the different health facilities.

Responses were neutral on the statement “The district has Data Quality Assessment programs” with mean response 3.92 and standard deviation 0.539.To the effect of this statement, some respondents who were interviewed agreed that there are data quality assessment programs in form of data cleaning exercises and data checks, while some at some health facilities were not in agreement as only a few health facilities are included in these data quality checks.

Additional analysis was also sought from correlation coefficients to establish a clear relationship between control environment and heath service delivery

Table 4.3.2: Correlation between control environment and health service delivery

		Control environment	Health service delivery
Control environment	Pearson Correlation	1	.679**
	Sig. (2-tailed)		.000
	N	111	111
Health service delivery	Pearson Correlation	.679**	1
	Sig. (2-tailed)	.000	
	N	111	111

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

Source: Primary Data (2017)

From table 4.3.2 above, the correlation coefficient is 0.679^{**}, significant at $p < 0.01$ with N = 111 number of respondents

The results show that there is a strong positive relationship between control environment and health service delivery that any positive change in control environment leads to a positive change in health service delivery and vice versa

Additional analysis was also sought from correlation coefficients to establish a clear relationship between control activities and heath service delivery

Table 4.3.4: Correlation between control activities and health service delivery

		Control activities	Health service delivery
Control activities	Pearson Correlation	1	.797**
	Sig. (2-tailed)		.000
	N	111	111
Health service delivery	Pearson Correlation	.797**	1
	Sig. (2-tailed)	.000	
	N	111	111

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

Source: Primary Data (2017)

From table 4.3.4 above, the correlation coefficient is 0.797^{**}, significant at $p< 0.01$ with N = 111 number of respondents

The results show that there is a very strong positive relationship between control activities and health service delivery that any positive change in control activities leads to a very big positive change in health service delivery and vice versa

Additional analysis was also sought from correlation coefficients to establish a clear relationship between monitoring & evaluation and heath service delivery

Table 4.3.6: Correlation between monitoring & evaluation and health services delivery

		Monitoring and evaluation	Health services delivery
Monitoring and evaluation	Pearson Correlation	1	.653**
	Sig. (2-tailed)		.000
	N	111	111
Health services delivery	Pearson Correlation	.653**	1
	Sig. (2-tailed)	.000	
	N	111	111

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

Source: Primary Data (2017)

From table 4.3.6 above, the correlation coefficient is 0.653^{**}, significant at $p< 0.01$ with N = 111 number of respondents

The results show that there is a strong positive relationship between monitoring and evaluation and health services delivery that any positive change in monitoring and evaluation leads to a strong positive change in health services delivery and vice versa.

4.4 Regression analysis

Table 4.4.1: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.161	.233		4.992	.000
	Monitoring and evaluation	.449	.134	.532	3.350	.001
	Control environment	.334	.166	.396	2.016	.047
	Control activities	.691	.144	.692	4.812	.000

a. Dependent Variable: Health services delivery

Source: Primary data 2017

The findings in table 4.4.1 above revealed that control activities were the best predictors of fraud health service delivery (Beta 0.692) followed by monitoring and evaluation (Beta 0.532) and lastly control environment (Beta 0.396). This implies that though there are other more direct variables of health service delivery for example human resource for health, control activities are key in receiving desired health services level. Therefore there is need to intensify control activities in order to achieve the best results.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary, conclusions, and recommendations of the findings that are presented according to the objectives. The summary followed the three research Questions that guided the whole process of data collection and analysis. The study was guided by the following research questions;

iv. What is the effect of control environment on health service delivery?

v. What is the effect of control activities on health service delivery?

vi. What is the effect of monitoring and evaluation on health service delivery?

5.1 Summary of key findings

5.1.1 Effect of control environment on health services delivery

The study findings revealed that there is a high significant relationship between control environment and health services delivery given by Pearson correlation coefficient $r = 0.679^{**}$ and significance $p < 0.01$ with $N = 111$ number of respondents.

This implies that any positive change in control environment, results in a magnified positive change in health services delivery.

5.1.2 Effect of control activities on health services delivery

The study revealed a very strong positive relationship between control activities and health services delivery given by Pearson correlation coefficient r = 0.796** and significance p< 0.01 with N= 111 number of respondents.

This implies that any positive change in control activities, results in a very big positive change in health services delivery.

5.1.3 Effect of monitoring and evaluation on health services delivery.

The study findings revealed that there is a high significant relationship between monitoring and evaluation and health service delivery given by Pearson correlation coefficient r = 0.653** and significance p< 0.01 with N = 111 number of respondents.

This implies that any positive change in monitoring and evaluation, results in more than proportional positive change in health services delivery.

5.2 Conclusions

5.2.1 Effect of control environment on health services delivery

The study findings reported that there is a high significant relationship between control environment and health services delivery. This implies that top management has a duty to put up internal controls, ensure that there are high levels of integrity and ethical values, monitor internal controls, formulate smart and sounding objectives, ensure proper utilization of resources, and proper management of employees in order to improve the health service sector of Uganda. Therefore control environment has an effect on the health services sector.

5.1.2 Effect of control activities on health services delivery

The study revealed a very strong positive relationship between control activities and health services delivery. This implies that proper institution of control activities such as proper segregation of duties, performance reviews, physical controls, risk mitigations, approvals, authorizations, proper management of human capital, budget reviews, among others would positively affect the health service sector. Therefore control activities have a very strong effect on the health services sector.

5.2.3 Effect of monitoring and evaluation on health services delivery.

The study findings revealed that there is a high significant relationship between monitoring and evaluation and health services delivery. This implies that proper monitoring and evaluation in terms of risk identification, putting up measures to control risk, carrying out periodic evaluations, audit reviews, availing more resources to monitoring and evaluation activities, data quality assurance, continuous quality improvement would enhance the health service sector of Uganda. Therefore monitoring and evaluation has a positive effect on health services delivery.

5.3 Recommendation

On the basis of study findings, discussions and conclusions, the following recommendations are made in line with study objectives;

5.3.1 Effect of control environment on health services delivery

The researcher recommended more investment on control environment. Top management should institute sounding internal controls, ensure that there are high levels of integrity for example by instituting and communicating an ethical code of conduct to employees, monitor internal

controls, formulate smart and sounding objectives, ensure proper utilization of resources, and proper management of employees in order to enhance the health service sector of Uganda

5.3.2 Effect of control activities on health services delivery

According to the findings, control activities were found to be the most salient actors in enhancing health service delivery. Therefore keen attention should be employed in improving activities like proper segregation of duties, performance reviews, physical controls, risk mitigations, approvals, and authorizations of transactions, proper management of human capital, budget reviews, authorization lines, strict logins which would in turn enhance the health service sector.

5.2.3 Effect of monitoring and evaluation on health services delivery

Monitoring and evaluation is crucial for any organization therefore it should not be neglected but strengthened. Proper monitoring and evaluation in terms of risk identification, putting up measures to control risk, carrying out periodic evaluations, audit reviews, availing more resources to monitoring and evaluation activities, data quality assurance, continuous quality improvement would enhance the health service sector of Uganda.

5.4 Areas for further research

Other factors that affect the health service sector like human resource for health, infrastructure, and medical supplies among others may be investigated in the struggle to improve the health service sector of Uganda. The same study could be repeated with a different Case, preferably in Non- Governmental Organizations and Ministries. The researcher's view is that the findings from the study may not be used entirely to generalize what is obtaining in the health service sector of Uganda. It therefore follows that related or similar studies in the health service sector

need to be conducted in order to have a better view on how to enhance the health service sector of Uganda.

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APPENDICES

Appendix I: Questionnaire:

Dear Respondent, I am a research student pursuing a Masters of Business Administration and Management (MBA) of Uganda Martyrs University. The topic of study is **INTERNAL CONTROLS AND SERVICE DELIVERY IN THE HEALTH SERVICE SECTOR**. You have been selected to participate in this study due to the importance of your information in the study. The information you provide will only be used for the purpose of this study and will be treated with utmost confidentiality. Please feel free and answer all the questions.

Section A: Introduction

Background questions:

1. Gender (Please tick appropriately)

1. Male ☐

2. Female ☐

2. What is your highest level of education?

1. Certificate/Diploma ☐

2. Bachelor ☐

3. Masters ☐

4. PhD ☐

5. Other (Specify)……...

1) Duration in current employment

a) 0-3 Years ☐

b) 3-6 Years ☐

c) 6 Years and above ☐

2) HEALTH FACILITY

a) District Head office ☐

b) Health Centre IV ☐

c) Health Center III ☐

d) Health Centre II ☐

3) What level of management are you in the organization?

a) Lower level management ☐

b) Middle level management ☐

c) Senior level management ☐

Section B:

Please rank the following statement on Likert Scale ranging from strongly disagrees to strongly agree where:

1 = Strongly Disagree 2 = Disagree 3 = neutral 4 = agree 5= strongly agree

Control environment

	Control environment	**1**	**2**	**3**	**4**	**5**
1	Masaka district local government has an accounting financial management system					
2	Management is committed to the operation of the accounting system					
3	Management closely monitors implementation of internal controls					
4	Ethical values are up held at Masaka District Local Government					
5	Staffs depict a high level of integrity					
6	Senior management established the code of conduct					
7	Employee retention schemes are executed					
8	Performance measures are carried out periodically					
9	Internal controls are implemented					
10	Management disseminates employees to the set objectives					
11	Employees are held accountable for pursuit of their objectives					
12	Employees perform as per laid down objectives					
13	Employees understand the limits to their authority					
14	Management communicates the written policies and procedures					
15	Resources are utilized effectively and efficiently					
16	There are high rates of professional standards					

i) Control activities.

	Control activities	**1**	**2**	**3**	**4**	**5**
1	Management directs policies and procedures in Masaka District Local Government					
2	Performance reviews are done periodically					
3	Information processing programs are in place					
4	Physical controls are implemented					
5	Duties are segregated properly					
6	Organizational objectives are aligned with operational work					
7	Risks are mitigated					
8	Approvals are held before any transaction					
9	All transactions have to be authorized					
10	Staffs are trained to implement the accounting financial management system					
11	There is proper management of human capital					
12	There is timely recording of transactions					
13	There is accurate recording of transactions					
14	Management clearly defines the lines of authority					
15	Physical restrictions are implemented					
16	Departments have budget reviews					
17	Explanations for any variances are given					

ii) Monitoring & evaluation.

	Monitoring & evaluation	**1**	**2**	**3**	**4**	**5**
1	Management identifies risks to organizational objectives in Masaka District Local Government					
2	Management develops cost effective periodic evaluations					
3	The district carries audit reviews					
4	There is an appropriate internal control evaluation scope					
5	Management devotes resources to monitoring programs					
6	Monitoring assists in ongoing quality assurance					
7	Monitoring assists in continuous quality improvement					
8	Management reconsiders the design of controls when risks change					
9	Periodic evaluations are held					
10	There are data quality assessment programs at the District					
11	There are management self assessments					
12	Planned activities are implemented in a timely manner					
13	Monitoring and evaluation assist in quality control					
14	Feedback is provided to all those involved in the execution of internal controls for further improvement					

iii) Health service delivery

	Health service delivery	**1**	**2**	**4**	**4**	**5**
1	Masaka District Local Government provides quality health services					
2	There are health promotion programs					
3	The district has disease prevention programs					
4	There are diagnostic programs at the district					
5	Health services are easily accessible					
6	The district put up a health service delivery system					
7	The system is efficient					
8	Management accounts for the health service function					
9	Health services are received timely by clients					
10	Outpatient consultation rates are high					
11	The district has a data base system					
12	The district has a health management information system					
13	Reports are timely submitted to the system					
14	A comprehensive range of health services is provided					
15	All health systems are coordinated					
16	The district carries out support supervision programs					
17	Continuous quality improvement programs are timely done					
18	The district has Data Quality Assessment programs					

iv) What challenges do you encounter in enforcing internal controls in the district?

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v) Suggest solutions for overcoming those challenges

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Appendix II: Interview guide

1. Are there health promotion programs at the district health facilities?
2. Are health services easily accessible?
3. Does management account for the implementation of the different health services?
4. Are health services received timely by patients?
5. Are there many out patients at the health facilities?
6. Does the District have a health management information system?
7. Are reports submitted and entered timely in the system?
8. Are there continuous quality improvement programs at the District?
9. Are there data quality assessment programs at the District health facilities?

Appendix III: RELIABILITY TESTS

Reliability Statistics: Control environment

Cronbach's Alpha	N of Items
.84	16

Reliability Statistics: Control activities

Cronbach's Alpha	N of Items
.718	17

Reliability Statistics: Monitoring & evaluation

Cronbach's Alpha	N of Items
.81	13

Appendix IV: Table for determining sample Size from a given population.

N	S	N	S	N	S	N	S
10	10	140	103	460	214	2200	327
15	14	150	108	480	217	2400	331
20	19	160	113	500	226	2600	335
25	24	170	118	550	234	2800	338
30	28	190	127	600	242	3000	341
35	32	200	132	650	248	3500	346
40	36	210	136	700	254	4000	351
45	40	220	140	750	260	4500	354
50	44	230	144	800	265	5000	357
55	48	250	148	850	269	6000	361
60	52	260	152	900	274	7000	364
65	56	270	155	1000	278	8000	367
70	59	280	159	1100	285	9000	368
75	63	290	162	1200	291	10,000	370
80	66	300	169	1300	297	15,000	375
85	70	320	175	1400	302	20,000	377
90	73	340	181	1500	306	30,000	379
95	76	360	186	1600	310	40,000	380
100	80	380	191	1700	313	50,000	381
110	86	400	201	1800	317	75,000	382
120	92	420	205	1900	320	100,000	384
130	97	440	210	2000	322		

Note: N is the population size; S is the sample size. Derived from Morgan and Krejcie (1970).

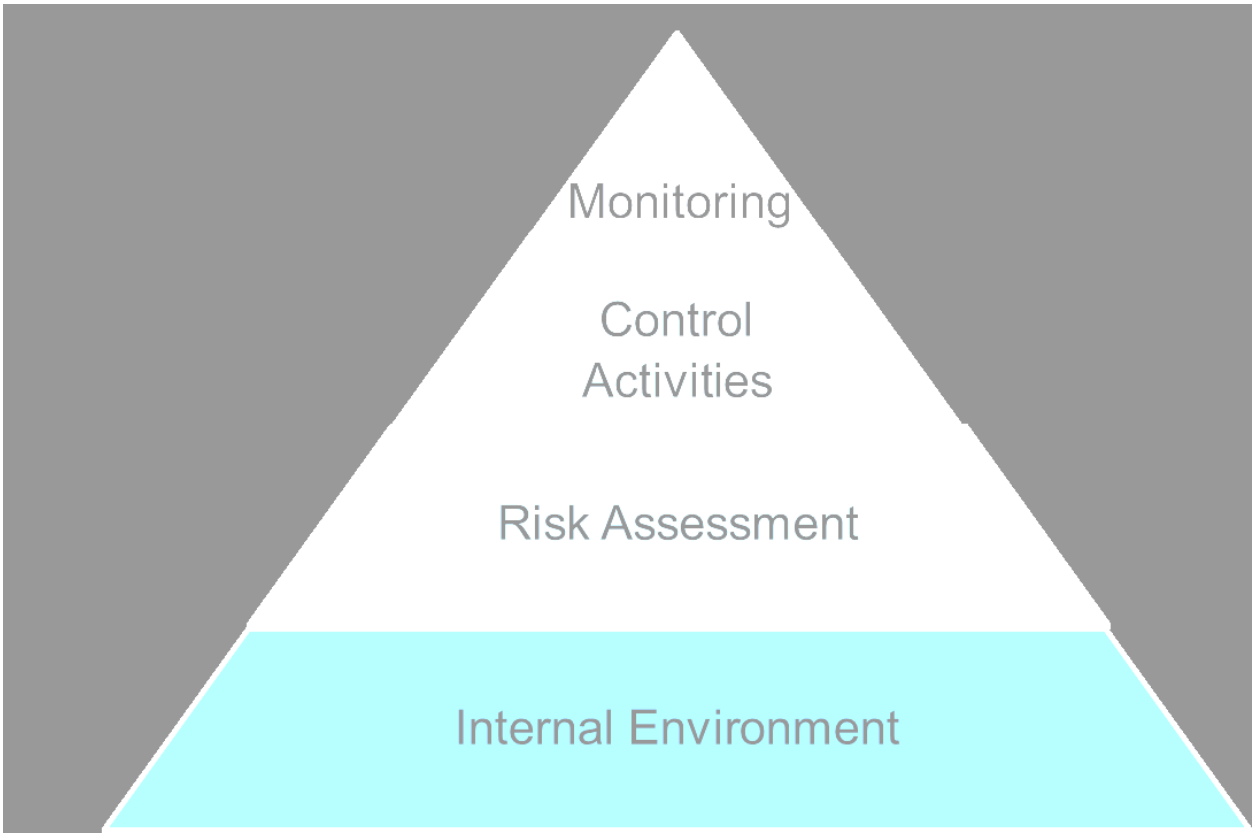
Appendix VI: Summary of personnel in health at the District

Health center	Recommended	Present	Gap
District	12	10	2
Health center IV	90	64	26
Health center III	114	88	26
Health center II	72	40	32
Total	288	202	86

Source: *Masaka District Local Government Health Sector Annual Report (2015/16).*

NB: Manpower is at **70%** of the recommended.

Figure 1 - COSO Integrated Control Components



Source: The revised COSO Framework 2013