PROCUREMENT AUDIT AND ACCOUNTABILITY OF PUBLIC SECTOR INSTITUTIONS. A CASE OF KAMPALA CITY COUNCIL AUTHORITY.

BY

KANTU ANOLD

2023/AUG/MPLM/M234305/WKD

A RESEARCH DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS ADMINISTRATION IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF DEGREE OF MASTER IN PROCUREMENT AND LOGISTICS MANAGEMENT OF NKUMBA UNIVERSITY

OCTOBER, 2025

DECLARATION

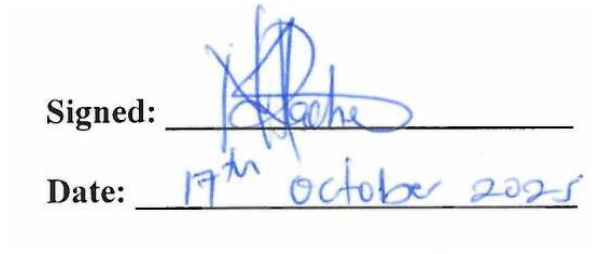
I, **Kantu Anold**, declare that this research dissertation titled *"Procurement Audit and Accountability of Public Sector Institutions: A Case of Kampala Capital City Authority"* is my original work and has not been submitted for any academic award at any university or institution of higher learning. All sources of information used have been duly acknowledged.

Signed: _____

Date: 13/10/2025

APPROVAL

This research dissertation titled *"Procurement Audit and Accountability of Public Sector Institutions: A Case of Kampala Capital City Authority"* has been submitted for academic review and approval with my full knowledge and guidance as the official supervisor.



DEDICATION

This work is dedicated to my beloved parents, who have been a constant source of encouragement, sacrifice, and inspiration in my life. Their unwavering support, prayers, and belief in my potential motivated me to persevere through every challenge. Special dedication also goes to my family and friends for their patience, understanding, and moral support during the long hours of study and research. To all who stood by me in times of doubt and offered words of encouragement, this accomplishment is equally yours.

ACKNOWLEDGMENTS

I am deeply grateful to God for the gift of life, knowledge, and good health that enabled me to successfully complete this dissertation. My sincere appreciation goes to my supervisor, Mrs. KABUYE RACHEAL whose tireless guidance, constructive feedback, and professional mentorship shaped this work from the proposal stage to its completion. I wish to acknowledge my lecturers and the entire academic staff for the knowledge, skills, and direction they imparted to me throughout my studies. Their contribution laid the foundation upon which this research was built.

I am also indebted to the management and staff of Kampala Capital City Authority (KCCA), particularly those in the Procurement and Disposal Unit, Internal Audit Unit, and Finance Department, for their cooperation in providing the necessary information during data collection.

Special thanks go to my colleagues, classmates, and research assistants who supported me in various ways, including data entry, reviews, and encouragement when the workload felt overwhelming. I am equally grateful to my family and friends for their patience, love, and moral support during the demanding period of this study.

Finally, I extend heartfelt appreciation to every individual who, in one way or another, contributed to the success of this academic work.

May God richly bless you all.

TABLE OF CONTENTS

DECLARATION i
APPROVAL ii
DEDICATION iii
ACKNOWLEDGMENTS iv
LIST OF TABLES x
LIST OF FIGURES xi
LIST OF ABBREVIATIONS/ ACRONYMS xii
ABSTRACT xiii
CHAPTER ONE 1
INTRODUCTION 1
1.0 Overview 1
1.1 Background to the Study 1
1.1.1 Conceptual Background 1
1.1.2 Historical Background 2
1.1.3 Theoretical Background 4
1.1.4 Contextual Background 6
1.2 Statement of the Problem 7
1.3 Purpose of the Study 8
1.4 Specific Objectives 8
1.5 Research Questions 8
1.6 Study Hypotheses 9
1.7 Scope of the Study 9
1.7.1 Content Scope 9
1.7.2 Geographical Scope 9
1.7.3 Time Scope 10
1.8 Significance of the Study 10
CHAPTER TWO 11
STUDY LITERATURE 11
2.0 Introduction 11
2.1 Literature Survey 11

2.2 Conceptual review 12
2.2.1 Procurement 12
2.2.2 Audit 13
2.2.3 Procurement Audit 13
2.2.4 Accountability 13
2.2.5 Public Sector 14
2.3 Theoretical Review 14
2.3.1 Agency Theory 14
2.3.2 Institutional Theory 15
2.4 Empirical Review 16
2.4.1 How the transparency of bid price evaluations enhances accountability in public sector 16
2.4.2 How the effectiveness of monitoring and supervision of contractors affects accountability in public sector 21
2.4.3 Effectiveness of internal audit mechanisms in ensuring financial accountability in public sector 26
2.5 Conceptual Framework 29
2.6 Summary of literature and Research Gaps 31
CHAPTER THREE 33
RESEARCH METHODOLOGY 33
3.0 Introduction 33
3.1 Research Design 33
3.1.1 Research Strategy 33
3.1.2 Research Approach 33
3.1.3 Research Classification 34
3.1.4 Research Duration 34
3.2 Study Population 34
3.3 Sample Size and Selection 35
3.4 Sampling Techniques and Procedures 36
3.4.1 Simple Random Sampling 36
3.5 Data Collection Methods 36
3.5.1 Questionnaire Survey Method 37

3.5.2 Interview Method 37
3.6 Data Collection Instruments 38
3.6.1 Self-Administered Questionnaire 38
3.6.2 Interview Guide 38
3.7 Validity and Reliability 39
3.7.1 Validity 39
3.7.2 Reliability of Instruments 39
3.8 Data Collection Procedure 40
3.9 Data Analysis 41
3.9.1 Quantitative Data 41
3.9.2 Qualitative data 41
3.10 Measurement of Variables 41
3.11 Ethical Considerations 42
3.12 Anticipated Limitations to the Study 43
CHAPTER FOUR 44
DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS 44
4.0 Introduction 44
4.1 Response rate 44
4.2 Background information of respondents 44
CHAPTER FIVE 48
HOW THE TRANSPARENCY OF BID PRICE EVALUATIONS ENHANCES ACCOUNTABILITY IN KCCA PROCUREMENT PROCESSES. 48
5.0 Introduction 48
5.1 Descriptive statistics on how the transparency of bid price evaluations enhances accountability in KCCA procurement processes. 48
5.2 Hypotheses of the study 52
5.3 Correlation analysis 52
CHAPTER SIX 54
HOW MONITORING AND SUPERVISION OF CONTRACTORS AFFECT ACCOUNTABILITY AT KCCA. 54
6.0 Introduction 54

6.1 Descriptive statistics on how monitoring and supervision of contractors affect accountability at KCCA..... 54
6.2Hypotheses of the study..... 58
6.3 Correlation analysis..... 58
CHAPTER SEVEN..... 60
EFFECT OF INTERNAL AUDIT MECHANISMS IN ENSURING FINANCIAL ACCOUNTABILITY AT KCCA..... 60
5.0 Introduction..... 60
7.1 Descriptive statistics on the effect of internal audit mechanisms in ensuring financial accountability at KCCA..... 60
7.2 Hypotheses of the study..... 63
7.3 Correlation analysis..... 63
CHAPTER EIGHT..... 66
ACCOUNTABILITY..... 66
8.0 Introduction..... 66
8.1 Descriptive statistics on accountability..... 66
CHAPTER NINE..... 69
DISCUSSION OF FINDINGS..... 69
9.0 Introduction..... 69
9.1 Transparency of bid price evaluations and accountability..... 69
9.2 Monitoring and supervision of contractors and accountability..... 71
9.3 Internal audit mechanisms and financial accountability..... 72
9.4 Relevance of Agency Theory and Institutional Theory..... 73
CHAPTER TEN..... 75
SUMMARY, CONCLUSION AND RECOMMENDATIONS..... 75
10.1 Introduction..... 75
10.1 Summary of findings..... 75
10.1.1 Transparency of bid price evaluations and accountability..... 75
10.1.2 Monitoring and supervision of contractors and accountability..... 76
10.1.3 Internal audit mechanisms and accountability..... 76
10.2 Conclusion..... 77

10.3 Recommendations 78
10.4 Areas for further research 79
References 80
APPENDICES 86
APPENDIX I: SELF-ADMINISTERED QUESTIONNAIRE 86
APPENDIX II: INTERVIEW GUIDE FOR KEY INFORMANTS 89
APPENDIX III: DOCUMENT REVIEW CHECKLIST 90

LIST OF TABLES

Table 3.1: Sampling frame 36

Table 3.2: Reliability Indices 40

Table 3.3: Interpretation of Means Using Likert Scale 42

Table 4.1: Respondent's Gender 44

Table 4.2: Age group 45

Table 4.3: Department of work 45

Table 4.4: Education level 46

Table 4.5: Period of service 46

Table 5.1: Descriptive statistics on how the transparency of bid price evaluations enhances accountability in KCCA procurement processes. 48

Table 5.2: Correlation for transparency of bid price evaluations and accountability in KCCA procurement processes 52

Table 6.1: Descriptive statistics on how monitoring and supervision of contractors affect accountability at KCCA. 54

Table 6.2: Correlation results for monitoring and supervision of contractors affect accountability 58

Table 7.1: Descriptive statistics on the effect of internal audit mechanisms in ensuring financial accountability at KCCA. 60

Table 7.2: Correlation results for internal audit mechanisms in ensuring financial accountability at KCCA 64

Table 8.1: Descriptive statistics on accountability 66

LIST OF FIGURES

Figure 2.1: Conceptual Framework 30

LIST OF ABBREVIATIONS/ ACRONYMS

ANOVA	Analysis of Variance
CIPS	Chartered Institute of Procurement and Supply
CVI	Content Validity Index
DV	Dependent Variable
IV	Independent Variable
KCCA	Kampala Capital City Authority
MDAs	Ministries, Departments, and Agencies
NDPIII	National Development Plan III
OECD	Organisation for Economic Co-operation and Development
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
PPRA	Public Procurement Regulatory Authority
SPSS	Statistical Package for the Social Sciences
URT	United Republic of Tanzania

ABSTRACT

The study examined the role of procurement audit in enhancing accountability in Uganda's public sector, focusing on Kampala Capital City Authority (KCCA). It was guided by three specific objectives: to assess how transparency of bid price evaluations enhances accountability in KCCA procurement processes; to evaluate how monitoring and supervision of contractors affect accountability; and to establish the effect of internal audit mechanisms in ensuring financial accountability. The study was underpinned by Agency Theory, which explained how procurement audit reduced information asymmetry between agents and principals, and Institutional Theory, which showed how accountability practices were adopted in response to regulatory and legitimacy pressures.

A descriptive and correlational case study design was employed. The target population of 110 participants included staff in the procurement and disposal unit, internal audit unit, finance department, and selected contractors. A sample size of 86 respondents was computed using Slovin (1960) formula and selected using purposive, and simple random sampling techniques. Data was collected through structured questionnaires, interviews, and documentary reviews. Quantitative data was analyzed using descriptive statistics and Pearson correlation analysis, while qualitative data was analyzed thematically.

The correlation results revealed that procurement audit had a significant positive relationship with accountability, though with varying strengths. Transparency of bid price evaluations showed the weakest but significant relationship with accountability ($r = 0.327, p = 0.024$), indicating that openness promoted accountability but was inconsistently enforced. Monitoring and supervision of contractors showed a moderate positive relationship ($r = 0.412, p = 0.004$), meaning that stronger supervision practices improved accountability, though less effectively than audits. Internal audit mechanisms showed the strongest positive relationship ($r = 0.767, p = 0.000$), demonstrating that regular audits, compliance checks, and corrective actions were most effective in ensuring accountability. The study concluded that while all three mechanisms enhanced accountability, internal audit mechanisms were the most decisive, followed by monitoring and supervision of contractors, and lastly transparency in bid price evaluations.

It was recommended that KCCA management should reinforce audit independence and resourcing, enforce corrective action on audit findings, and institutionalize strict contractor monitoring. The Procurement and Disposal Unit should improve transparency through full disclosure of bid prices and criteria, PPDA should intensify oversight, and civil society organizations should demand access to procurement reports to strengthen public accountability.

CHAPTER ONE
INTRODUCTION

1.0 Overview

This study examined the role of procurement audit in enhancing accountability within Uganda's public sector, focusing on Kampala Capital City Authority (KCCA). Given the increasing concerns over procurement irregularities and financial mismanagement in public institutions (PPDA, 2023), the study sought to evaluate the effectiveness of audits in enforcing accountability and improving procurement outcomes. This chapter presents the background to the study, statement of the problem, study purpose specific objectives, research questions, study hypotheses, scope, significance, justification and conceptual framework.

1.1 Background to the Study

The background covers; the conceptual, historical, theoretical, and contextual perspectives

1.1.1 Conceptual Background

The concept of procurement audit as the independent variable refers to the systematic review and evaluation of procurement processes, documents, and outcomes to ensure compliance with legal, financial, and ethical standards (OECD, 2021). In public sector procurement audits, transparency of bid price evaluations, monitoring of contractors, and internal audit mechanisms are central elements because they ensure accountability and value for money. Transparent bid evaluations minimize favoritism and corruption by ensuring that awards are based on objective and documented criteria (OECD, 2016. Other dimensions of procurement audit include; compliance auditing, which checks conformity with procurement regulations; performance auditing, which evaluates the efficiency and effectiveness of procurement processes; and forensic auditing, which investigates fraud and unethical practices (Transparency International, 2022). These audits serve as both preventive and corrective tools, enabling institutions like KCCA to enhance accountability and reduce corruption.

Accountability, as the dependent variable, refers to the responsibility of public institutions to report, explain, and be held liable for the use of public resources and their actions in decision-making. According to the Chartered Institute of Procurement and Supply (CIPS, 2022), accountability in procurement ensures that officials act in the public interest and remain answerable for the legality and fairness of procurement processes. The World Bank (2023) defines accountability as a governance mechanism that enforces transparency, responsiveness, and integrity across public functions. Financial accountability is upheld through transparent bid evaluations that ensure public funds are spent as intended. Procedural accountability arises from strict monitoring and supervision of contractors to enforce compliance with rules. Ethical accountability is reinforced by internal audit mechanisms that deter favoritism and corruption. Accurate record keeping supports audit trails for decision verification, while value for money is achieved by ensuring efficiency, fairness, and effective use of resources (African Development Bank, 2022).

1.1.2 Historical Background

Globally, the role of procurement audit in promoting public sector accountability has gained substantial attention over the past two decades, especially following high-profile procurement scandals and growing demand for transparency in government spending. In the aftermath of the 2008 global financial crisis, many OECD countries introduced stronger procurement understanding mechanisms to restore public trust and ensure value for money (OECD, 2016). Countries like the United Kingdom, Canada, and New Zealand institutionalized procurement audit as part of their national audit offices to monitor the performance and compliance of public procurement systems (World Bank, 2021). In 2018, South Korea adopted a digital procurement auditing model through its KONEPS system, which integrates real-time audit trails to monitor every procurement transaction, greatly enhancing accountability (Kim & Lee, 2019). Similarly, in Chile, the introduction of the ChileCompra system in 2015 significantly improved

transparency and efficiency in public contracting by combining audit mechanisms with open contracting principles (OECD, 2020). These global trends underscore how procurement audit have evolved from traditional compliance checks into robust accountability tools that detect fraud, improve efficiency, and build public confidence.

In Africa, the emphasis on procurement audit has intensified since the early 2010s due to widespread concerns about public resource mismanagement, corruption, and weak institutional capacity. Countries such as Ghana, South Africa, and Nigeria have undertaken major public procurement reforms aimed at strengthening audit and compliance frameworks. Ghana's 2016 Public Procurement (Amendment) Act introduced mandatory procurement audit for high-value contracts to combat procurement fraud and misappropriation of public funds (Public Procurement Authority Ghana, 2017). In South Africa, the Office of the Auditor-General has played a key role in conducting performance audits of procurement activities, especially during the COVID-19 emergency procurement period in 2020, which revealed major accountability lapses in provincial governments (Auditor-General South Africa, 2021). Nigeria's Bureau of Public Procurement also developed a procurement audit manual in 2018, which guided systematic reviews of MDAs' procurement activities, ensuring compliance with the Public Procurement Act of 2007 (BPP Nigeria, 2019). These efforts reflect Africa's growing recognition that procurement audit are not only essential for detecting corruption but also for reinforcing institutional discipline and public accountability.

In the East African region, the role of procurement audit has similarly evolved as countries strive to improve governance and reduce waste in public expenditure. In Kenya, the Public Procurement Regulatory Authority (PPRA) has since 2015 implemented structured procurement audit that evaluate performance, compliance, and risk management in public entities (PPRA Kenya, 2020). Notably, Kenya's Auditor-General has been instrumental in publishing audit reports that expose procurement irregularities, such as those revealed in the

2019 report on county-level health sector procurements. Tanzania also revised its Public Procurement Act in 2016, establishing a Procurement Audit Unit under the Public Procurement Regulatory Authority to ensure systematic and independent audit reviews (URT, 2018). Rwanda has embraced performance auditing since 2017 through the Office of the Auditor General, focusing on procurement planning, contract implementation, and vendor performance to enhance value for money (Office of the Auditor General Rwanda, 2021). These developments illustrate East Africa's commitment to embedding procurement audit within broader public financial management systems to improve service delivery and uphold accountability.

In Uganda, the historical trajectory of procurement audit has been shaped by both policy reforms and practical accountability challenges. Following the enactment of the Public Procurement and Disposal of Public Assets (PPDA) Act in February, 2003, Uganda established the PPDA Authority to regulate public procurement processes, including audits. The 2014 amendments to the Act gave the Authority powers to conduct procurement audit and investigations across Ministries, Departments, and Agencies (MDAs) (PPDA, 2016). Between 2015 and 2023, Uganda witnessed increased audit activities targeting key sectors like health, education, and infrastructure. Despite these efforts, challenges such as limited funding, weak institutional capacity, and political interference continue to hamper the effectiveness of procurement audits. Nevertheless, the government's Vision 2040 and the National Development Plan III (2020–2025) emphasize accountability and transparency, recognizing procurement audit as a strategic tool for fighting corruption and ensuring efficient service delivery (National Planning Authority, 2020).

1.1.3 Theoretical Background

This study was guided by two relevant theories: Agency Theory developed by Jensen and Meckling (1976) and later expanded by Eisenhardt (1989) and Institutional Theory advanced

by Meyer and Rowan (1977) and later refined by DiMaggio and Powell (1983). These theories offered both conceptual and practical aspects for understanding how audit mechanisms function to improve accountability in complex organizational settings like Kampala Capital City Authority (KCCA).

Agency Theory was originally developed by Jensen and Meckling (1976) and later expanded by Eisenhardt (1989). The theory explains the relationship between principals (for example citizens or government) and agents (e.g., public officials or procurement officers) in organizational settings. Its key assumption is that agents may not always act in the best interests of the principals due to information asymmetry and self-interest (Eisenhardt, 1989). This divergence creates agency problems, including moral hazard, lack of transparency, and misappropriation of resources. In the context of this study, procurement audit serve as control mechanisms to monitor agent behavior and reduce agency costs by promoting compliance and deterring procurement-related malpractice. Procurement audit (IV) act as a form of understanding that limits the opportunistic tendencies of agents, thereby enhancing financial, procedural, and ethical accountability (DV). Recent studies such as Rahmatika et al. (2021) confirm that agency theory effectively explains the role of external audits in mitigating corruption and enhancing transparency in public financial management.

The second theory was the Institutional Theory, originally advanced by Meyer and Rowan (1977) and later refined by DiMaggio and Powell (1983). This theory assumes that organizations operate not only to achieve efficiency but also to gain legitimacy by conforming to societal norms, regulations, and expectations. One of its core assumptions is that organizations adopt formal structures and practices (such as procurement audits) in response to institutional pressures; be they regulatory, normative, or mimetic (Scott, 2014). In this study, procurement audit are seen as institutionalized practices adopted by KCCA to align with legal frameworks like the PPDA Act and to respond to normative expectations of transparency and

ethical conduct. By institutionalizing procurement audits, public sector entities increase their legitimacy and public trust, which in turn enhances accountability outcomes (Marume et al., 2020). The theory thus informed the study by explaining how external pressures influenced the implementation of procurement audit and how these structures reinforce organizational norms that lead to improved accountability.

1.1.4 Contextual Background

Kampala Capital City Authority (KCCA) is the governing body responsible for the administration and management of Kampala, the capital city of Uganda. It was established by the Kampala Capital City Act, 2010, which replaced the former Kampala City Council (KCC) in an effort to improve urban governance, service delivery, and accountability (Government of Uganda, 2010). KCCA officially began operations in March 2011 and is mandated to oversee a wide range of urban services, including road infrastructure, waste management, urban planning, public health, education, and environmental conservation (KCCA, 2022). As a semi-autonomous public institution under the Ministry of Kampala and Metropolitan Affairs, KCCA implements both central and local government functions, making it a key player in Uganda's public sector performance framework.

Despite notable progress in urban development and digitization of services, KCCA has faced persistent challenges in its procurement function. Audit reports from the Office of the Auditor General (2021) and PPDA (2022) have indicated concerns such as delayed procurements, inflated contract values, poor contract management, and limited transparency in supplier selection. These issues gaps in accountability mechanisms, particularly in the implementation and follow-up of procurement audits. Moreover, the institution has occasionally been cited for non-compliance with procurement regulations, contributing to public dissatisfaction and raising questions about effective resource utilization (Auditor General Uganda, 2021). Given KCCA's large budgetary allocations and its centrality in national development efforts, ensuring

strong procurement accountability through effective audit mechanisms is both urgent and necessary. This study therefore, sought to understand how procurement audit enhanced accountability and restored public confidence in KCCA's service delivery.

1.2 Statement of the Problem

Procurement audit are fundamental in promoting accountability and transparency. These audits enhance the efficiency and effectiveness of procurement processes, ensuring that public resources are utilized appropriately and in line with established regulations (OECD, 2019). By systematically assessing procurement activities, audits help identify discrepancies, prevent mismanagement, and foster a culture of responsibility among public officials (World Bank, 2020). This process not only safeguards public funds but also enhances public trust in governmental operations by ensuring compliance with procurement laws and ethical standards (Public Procurement and Disposal of Public Assets Authority, 2022). Kampala Capital City Authority (KCCA), in collaboration with the Public Procurement and Disposal of Public Assets Authority (PPDA), has implemented several procurement audit initiatives to enhance accountability. These include regular compliance and performance audits, adoption of the electronic Government Procurement (e-GP) system, and capacity-building programs for procurement staff. PPDA also conducts contract and risk-based audits across public institutions and provides guidelines to ensure transparency and value for money in procurement processes (PPDA, 2023).

Despite the above initiatives, several accountability gaps still persist within KCCA. The KCCA Capital City Public Accounts Committee report of March 2024 revealed significant procurement irregularities and lack of accountability (The Observer, March 20th, 2024). The manipulation of bid prices in the Kololo SS asbestos removal project where the winning bid of Shs 544m was fraudulently increased to Shs 588m, causing a financial loss of Shs 44m showing lack of transparency in bid price evaluations. Similarly, the unverified expenditure of Shs 500m

in the Munyonyo Church of Uganda Primary School renovation, with no corresponding classroom block in existence, highlights weak monitoring and supervision of contractors. Furthermore, the Shs 19m loss in the Kololo SS project due to unauthorized specification changes reflects weak internal audit mechanisms. Hence, these gaps demonstrate how lack of transparency, poor supervision, and weak internal controls contribute to lack of accountability within KCCA. It was against the above manifested challenges the current research sought to examine the role of procurement audit in enhancing accountability of public institutions in Uganda.

1.3 Purpose of the Study

The purpose of the study was to examine relationship between procurement audit and accountability of public sector institutions in Uganda. A case study of Kampala City Council Authority (KCCA).

1.4 Specific Objectives

The study was guided by the following objectives;

i) To assess how the transparency of bid price evaluations enhances accountability in KCCA procurement processes.
ii) To evaluate how monitoring and supervision of contractors affect accountability at KCCA.
iii) To evaluate the effect of internal audit mechanisms in ensuring financial accountability at KCCA.

1.5 Research Questions

i) How does the transparency of bid price evaluations enhance accountability in KCCA procurement processes?
ii) How does monitoring and supervision of contractors affect accountability at KCCA?

iii) What is the effect of internal audit mechanisms in ensuring financial accountability at KCCA?

1.6 Study Hypotheses

A null and alternative hypotheses were tested taking the directions as indicated below;

H_0: Procurement audit has no significant role in enhancing accountability in Kampala Capital City Authority.

HA: Procurement audit has a significant role in enhancing accountability in Kampala Capital City Authority.

1.7 Scope of the Study

1.7.1 Content Scope

This study focused on examining the role of procurement audit in enhancing accountability within Kampala Capital City Authority (KCCA). Specifically, it assessed how transparency in bid price evaluations, the effect of contractor monitoring and supervision, and the functionality of internal audit mechanisms contribute to accountability. The research covered procurement activities, auditing practices, and accountability frameworks within KCCA, in relation to public procurement guidelines and standards set by PPDA and the Office of the Auditor General.

1.7.2 Geographical Scope

The study was geographically limited to Kampala Capital City Authority (KCCA), whose head office is located at City Hall, Plot 1-3, Sir Apollo Kaggwa Road, Kampala, Uganda. KCCA is situated approximately 2.5 kilometers northwest of Kampala City's central business district and can be accessed via Kampala Road or Nakasero Hill. The geographical coordinates of KCCA Headquarters are 0.3136° N latitude and 32.5770° E longitude. This location was selected because KCCA is Uganda's central urban authority, managing high-value public procurements and playing a key role in service delivery, which makes it an ideal case for studying procurement accountability.

1.7.3 Time Scope

The study covered a five-year period from 2021 to 2025. This time frame was chosen because it captured recent procurement reforms, audit reports, and accountability trends within KCCA, allowing assessment of both ongoing and emerging issues in public financial management during that time.

1.8 Significance of the Study

This study may be significant to several key stakeholders including;

i) For Kampala Capital City Authority (KCCA), it may offer understanding on weaknesses and strengths in their procurement audit systems, guiding reforms to improve accountability.

ii) Policymakers and regulators, such as the Public Procurement and Disposal of Public Assets Authority (PPDA), may benefit from evidence-based recommendations to strengthen audit compliance frameworks.

iii) For the Office of the Auditor General, the study may highlight audit performance gaps and inform audit scope enhancement.

iv) Researchers and academicians may use the findings to enrich literature on procurement accountability in developing urban authorities.

v) Lastly, citizens and civil society organizations may gain a better understanding of how audits contribute to transparency and the responsible use of public resources in service delivery.

CHAPTER TWO

STUDY LITERATURE

2.0 Introduction

This chapter presents a review of relevant literature on the role of procurement audit in enhancing accountability within the public sector. The chapter synthesizes literature survey, conceptual review, existing theoretical perspectives, empirical studies, while identifying knowledge gaps that the research aims to address.

2.1 Literature Survey

A study conducted by Nabukeera (2016) titled public sector procurement reforms and accountability in Uganda: A case of the central government ministries" employed a qualitative research approach using interviews and document analysis to assess how procurement reforms, particularly audit processes, have influenced accountability. The research found that while procurement audit had led to increased awareness and compliance with PPDA regulations, challenges such as political interference, weak enforcement mechanisms, and limited internal audit independence undermined their effectiveness. The study concluded that although reforms had been introduced, accountability remained insufficient due to limited institutional capacity. The gap left by this study is primarily contextual as it focused on central government ministries rather than local government entities like KCCA, where procurement dynamics and accountability challenges may differ significantly. The knowledge gap also arises from the absence of emphasis on specific audit components such as bid evaluation transparency and contractor supervision, which are central to the current study.

Another relevant study is by Mugerwa (2018), on effect of procurement audit on accountability in local government authorities in Uganda: A case of Wakiso District", which utilized a qualitative case study design and in-depth interviews with procurement officials and auditors.

The findings revealed that procurement audit improved adherence to procurement plans and reduced collusion among bidders, thereby enhancing financial accountability. However, the study noted that delays in audit feedback and lack of timely implementation of audit recommendations limited their overall impact. Mugerwa's research contributes valuable understanding, but it presents a methodological gap as it excluded quantitative assessment of accountability outcomes and lacked focus on internal audit mechanisms. Furthermore, the contextual limitation of focusing solely on a rural district council restricts the generalizability of findings to urban administrative units like KCCA, which operate under different procurement pressures and governance complexities.

A third study by Nakabugo (2021) titled the role of internal audits in promoting accountability in Uganda's urban Authorities: A case of Jinja City Council" adopted a descriptive qualitative design through structured interviews and review of audit reports. The study established that internal audits were instrumental in detecting procurement irregularities and reinforcing compliance among procurement officers. However, the researcher indicated persistent issues such as audit underfunding, low staffing levels, and the absence of performance-based audit indicators. While this study offers valuable empirical evidence, it reveals both theoretical and conceptual gaps. Theoretically, it did not anchor its analysis on existing accountability or audit theories, which weakens the interpretive strength of its findings. Conceptually, the study focused narrowly on internal audit practices without integrating broader procurement audit dimensions like bid transparency or contractor monitoring, which are integral to the current research.

2.2 Conceptual review

2.2.1 Procurement

Procurement refers to the structured process of acquiring goods, works, or services from external sources, often through competitive bidding or tendering, with the aim of achieving

value for money and meeting organizational objectives. In the public sector, procurement is guided by regulatory frameworks to ensure fairness, transparency, and accountability (Thai, 2001). It encompasses activities such as planning, requisitioning, solicitation, evaluation, contract award, and contract management. According to the Public Procurement and Disposal of Public Assets Authority (PPDA, 2021), procurement in Uganda serves as a key mechanism for service delivery and public expenditure management.

2.2.2 Audit

An audit is an independent, systematic examination and evaluation of financial records, processes, or systems of an organization to ensure accuracy, compliance with policies, and operational efficiency. Audits can be financial, compliance-based, or performance-oriented, and are intended to provide assurance to stakeholders about the integrity of organizational operations (Arens, Elder, & Beasley, 2014). In the public sector context, audits are crucial in identifying mismanagement of public funds and in promoting transparency.

2.2.3 Procurement Audit

Procurement audit is a focused evaluation of an organization's procurement processes to determine compliance with procurement laws, regulations, and best practices. It assesses how procurement activities are conducted, evaluates the fairness of bidding procedures, the adequacy of internal controls, and whether the outcomes align with public value goals (Hunja, 2003). In Uganda, procurement audit are conducted by bodies such as the Office of the Auditor General and the PPDA to enhance efficiency and deter corruption in public procurement (PPDA, 2021).

2.2.4 Accountability

Accountability refers to the obligation of individuals or institutions to report, explain, and be answerable for the consequences of decisions or actions taken, especially in the use of public resources. It involves transparency, responsibility, and enforceability, which are critical for

trust in public administration (Bovens, 2007). In procurement, accountability ensures that all actions taken from planning to contract execution can be traced and justified, and that those involved are held responsible for any malpractices or inefficiencies.

2.2.5 Public Sector

The public sector encompasses government-controlled organizations and institutions that provide services and goods to the public, including ministries, local government authorities, parastatals, and municipalities. It operates under the principles of equity, public interest, and non-profit orientation (Flynn, 2007). In Uganda, the public sector plays a central role in service delivery, development planning, and regulation, and is governed by frameworks such as the Public Finance Management Act and the Local Government Act to ensure accountability and fiscal discipline.

2.3 Theoretical Review

2.3.1 Agency Theory

Agency Theory, originally developed by Jensen and Meckling in 1976, offers a foundational framework for understanding the complex relationships between public officials (agents) and the government or public stakeholders (principals) in the execution of procurement responsibilities. The theory posits that agents often possess more information than the principals and may act in their own self-interest rather than in alignment with the goals of the organization or the public (Jensen & Meckling, 1976).

In the context of KCCA, procurement officers, contract managers, and other implementers may exploit information asymmetries for personal gain, especially in the absence of adequate understanding and accountability mechanisms. This misalignment necessitates the application of procurement audit as a control tool to reduce agency loss, improve transparency in bid evaluations, monitor contractor performance, and verify internal audit practices.

The central assumption of Agency Theory is that agents are self-interested, rational actors who may shirk responsibilities, misreport progress, or collude with suppliers unless constrained by monitoring systems and aligned incentives (Ross, 2013). Procurement audits, therefore, serve as monitoring tools designed to detect and deter opportunistic behaviors by agents, thereby reinforcing accountability. The theory's strength lied in its ability to explain why procurement irregularities often arise in public sector settings and how audit mechanisms can mitigate such risks.

By applying this theory, the current study situates procurement audit as not just procedural tools, but strategic governance instruments aimed at realigning the interests of agents with those of the broader public. However, a limitation of Agency Theory is that it tends to view agents as inherently untrustworthy, which may overlook the influence of organizational culture, ethical norms, or institutional values in shaping agent behavior (Cuevas-Rodríguez, Cabello-Medina, & Carmona-Lavado, 2012). Furthermore, the theory's emphasis on monitoring and incentive structures may not sufficiently account for the informal practices and institutional constraints prevalent in Uganda's public sector.

2.3.2 Institutional Theory

Institutional Theory, originally advanced by Meyer and Rowan in 1977 and later refined by DiMaggio and Powell in 1983, provides a broader sociological perspective that complements the economic assumptions of Agency Theory. The theory argues that organizations do not merely respond to efficiency pressures but are significantly influenced by the institutional environment in which they operate, including legal frameworks, professional norms, and societal expectations (Meyer & Rowan, 1977; DiMaggio & Powell, 1983). In the case of KCCA, institutional pressures from entities such as the Public Procurement and Disposal of Public Assets Authority (PPDA), the Office of the Auditor General, and international development partners shape how procurement processes and audits are conducted. These

institutions enforce compliance through regulations, policies, and performance benchmarks, thereby compelling KCCA to adopt standardized accountability practices.

Institutional Theory assumes that organizations pursue legitimacy by conforming to the rules, norms, and expectations of their external environment. These pressures can be coercive (like legal requirements for audits), normative (such as professional auditing standards), or mimetic (e.g., adopting practices observed in peer institutions). The strength of Institutional Theory in this study lies in its ability to explain the external and internal drivers of procurement audit at KCCA beyond mere principal-agent relationships. It offers insight into how audit practices become institutionalized, sustained, or undermined within bureaucratic structures and political environments. It also contextualizes why even well-designed audit systems may fail if not embedded within supportive institutional norms and cultures (Scott, 2014).

However, the theory's weakness was its tendency to downplay individual agency and economic rationality, which are critical in understanding procurement fraud and audit manipulation. Additionally, Institutional Theory did not fully address short-term behavioral deviations of public officials who, despite institutional constraints, still engage in non-compliant or corrupt activities due to personal incentives or political patronage.

2.4 Empirical Review

2.4.1 How the transparency of bid price evaluations enhances accountability in public sector

A study conducted by Tukamuhabwa et al., (2015) explored the impact of procurement process transparency on public accountability, with particular emphasis on the evaluation of bid prices. Using a cross-sectional design and regression analysis on data collected from procurement professionals and public entities, the study revealed a significant positive correlation between the clarity of bid evaluation criteria and stakeholder trust in the procurement process. Bid transparency, especially in the pricing stage, was found to reduce the perception and occurrence

of bias and favoritism. The researchers emphasized that when evaluation methods are predefined and publicly available, it limits the discretion of evaluation committees, thereby strengthening audit trail documentation and enhancing public confidence.

In their empirical research, Eyaa and Oluka (2016) examined procurement practices with a focus on bid evaluation transparency and its relationship with accountability. The study employed structured questionnaires and documentary analysis from 42 public institutions. Findings demonstrated that the disclosure of bid price scoring criteria, along with consistent adherence to those criteria during evaluation, led to improved procurement integrity and accountability. Transparency in price evaluations made it easier for both internal and external auditors to verify if value-for-money principles were achieved. The study further pointed out that transparent price evaluations served as a reference point in cases of bid protests, reducing the chances of legal disputes.

Ameyaw et al. (2017) investigated the role of bid evaluation transparency in minimizing corruption and enhancing accountability in procurement processes. Through a mixed-methods survey involving procurement officers, civil society actors, and auditors, the study discovered that entities that maintained transparent bid evaluation processes; particularly pricing comparisons recorded fewer audit irregularities and achieved better compliance with procurement regulations. The authors found that transparency in pricing allowed for comparative analysis, which curtailed the practice of inflating bids or disqualifying lower-priced offers without justification. The research also revealed that open price evaluation reports, when shared with stakeholders, had a deterrent effect on corrupt practices and improved the traceability of procurement decisions.

An empirical study by Obanda (2018) focused on bid evaluation transparency and its effect on the accountability of public procurement systems. Using a longitudinal dataset covering five

years of procurement transactions, the study applied content analysis and logistic regression to evaluate the correlation between evaluation openness and procurement integrity. The findings demonstrated that price evaluation reports that were detailed, auditable, and systematically disclosed correlated with a higher level of compliance and reduced irregular expenditure. Furthermore, the study revealed that the inclusion of external observers in the evaluation process reinforced the credibility of price decisions and limited undue influence from internal stakeholders. The study also noted that systems lacking standardized procedures for bid price evaluation tended to experience increased audit queries and public distrust.

An in-depth study by Mahdavi et al. (2019) examined the impact of transparency in bid evaluations on procurement accountability in public infrastructure projects. Utilizing a multi-case analysis of large-scale government contracts, the study identified that entities adhering to strict disclosure protocols especially regarding price breakdowns and comparative matrices experienced greater project success and fewer allegations of impropriety. The study showed that when price evaluations were made publicly accessible and supported by logical justifications, they enabled civil society, media, and auditors to hold procurement officials accountable. Additionally, transparency reduced the opportunity for collusive bidding, as bidders were more cautious about inflating prices due to anticipated scrutiny.

In a study conducted by Wambua and Chepkulei (2020), the researchers explored the relationship between bid evaluation transparency and public sector accountability using a sample of 100 procurement professionals and financial auditors. The study employed structured interviews and analysis of procurement documentation to assess how the clarity and accessibility of bid price evaluations impacted organizational accountability. Findings indicated that institutions that clearly defined their price evaluation criteria and consistently adhered to them experienced higher audit compliance and improved value for money. The study emphasized that accountability improved significantly where price evaluations were

well-documented and shared with understanding agencies. Conversely, ambiguous evaluation frameworks led to challenges in detecting malpractice, thereby weakening institutional transparency.

An empirical investigation by Simpeh and Nti (2021) examined the role of procurement evaluation transparency in fostering public accountability. Through quantitative data analysis and structured surveys involving procurement practitioners and independent auditors, the study demonstrated that transparency in bid pricing especially through publication of scoring summaries and bidder ranking enhanced institutional integrity. The availability of such data allowed for post-procurement audit and facilitated performance reviews. It also deterred evaluators from making arbitrary or biased decisions. The authors found that procurement entities that practiced open pricing evaluations faced fewer bid challenges, indicating higher stakeholder satisfaction and fewer governance risks. Moreover, the study noted that the presence of third-party monitoring mechanisms reinforced the credibility of price evaluations and enhanced the traceability of procurement decisions.

In their empirical work, Agaba and Shipman (2022) assessed the effectiveness of transparency mechanisms in public procurement, with a focus on bid evaluation practices. The study utilized performance audits and procurement review reports from various institutions. It revealed that transparency in bid price evaluations was a key determinant in minimizing discretionary abuses and enhancing accountability in public financial management. When evaluators followed objective, published price scoring methods and documented their application, audit results showed fewer inconsistencies and procurement irregularities. The authors also observed that systems with automated and real-time evaluation tools exhibited higher accountability outcomes, as pricing decisions were traceable, verifiable, and less prone to manipulation.

A study by Al-Sweity and Alawneh (2021) applied a comparative procurement audit methodology to examine how transparency in bid price evaluations affects accountability. The study compared over 200 public procurement projects and classified them according to their level of evaluation transparency. Projects with highly transparent evaluation criteria and open pricing disclosures achieved higher compliance ratings and fewer financial misstatements. The study showed that transparency improves audit readiness, as it simplifies the verification of whether bids were evaluated based on pre-established criteria. Furthermore, it revealed that transparency in pricing discouraged inflated pricing and facilitated the selection of cost-effective bids without political or internal interference. The researchers emphasized that audit institutions rely heavily on transparent evaluation data to identify fraud and enforce accountability.

Another recent study by Zhou and Wang (2022) used econometric modeling to analyze procurement datasets from various public sector organizations to assess the relationship between price evaluation transparency and accountability metrics such as procurement compliance and audit discrepancies. The findings indicated that entities which clearly outlined, justified, and publicly disclosed their pricing evaluation decisions showed stronger audit performance and fewer instances of financial misreporting. Price transparency was positively associated with accountability because it reduced subjectivity, enhanced stakeholder monitoring, and minimized bid disputes. The researchers also found that procurement officials were more cautious and disciplined when their pricing decisions were subject to external scrutiny, thereby reinforcing responsible procurement behavior.

Osei-Tutu and Amponsah (2023) conducted a qualitative and quantitative study focusing on the transparency of bid price evaluations in public construction projects and their role in enhancing accountability. Their findings revealed that public access to price evaluation criteria and the publication of winning bid prices had a direct effect on reducing corruption and

improving stakeholder confidence. Transparency enabled civil society and audit bodies to detect price anomalies early and recommend corrective actions before project execution. The study also showed that where procurement documents were easily accessible, accountability mechanisms such as audit trails, procurement appeals, and citizen understanding were more effective. The researchers concluded that price evaluation transparency reduces ambiguity, enhances traceability, and deters collusion.

Farooq and Hussain (2023) investigated the impact of digital transparency tools in bid price evaluations on institutional accountability. Through the use of procurement software audits and key informant interviews, the study found that organizations using digital platforms to publish bid evaluation results; including price breakdowns and ranking rationales demonstrated improved accountability indicators. These tools minimized human error, reduced manipulation risks, and enhanced audit preparedness. Furthermore, the researchers emphasized that transparency improved internal learning and performance reviews, as procurement decisions could be easily revisited, reviewed, and compared.

2.4.2 How the effectiveness of monitoring and supervision of contractors affects accountability in public sector

A study by Amoako-Gyampah, Boakye, and Agyei (2016) examined the role of project monitoring and contractor supervision in enhancing accountability in infrastructure procurement. Using a structured survey of construction managers and public officials, the study found that consistent and independent monitoring of contractor performance was significantly associated with better adherence to timelines, budget constraints, and quality standards. The researchers emphasized that without adequate supervision, contractors often engage in cost inflation, substandard work, and delays, which compromise public accountability. The study noted that when monitoring teams are empowered with technical skills and independence, they

act as effective accountability agents by identifying irregularities early and recommending corrective measures.

Ling and Ho (2018) investigated contractor supervision and its link to accountability outcomes in public infrastructure projects. The study deployed a mixed methods design, combining case studies with regression modeling to analyze over 100 government projects. Findings showed that regular site inspections, milestone tracking, and real-time documentation significantly reduced project deviations and enhanced fiscal accountability. Supervisors who maintained systematic communication with stakeholders helped ensure that contractor obligations aligned with procurement expectations. The study also found that weak monitoring frameworks allowed contractors to bypass regulations and manipulate project deliverables. It recommended that governments institutionalize monitoring roles as part of their procurement and governance frameworks to ensure value for money.

Zhou et al(2019) conducted a study assessing the relationship between third-party contractor supervision and accountability in state-sponsored procurement. Through panel data analysis from three large construction projects, the study found that when monitoring functions were outsourced to independent engineering consultants, project performance and public reporting improved substantially. Transparency in supervision reports enabled understanding bodies and citizens to scrutinize contractor compliance, thereby fostering a culture of accountability. The research emphasized that internal monitoring, when poorly structured, may be vulnerable to collusion or conflicts of interest.

A quantitative study by Boussabaine and Elhag (2020) explored the effectiveness of monitoring systems in mitigating contractor risk behaviors and enhancing accountability. Using statistical models and survey data from public procurement agencies, the research identified a strong correlation between supervisory frequency and accountability scores. Projects with daily or

weekly site monitoring were more likely to meet budget and timeline expectations compared to those with irregular understanding. The researchers highlighted that supervision helped in early detection of fraud, inflated billing, and material substitutions. Their findings supported the view that contractor supervision must be proactive, continuous, and adequately funded to serve as a meaningful tool for public accountability in procurement environments.

Alhazmi and McCaffer (2017) focused on how contractor monitoring affects accountability in public sector projects, particularly in large-scale infrastructure development. Through a comparative analysis of 78 public procurement contracts, the study found that accountability improved when supervision included documentation reviews, field inspections, and performance evaluations. Effective monitoring prevented contract scope changes that were not formally approved and ensured compliance with quality standards. The study also noted that poorly monitored projects frequently suffered from cost overruns, schedule slippages, and legal disputes. It concluded that project monitoring, if integrated with risk management tools and procurement audits, can serve as a powerful mechanism for improving contractor accountability.

In their study, Odeh and Battaineh (2020) evaluated the impact of supervision frequency and quality on accountability outcomes in government-funded construction projects. Utilizing structured interviews with project managers and contract administrators, the study found that continuous supervision especially during critical project phases led to improved compliance and reduced incidents of contractor fraud. The researchers found that when supervisory teams documented site visits and issued compliance checklists, contractors were more likely to adhere to safety, cost, and environmental standards. The findings emphasized the need for institutionalizing performance-based supervision models and empowering understanding bodies with legal authority to sanction non-compliant contractors as part of accountability enhancement.

Cheung, Suen, and Cheung (2016) conducted a cross-sectional study examining the effects of contractor supervision on procurement accountability. Through a review of over 150 contract evaluation reports, the research highlighted that regular contractor assessments increased project transparency and facilitated budgetary control. Contractors under active monitoring had better responsiveness to variations and contract changes, leading to more consistent procurement outcomes. The researchers observed that weak supervision frameworks correlated with higher instances of litigation, poor workmanship, and public dissatisfaction.

An empirical study by Hwang and Ng (2018) analyzed the effectiveness of contractor monitoring protocols in enhancing accountability in mega infrastructure projects. The study employed project performance audits and stakeholder surveys, finding that the presence of a robust contractor supervision framework was a critical factor in achieving project integrity and financial accountability. Monitoring helped identify delivery bottlenecks and ensured that contractors followed ethical and contractual obligations. The researchers stressed that without routine supervision, contractors often altered designs or reduced material specifications, leading to poor accountability and project failure.

In their empirical research, Wang and Liu (2021) explored how the digitalization of contractor monitoring systems affected accountability in public sector procurement. The study applied a longitudinal design, tracking 40 infrastructure projects before and after the introduction of automated supervision platforms. Results showed that real-time tracking of contractor activities enhanced the ability of understanding institutions to hold contractors accountable for deviations and delays. The availability of digital records enabled rapid audit response and improved compliance documentation. The study concluded that automation enhances transparency, minimizes manual understanding gaps, and facilitates better governance in public procurement supervision.

A recent study by Castro et al., (2022) used simulation models to assess how supervision intensity impacts accountability outcomes in large public works. The study simulated different monitoring frequencies across various project types and found that higher intensity supervision resulted in lower levels of misreporting and contract violations. It showed that projects subjected to structured and frequent understanding were more likely to meet their key performance indicators. The authors recommended that contractor supervision be standardized with clear benchmarks and tied to contract disbursements. This integration would ensure that funding and performance are linked, thereby improving accountability through measurable supervision outcomes.

Wong and Cheung (2021) analyzed the impact of supervision team competence on accountability performance in contractor management. Through a multi-year case study approach, the research indicated that supervision effectiveness was not just about frequency but also the skill level of the monitoring team. Projects with technically skilled supervisors produced more reliable performance reports and had higher contractor compliance. In contrast, supervision led by undertrained personnel failed to detect violations, resulting in weak accountability. The authors emphasized the need to professionalize public procurement supervision roles and offer regular training to improve the quality and reliability of monitoring systems.

A detailed study by Ali and El-Sayegh (2023) investigated the role of contractor supervision in reducing corruption and enhancing accountability in infrastructure procurement. Using corruption risk indices and project performance data, the researchers found that enhanced supervision correlated with lower corruption scores and higher audit ratings. Supervision was found to be most effective when it included independent performance audits, whistleblowing channels, and real-time feedback mechanisms. Contractors operating under such frameworks demonstrated better compliance and reduced the likelihood of falsifying records.

2.4.3 Effectiveness of internal audit mechanisms in ensuring financial accountability in public sector

A study by Mihret and Grant (2017) examined the influence of internal audit functions on financial accountability in public sector organizations using survey data from public institutions. The findings showed that organizations with active and independent internal audit units reported better financial reporting quality, fewer financial misstatements, and improved adherence to budgetary controls. The study emphasized that internal audits play a preventive role by detecting anomalies early, reducing fraud risks, and ensuring financial compliance. The researchers also found that the effectiveness of internal audits depends heavily on their structural independence and access to management.

In a detailed empirical study, Arena and Azzone (2016) evaluated the relationship between internal audit quality and financial accountability across 80 public entities. The researchers found a positive association between internal audit effectiveness and the reliability of financial statements. Specifically, entities with internal auditors involved in continuous risk assessments and regular compliance checks recorded fewer audit queries and external audit qualifications. The study revealed that internal auditors who engaged with financial management teams improved internal controls and helped prevent financial irregularities. The researchers stressed that for internal audits to influence accountability, they must be well-resourced and operationally autonomous from financial departments.

Alzeban and Sawan (2015) conducted a quantitative study to assess factors influencing internal audit effectiveness and its impact on financial accountability. Using structured questionnaires administered to internal auditors and financial controllers, they discovered that technical competence, senior management support, and clear audit charters were critical for ensuring audit effectiveness. The study found that effective internal audits improved the integrity of financial documentation, enhanced compliance with regulatory frameworks, and supported the

accuracy of public sector budgeting. The researchers concluded that weak internal audit mechanisms, characterized by inadequate staffing or limited access to records, undermine accountability and increase vulnerability to financial mismanagement.

A study by Erasmus and Visser (2019) focused on the capacity of internal audits to prevent financial mismanagement in public service institutions. Based on case studies and financial audit reports, they found that internal audits contributed significantly to improved understanding of public funds when they operated independently and reported directly to audit committees. The research noted that effective internal audit mechanisms helped identify discrepancies between reported and actual expenditures, which in turn enhanced financial discipline. The study also highlighted that frequent internal audit reviews were associated with fewer instances of budget overruns and unauthorized expenditures, affirming their role in strengthening accountability frameworks.

In their research, Cohen and Sayag (2017) examined how internal audit practices influence financial performance and accountability in public organizations. The study used regression analysis on data collected from 120 internal auditors and finance officers. Results indicated that internal audits that incorporated risk-based approaches and performed regular financial reviews contributed to timely error detection and improved transparency in public financial management. Moreover, audit findings that were followed up by corrective actions had the strongest impact on accountability. The study emphasized the need for internal audits to operate under governance structures that support impartiality, reporting independence, and authority to recommend enforcement measures.

An empirical study by Prawitt, Smith, and Wood (2018) explored the effectiveness of internal audit quality in promoting accountability through financial transparency. Using archival data and internal audit evaluations, they found that public organizations with robust internal audit

departments had significantly lower levels of financial restatements and fewer procurement irregularities. The study revealed that the presence of an active audit committee that reviewed internal audit reports enhanced the impact of audit findings on financial accountability. Additionally, organizations with formal internal audit follow-up procedures demonstrated better control over public funds and adherence to procurement regulations, indicating internal audit structures can serve as accountability safeguards.

Ibrahim and Abubakar (2020) analyzed the influence of internal audit structures on public sector financial governance using data collected from municipal entities and regulatory reports. Their study found that internal audits that were aligned with international standards and focused on financial compliance significantly improved budget execution and financial reporting accuracy. The research revealed that regular financial audit cycles led to reduced misuse of funds and better tracking of public expenditures. The authors concluded that internal audit systems must be empowered with legal mandates and adequately trained personnel to hold departments accountable for budgetary discipline and financial integrity.

The study by Sarens and De Beelde (2015) assessed the mediating role of internal audit in enhancing accountability within government-controlled institutions. Through interviews with senior audit executives and public finance directors, the research identified that internal auditors who engaged in continuous professional development and adopted technology-enabled audit tools were more successful in uncovering financial anomalies. Their work increased the traceability of financial transactions and reduced audit backlogs. The study also pointed out that internal audits added value by assessing the efficiency of internal control systems, which is key in holding financial managers accountable for their spending decisions and resource allocations.

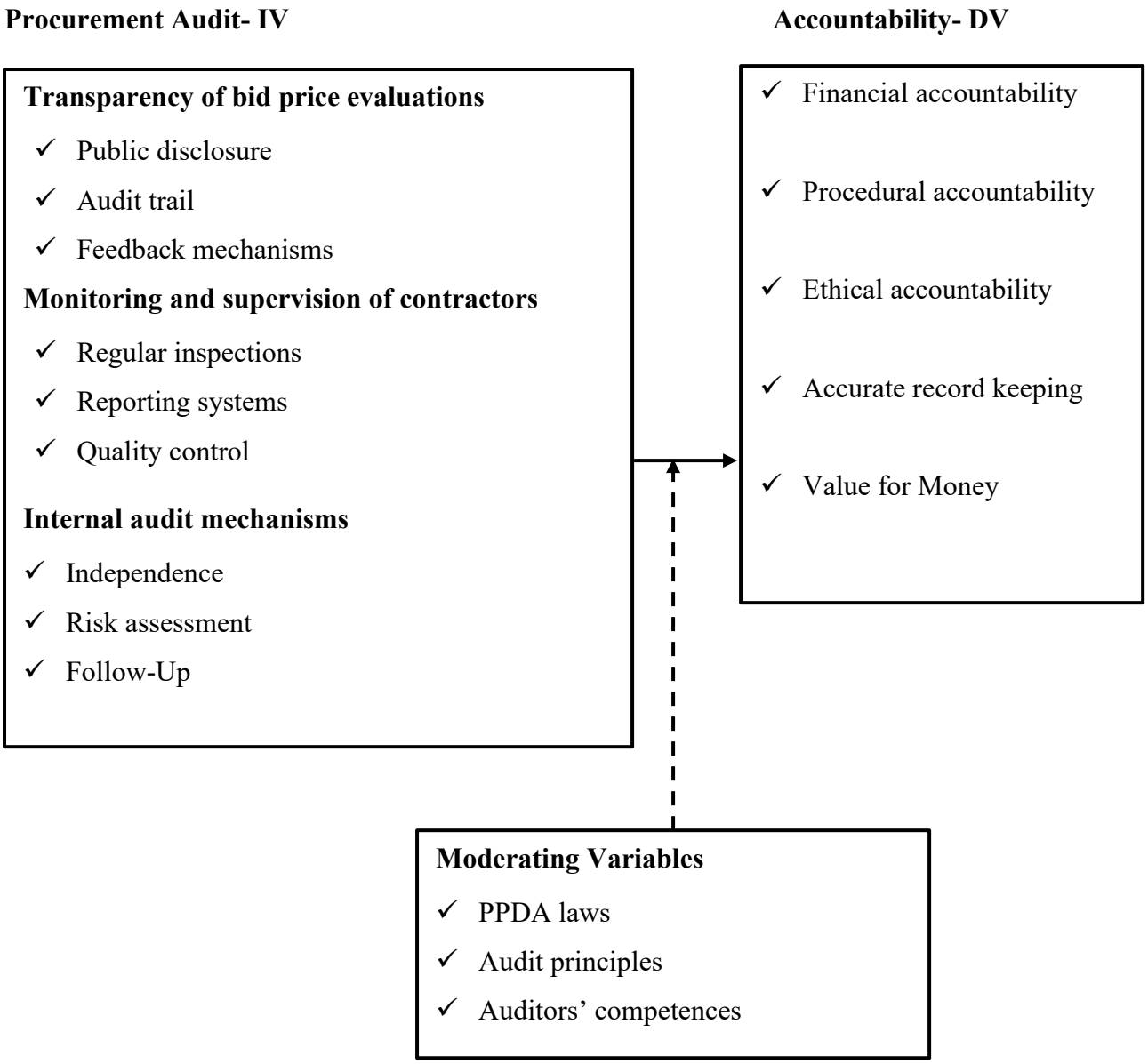
Van Gansberghe (2016) conducted an assessment of internal auditing reforms in the public sector and their implications for financial accountability. Using a multi-country analysis of public audit systems, the study observed that governments that institutionalized internal audit functions as part of financial management reform programs saw noticeable improvements in audit response times and reduction in off-budget expenditures. The research highlighted that integrating internal audit with treasury functions, procurement units, and budgeting processes created a more cohesive accountability structure. Internal auditors who were involved in pre-audit checks also enhanced accountability by preventing financial errors before execution rather than relying solely on post-audit detection.

A study by Christopher, Sarens, and Leung (2016) investigated the contribution of internal audit independence to financial accountability within state agencies. The study found that when internal audit departments reported directly to audit committees or governing boards rather than to executive management, their findings were more likely to be acted upon. Financial irregularities were addressed more promptly, and budgetary corrections were implemented faster. The study emphasized that independence not only improved the objectivity of audit reports but also strengthened the credibility of audit findings among stakeholders. As a result, internal audit independence emerged as a cornerstone of institutional financial accountability and understanding.

2.5 Conceptual Framework

A conceptual framework is important because it provides a clear structure to guide research, helping to define key variables, relationships, and the overall direction of the study (Maxwell, 2013). It ensures that the research objectives are addressed systematically and helps to visualize how different factors influence accountability at KCCA as recommended by Sekaran & Bougie (2016).

Figure 2.1: Conceptual Framework



Source: Adopted from OECD (2019): *Public procurement: Accountability and transparency in procurement audits.*

The conceptual framework shows that procurement audit (IV), through its dimensions; transparency of bid price evaluations, monitoring and supervision of contractors, and internal audit mechanisms directly influences accountability (DV) in terms of financial, procedural, and ethical accountability, accurate record keeping, and value for money. For instance, transparency ensures fair use of funds, monitoring enforces compliance with procedures, and internal audits uphold ethical standards while ensuring credible records and efficiency.

However, this relationship is not linear; it is shaped by moderating variables such as PPDA laws, which provide the legal framework, audit principles, which guide standard practices, and auditors' competences, which determine the effectiveness of the audit. Thus, the IVs enhance accountability outcomes only to the extent that these intervening variables enable their proper application and enforcement.

2.6 Summary of literature and Research Gaps

The reviewed literature affirms that procurement audit play a vital role in enhancing accountability through three key mechanisms: transparency in bid price evaluations, monitoring and supervision of contractors, and the effectiveness of internal audit systems. Transparent bid evaluations reduce opportunities for manipulation, increase fairness, and promote public trust in procurement decisions. Effective contractor supervision ensures that contractual obligations are met, prevents project delays, and reduces the risk of financial loss. Internal audit mechanisms strengthen financial control, support compliance, and aid in the early detection of irregularities.

However, the following gaps exist; There is a knowledge gap regarding the specific role of procurement audit particularly bid price evaluation audits in enhancing accountability, as most studies focus broadly on procurement transparency without isolating audit mechanisms. The study addressed the knowledge gap by specifically examining the role of procurement audits, particularly bid price evaluation audits, in promoting accountability at KCCA.

A conceptual gap exists in the limited exploration of how supervision of contractors and internal audits jointly contribute to procurement accountability, with few studies integrating these elements into a unified accountability framework. This gap was filled by integrating supervision of contractors and internal audit practices into a unified accountability framework

The methodological gap arising from the dominance of cross-sectional and perception-based studies, with minimal use of longitudinal or mixed empirical data specific to procurement audits. The methodological gap was bridged by using a mixed-methods approach that combined quantitative and qualitative data to provide deeper empirical insights.

A contextual gap is evident as most existing studies focus on central government institutions or general public sectors, with little attention to urban authorities like Kampala Capital City Authority (KCCA), which have unique procurement environments. The contextual gap was addressed by focusing on an urban authority; Kampala Capital City Authority thereby generating context-specific evidence.

A theoretical gap exists due to the limited application of integrated theoretical perspectives; studies often rely solely on Agency Theory or Institutional Theory without combining both to explain accountability dynamics in procurement audits. This gap was filled by applying both Agency Theory and Institutional Theory to explain how procurement audits enhance accountability in public sector institutions.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the methods and procedures to be employed in the study, including the research design, study population, sample size, selection, and sampling techniques. It also discusses data collection methods and instruments, validity and reliability assessment, data analysis procedures, variable measurement, and ethical considerations.

3.1 Research Design

According to Neuman (2014), a research design is a detailed plan for how to conduct a research study that includes specifying the procedures for collecting and analyzing data, addressing research questions or hypotheses, and ensuring that the study is methodologically sound and ethically conducted. The research design was categorized into;

3.1.1 Research Strategy

This study employed a case study strategy, focusing specifically on Kampala Capital City Authority (KCCA). A case study design was used because the research focused on an in-depth examination of procurement audit and accountability within a specific public sector institution, Kampala City Council Authority (KCCA). This strategy allowed the researcher to gather detailed, contextual, and institution-specific information, which would not have been possible through broader survey methods. The case study approach therefore enabled a deeper understanding of the unique practices, challenges, and accountability mechanisms within KCCA

3.1.2 Research Approach

The study adopted a mixed methods approach, combining both qualitative and quantitative techniques. This approach was ideal because it allowed the researcher to capture both measurable data through structured questionnaires and detailed explanations through

interviews and document reviews. The integration of both methods enhanced the reliability and depth of the findings.

3.1.3 Research Classification

The research was classified as descriptive in nature. This approach helped in explaining the current procurement audit practices and their role in promoting accountability in KCCA. It aimed to collect and describe facts without manipulating variables. The descriptive design allowed the researcher to capture the real state of procurement audit systems, making it ideal for presenting accurate institutional realities.

3.1.4 Research Duration

The study was conducted over a period of five months, from April to August 2025. This timeframe was enough to plan, collect, analyze, and report findings. April was used for preparation, May and June for data collection, July for analysis, and August for report writing. The five-month duration ensured thorough and timely completion of all research activities.

3.2 Study Population

As of the most recent reputable information, Kampala Capital City Authority (KCCA) employs 1,133 staff, comprising 391 permanent employees and 742 on renewable short-term contract (KCCA HR report, 2025). However, the study actual population was 110 employees from five key departments within KCCA that are directly involved in procurement and accountability processes. These included (30) Procurement and Disposal Unit (PDU), which handles procurement planning and execution; (20) internal audit department, responsible for evaluating internal controls and audit compliance; (25) finance and accounts department, which manages budget allocation and financial reporting; (15) legal department, which ensures procurement practices align with regulatory frameworks; and (20) user departments, which initiate and implement procurement needs.

3.3 Sample Size and Selection

The researcher used Slovin's Formula to determine the required sample for the study. Slovin's Formula is named after Leslie Kish Slovin, an American statistician. She introduced the formula in her book "Sampling Techniques" in the year 1960. The formula has since been widely used as a method for determining sample size in various research studies. Therefore, the formula was suitable because the population size is relatively large and the researcher wants to achieve a representative sample while keeping the sample size manageable.

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

Where: n = Sample size,

N = Total population

e (Constant) = Given as 0.05

Therefore the formula was used to obtain the sample out of the total population as follows:

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

$$n = \frac{110}{1+110 \times 0.05^2}$$

$$n = \frac{110}{1+110 \times 0.0025}$$

$$= \frac{110}{1+0.275}$$

$$= \frac{110}{1.275}$$

n = 86

Therefore, the sample out of 110 was 86 respondents

Table 3.1: Sampling frame

Department	**Target Population**	**Sample Size**	**Sampling Technique**
Procurement and Disposal Unit	30	25	Simple Random
Internal audit department	20	15	Simple Random
Finance and accounts department	25	20	Simple Random
Legal department	15	10	Simple Random
User departments	20	16	Simple Random
Total	**110**	**86**	

Source: Primary data, 2025

3.4 Sampling Techniques and Procedures

The study employed probability sampling methods to select respondents. Specifically, simple random sampling was used for the randomized approach.

3.4.1 Simple Random Sampling

Simple random sampling is the process of selecting a subset of individuals from a population where each member has an equal chance of being chosen, ensuring that the sample is representative of the population (Fink, 2020). Also, simple random sampling gave every staff member in each department an equal chance of being selected, thereby minimizing bias and ensuring that the sample fairly represented the target population. This technique was appropriate since all departments of KCCA had staff with relevant knowledge and experience on procurement audit and accountability, and random selection enhanced the reliability and generalizability of the findings.

3.5 Data Collection Methods

Data collection methods are techniques used to gather information from various sources to address research questions or objectives, ensuring that the data was reliable and relevant

(Bryman, 2016). Data was collected using questionnaire survey, face-to-face interviews and document analysis as explained below.

3.5.1 Questionnaire Survey Method

The questionnaire survey method involves using structured questionnaires to collect data from respondents, typically involving a set of predefined questions to gather quantitative or qualitative information efficiently (Creswell & Creswell, 2014). A questionnaire is a tool comprising a series of questions used to gather data from participants. This method was employed to gather quantitative data, providing numerical information about the study's interests.

The questionnaire items were measured on a five-point Likert scale. The study used a questionnaire survey because it was considered less expensive and highly effective for collecting large amounts of data, allowing respondents to complete their responses without the researcher's direct.

3.5.2 Interview Method

The interview method involved directly asking participants questions to collect detailed, qualitative data on their experiences, opinions, or behaviors, typically conducted in person or via other communication platforms (Kvale & Brinkmann, 2015). Face-to-face interviews was used to collect qualitative data in this study. This method involved the researcher directly interacting with selected respondents using a set of pre-determined questions, to which respondents was requested to respond on a one-to-one basis.

3.5.3 Document Review

Document review was used to access existing records such as audit reports, procurement plans, financial statements, and internal memos. This method provided reliable secondary data to support the primary findings and help verify the accuracy of reported practices. It also offered understanding into past audit outcomes and accountability measures within KCCA.

3.6 Data Collection Instruments

3.6.1 Self-Administered Questionnaire

In this study, a questionnaire refers to an instrument containing a set of predetermined questions administered to defined respondents for data collection (Creswell & Creswell, 2014). A questionnaire was used to obtain quantitative information relevant to the study. The questionnaire was administered to officers in the Procurement and Disposal Unit, Finance and Accounts Department, and User Departments, as these categories are directly involved in initiating, processing, and managing procurement activities. It was self-administered and contained mostly close-ended questions focused on procurement audit and accountability. The questionnaire was standardized and measured on a five-point Likert scale: 5- Strongly Agree, 4- Agree, 3- Not Sure, 2- Disagree, and 1- Strongly Disagree.

3.6.2 Interview Guide

An interview guide was used to collect in-depth qualitative information for the study. The study employed a semi-structured interview schedule, focusing on procurement audit attributes and their influence on accountability in KCCA. The interview guide was used with senior staff in the internal audit and legal departments, who provide understanding, interpretation of procurement laws, and enforcement of accountability mechanisms within KCCA. This instrument did not only generate underlying information on respondents' behaviors and attitudes but also allow for probing and prompting to obtain complete responses (Kvale & Brinkmann, 2015).

3.6.3 Document Review Checklist

The document review checklist was structured into key thematic areas such as procurement planning and execution, audit and compliance reports, and accountability and financial records. It included specific items like approved procurement plans, bid evaluation reports, audit findings, and responses to audit queries. This structure ensured a focused and systematic

examination of relevant documents to support triangulation of data and provide context for assessing the effectiveness of procurement audit and accountability practices within KCCA.

3.7 Validity and Reliability

3.7.1 Validity

In this study, validity refers to the accuracy of instruments or the degree to which the instrument effectively measures what it is intended to measure (Sekaran & Bougie, 2010).. Validity essentially reflects the extent to which the obtained results genuinely represent the phenomenon under investigation. The validity of study instruments was determined through expert judgments, where research supervisors will evaluate the relevance of the questions. Subsequently, the Content Validity Index (CVI) technique, relying on expert judgment, was employed to assess instrument validity, considering only variables with scores above 0.70 (Nunnally & Bernstein, 1994).

The Content Validity Index (CVI) was arrived at using the following formula.

$$\text{CVI} = \frac{\text{Number of items declared valid}}{\text{Total number of items}}$$

$$\text{CVI} = \frac{30}{36}$$

CVI= 0.833

A CVI of 0.833 showed that 83.3% of the items in the questionnaire were rated as relevant by experts. Since it exceeded the acceptable threshold of 0.7, it confirmed that the instrument was valid and appropriate for measuring the intended variables, thus ensuring the generated questionnaires were reliable for data collection.

3.7.2 Reliability of Instruments

In this study, reliability of the instrument refers to the extent to which it can be consistently applied and yield consistent results over time and across different items (Amin, 2005). Reliability is essentially the degree to which one can anticipate relatively stable scores from

individuals across various testing situations using the same or similar testing instruments. Therefore, in this study, reliability was assessed by pre-testing the instruments on a sample of 10 staff members at KCCA. SPSS Cronbach's alpha coefficient was employed, considering only variables with scores above 0.70, as recommended for social sciences by Nunnally and Bernstein (1994).

Table 3.2: Reliability Indices

Items	Cronbach's Alpha Coefficient
Transparency of bid price evaluation	.668
Monitoring and supervision of contractors	.759
Internal audit mechanisms	.870
Accountability	.702
Total	**0.725**

Source: Primary Data 2024

The reliability statistics indicated a Cronbach's Alpha of 0.725 since it was above 0.7, showing acceptable internal consistency. This level of reliability implied that the items measured a common construct effectively, making the scale suitable for further analysis.

3.8 Data Collection Procedure

The researcher commenced by presenting and defending the proposal. Following the proposal defense, the researcher received an introductory letter from Nkumba and upon receipt of the letter of introduction, he proceeded to seek permission and schedule appointments to conduct the study at KCCA Head Office. Once permission was obtained, the questionnaires was delivered to selected respondents' offices with clear instructions for completion. After a period of two weeks, the completed questionnaires were collected from the respondents. Meanwhile, interviews was conducted concurrently, arranged based on the availability and convenience of the respondents.

3.9 Data Analysis

Both qualitative and quantitative methods were employed to analyze data in this study, as below;

3.9.1 Quantitative Data

Quantitative data was analysed using SPSS software (version 25) and present in the form of descriptive statistics using percentages, mean, and standard deviations for each item in the questionnaire. Pearson's correlation statistics was employed to test the relationships at 95 confidence limits as advocated by Amin (2005), Descombe (2008), and Sekeran (2010).

3.9.2 Qualitative data

The analysis of qualitative data encompassed content and thematic examination, involving the assignment of codes to responses and the identification and development of emerging themes. Furthermore, narrative scrutiny was undertaken to present certain responses directly from the participants.

Qualitative data underwent analysis through content and thematic methods. Responses was coded, and emerging themes was identified and developed to draw implications, conclusions, on procurement audit and accountability. Narrative analysis was also conducted to present select responses verbatim. Additionally, comparative analysis was employed to consistently compare qualitative data, identifying any similarities and differences among respondents.

3.10 Measurement of Variables

The ordinal variables were measured using a 5 Likert point Likert rating scales (strongly disagree (1), disagree, (2) not sure (3), agree (4) and strongly agree (5). This scale quantified respondents' perceptions of procurement audit and their impact on accountability. Responses were numerically coded and analyzed to identify patterns and trends in attitudes towards bid price evaluations, monitoring and supervision of contractors and internal audit mechanisms,

with descriptive and inferential statistics employed to interpret the data and assess its significance.

Table 3.3: Interpretation of Means Using Likert Scale

Description	Range	Mean	Interpretation
Strongly disagree	1	1.00 – 1.80	Very low
Disagree	2	1.81 – 2.60	Low
Neutral	3	2.61 – 3.40	Moderate
Agree	4	3.41 – 4.20	High
Strongly agree	5	4.21 – 5.00	Very high

3.11 Ethical Considerations

Voluntary participation: Participation in the study was voluntary, with all participants having the right to withdraw at any time without penalty or consequence.

Honesty: Participants were required to provide honest and accurate responses, as the validity of the study's findings depends on truthful input.

Confidentiality: The researcher handled sensitivity of procurement data by seeking official permission from KCCA, assuring confidentiality, and using the information strictly for academic purposes.

Anonymity: Responses were collected anonymously to protect participants' identities, with no personal identifiers linked to the survey data.

Informed consent: Participants were provided with clear and comprehensive information about the study's purpose, procedures, potential risks, and benefits before agreeing to participate, ensuring they can make an informed decision.

Respect for participants: The study respected participants' dignity and rights, addressing any concerns or discomfort that may arise during the research process.

3.12 Limitations to the Study

Limited access to sensitive documents: Key procurement or audit documents was confidential. This was overcome by seeking formal permission and ethical clearance from KCCA management.

Non-response from key informants: Some targeted staff declined interviews. Follow-ups and replacement with equally knowledgeable respondents was done.

Researcher bias: Interpretation of qualitative data was influenced by personal views. This was addressed through triangulation and peer review of findings.

Time constraints: The five-month period limited depth of analysis. A clear work plan with defined timelines for each activity was followed strictly.

CHAPTER FOUR

DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

4.0 Introduction

This chapter presents the demographic characteristics of respondents who participated in the study on procurement audit and accountability of public sector institutions: a case of Kampala Capital City Authority (KCCA*).* Understanding the demographic profile of respondents was critical because it provided context to the findings, ensuring that the interpretation of results is grounded in the realities of the participants.

4.1 Response rate

Out of the targeted 86 respondents, a total of 75 successfully participated in the study by completing questionnaires and taking part in interviews. This yielded a valid response rate of 87.2%, who provided complete and usable data for analysis. According to Kothari (2014), response rate above 70% is generally considered adequate for ensuring reliability and representativeness in survey research. Similarly, Creswell and Creswell (2018) affirm that higher response rates minimize non-response bias and strengthen the validity of findings.

4.2 Background information of respondents

This section presents an analysis of respondents' demographic characteristics, offering background to the study by illustrating their distribution across gender, age, department, education level, and work experience. Results obtained are presented in tables 4.1-4.5.

Table 4.1: Respondent's Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	44	58.7	58.7	58.7
	Female	31	41.3	41.3	100.0
	Total	75	100.0	100.0	

Source: Primary data, 2025

The results from table 4.1 show that out of the 75 respondents, 58.7% were male while 41.3% were female. This meant that men formed the majority in this study, however, the significant representation of women also indicated that gender perspectives were fairly balanced, which made the findings more inclusive.

Table 4.2: Age group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 25 years	3	4.0	4.0	4.0
	26-34 years	19	25.3	25.3	29.3
	35-44 years	29	38.7	38.7	68.0
	45 and above years	24	32.0	32.0	100.0
	Total	**75**	**100.0**	**100.0**	

Source: Primary data, 2025

The findings from table 4.2 above reveal that 38.7% of respondents were between 35–44 years, followed by 32% who were 45 years and above, 25.3% were between 26–34 years, and only 4.0% were below 25 years. The majority being between 35–44 years meant that most respondents were mature and experienced in public service, with a deeper understanding of procurement processes and accountability systems.

Table 4.3: Department of work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	PDU	11	14.7	14.7	14.7
	Internal audit	3	4.0	4.0	18.7
	Finance	5	6.7	6.7	25.3
	User department	47	62.7	62.7	88.0
	Legal	9	12.0	12.0	100.0
	Total	**75**	**100.0**	**100.0**	

Source: Primary data, 2025

The results from table 4.3 show that 62.7% of respondents worked in user departments, 14.7% in the Procurement and Disposal Unit (PDU), 12% in Legal, 6.7% in Finance, and 4% in

Internal Audit. The majority being from user departments meant that the study largely drew perspectives from staff who directly interacted with procurement outcomes and services, rather than only the technical auditors. However, the presence of staff from PDU, legal, finance, and internal audit ensured that technical, financial, and compliance aspects of procurement accountability were also represented.

Table 4.4: Education level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	18	24.0	24.0	24.0
	Bachelor's degree	38	50.7	50.7	74.7
	Master's Degree	15	20.0	20.0	94.7
	Others	4	5.3	5.3	100.0
	Total	75	100.0	100.0	

Source: Primary data, 2025

The results show that 50.7% of respondents had bachelor's degrees, 24% had diplomas, 20.0% had master's degrees, and 5.3% had other qualifications. The majority having bachelor's degrees indicated that most respondents were formally trained and had adequate academic exposure to procurement and accountability issues. The presence of diploma holders indicated inclusion of middle-level staff who handled day-to-day operations, while the 20% with master's degrees added advanced professional presentation. The 5.3% with other qualifications showed diversity, though they formed the smallest group.

Table 4.5: Period of service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	6	8.0	8.0	8.0
	2-5 years	21	28.0	28.0	36.0
	5-10 years	31	41.3	41.3	77.3
	Above 10 years	17	22.7	22.7	100.0
	Total	75	100.0	100.0	

Source: Primary data, 2025

The analysis from table 4.5, show that 41.3% of respondents had worked for 5–10 years, 28% had served for 2–5 years, 22.7% for above 10 years, and only 8% for less than 1 year. The majority with 5–10 years of service meant that most respondents were not only experienced but also still actively engaged in KCCA's ongoing systems of accountability. Those with above 10 years of service added senior institutional memory, while those with 2–5 years (28%) represented the voices of relatively newer staff still adapting to accountability practices. The small 8% with less than 1 year meant that inexperienced voices were minimal in shaping the results.

CHAPTER FIVE

HOW THE TRANSPARENCY OF BID PRICE EVALUATIONS ENHANCES ACCOUNTABILITY IN KCCA PROCUREMENT PROCESSES.

5.0 Introduction

The first objective of the study examined how the transparency of bid price evaluations enhanced accountability in KCCA procurement processes.

5.1 Descriptive statistics on how the transparency of bid price evaluations enhances accountability in KCCA procurement processes.

This presents descriptive statistics on how the transparency of bid price evaluations enhanced accountability in KCCA procurement processes. The analysis was based on responses to Likert-scale questions, which provided understanding on respondents' perceptions of fairness, openness, and compliance with procurement guidelines during the evaluation of bid prices. Results obtained are contained in table 5.1.

Table 5.1: Descriptive statistics on how the transparency of bid price evaluations enhances accountability in KCCA procurement processes.

Item	SD	D	N	A	SA	Mean	Std.dev
Bid prices are publicly disclosed during the procurement process.	5.3%	32.0%	0.0%	41.3%	21.3%	**3.41**	**1.285**
Evaluation criteria for bid prices are clearly communicated in advance.	24.0%	28.0%	0.0%	36.0%	12.0%	**2.84**	**1.443**
Staff involved in bid evaluations are trained on transparency standards.	9.3%	26.7%	5.3%	34.7%	24.0%	**3.37**	**1.353**
Audit reports often review pricing decisions made by the committees.	8.0%	13.3%	0.0%	56.0%	22.7%	**3.72**	**1.192**
Transparency in pricing helps prevent manipulation or favoritism.	10.7%	26.7%	4.0%	32.0%	26.7%	**3.37**	**1.402**
Stakeholders have access to evaluated bid price results.	12.2%	17.6%	0.0%	41.9%	28.4%	**3.57**	**1.386**
There is a feedback mechanism for disputes related to bid evaluations.	0.0%	33.3%	10.7%	37.3%	18.7%	**3.41**	**1.140**
Procurement committees follow standardized bid scoring templates.	5.3%	21.3%	0.0%	73.3%	0.0%	**3.41**	**1.001**
Price comparison matrices are documented and available for audit.	16.0%	26.7%	0.0%	42.7%	14.7%	**3.13**	**1.388**
Transparent pricing increases public confidence in KCCA procurement.	10.7%	14.7%	0.0%	41.3%	33.3%	**3.72**	**1.351**

Source: Primary data, 2025

Public disclosure of bid prices

The study results from table 5.1 show that 62.6% agreed, 37.3% disagreed, and none were neutral. This meant disclosure was recognized as supporting accountability, although inconsistently applied. (Mean = 3.41, Std. Dev = 1.285). This meant that the majority recognized public disclosure as part of the process, which supported accountability. However, over one-third disagreed, which showed that disclosure was not consistently applied across all procurements.

During the interviews, one senior procurement officer explained that:

> *"We normally make sure that the bid prices are read out and recorded during the opening sessions. Everyone in the room can hear what each bidder has quoted. This makes it difficult for anyone to change figures later on, because the records are already shared. I believe this practice has really improved accountability since it shows transparency right from the start of the evaluation."*

This aligned with the majority survey response of 62.6% who agreed that bid prices were publicly disclosed. However, the officer also admitted that not every procurement followed the same standard saying that;

> *"The truth is, while some departments strictly follow this procedure, others don't always take it seriously. That's why you find a number of bidders still feeling that not all bid prices are openly declared."*

Communication of evaluation criteria in advance

Findings revealed that 52% disagreed and 48% agreed, showing a weakness in transparency since criteria were not always clear before evaluations. (Mean = 2.84, Std. Dev = 1.443). This showed a weakness in transparency, since many staff felt that criteria were not always clear before evaluations. Lack of upfront communication undermined fairness and accountability in procurement processes.

Training of evaluation staff on transparency standards

A total of 58.7% agreed, 36% disagreed, and 5.3% were neutral, indicating most evaluators had been trained, though not all adequately. (Mean = 3.37, Std. Dev = 1.353). This showed that

most evaluators received training to uphold accountability during bid assessments. However, more than one-third felt training was insufficient, which highlighted gaps in ensuring uniform application of transparency principles.

A member of the procurement evaluation committee noted:

> *"In the past, some evaluators were not clear on transparency rules, and this used to cause problems. But recently, many of us have gone through induction and refresher training, especially on accountability and ethics in procurement. These trainings help us to evaluate bids more fairly, and to defend our decisions when questioned.*

Audit reviews of pricing decisions

Results show that a total of 58.7% agreed, 36% disagreed, and 5.3% were neutral, indicating most evaluators had been trained, though not all adequately. (Mean = 3.37, Std. Dev = 1.353). This confirmed that audits were actively used as a tool to check accountability in bid evaluations, reinforcing compliance and reducing risks of manipulation.

Transparency preventing manipulation or favoritism

The study showed that 58.7% agreed, 37.4% disagreed, and 4% were neutral, meaning transparency reduced manipulation, though gaps remained. (Mean = 3.37, Std. Dev = 1.402). This showed that most respondents associated transparency with reduced corruption and favoritism, although over one-third still experienced situations where manipulation was not fully addressed.

One user department head explained how transparency reduced corruption saying:

> *"When everything is done in the open, it becomes harder for someone to favor a contractor secretly. If all evaluators are following the same transparency standards, then no one can secretly manipulate results. Personally, I feel that open procedures have reduced favoritism, because we now base decisions on written criteria rather than personal connections."*

This confirmed the majority response of 58.7% who agreed that transparency reduced manipulation and favoritism. However, the respondent also admitted that challenges still remained:

"But to be honest, manipulation has not been eliminated completely. Some people still find ways to influence the process. That is why you see quite a number of staff still believing that transparency is not strong enough."

Access to evaluated bid price results by stakeholders

A total of 70.3% agreed and 29.8% disagreed, showing stakeholders were generally informed of pricing outcomes. (Mean = 3.57, Std. Dev = 1.386). This indicated that stakeholders were generally informed of pricing outcomes, which enhanced openness and strengthened accountability at KCCA.

Feedback mechanism for disputes

Findings revealed that 56% agreed, 33.3% disagreed, and 10.7% were neutral, meaning grievance mechanisms existed but not always effective. (Mean = 3.41, Std. Dev = 1.140). This meant that the majority acknowledged the presence of grievance-handling mechanisms, though a significant portion of respondents still doubted their effectiveness.

Standardized scoring templates

Findings showed that 73.3% agreed and 26.6% disagreed, reflecting strong procedural accountability. (Mean = 3.41, Std. Dev = 1.001). This reflected strong procedural accountability, since committees generally applied structured tools to ensure fairness in evaluations.

Price comparison matrices

A total of 57.4% agreed and 42.7% disagreed, showing documentation existed but was inconsistently applied. *(Mean = 3.13, Std. Dev = 1.388)*. This showed that documentation was done in many cases, which supported accountability. However, the high proportion who disagreed highlighted inconsistency in record-keeping.

One internal auditor gave a very clear view on the importance of documenting price comparison matrices:

"For accountability, the price comparison sheets are extremely important. They show how we moved from all the bids presented to the final recommended contractor.

Without those matrices, it would be very easy for someone to just pick a contractor without justification. In most of the audits I have participated in, we rely heavily on these documents to confirm that the right process was followed."

Transparent pricing and public confidence

The majority, 74.6%, agreed and 25.4% disagreed, meaning openness built stakeholder trust in procurement. (Mean = 3.72, Std. Dev = 1.351). This clearly demonstrated that openness in handling bid prices built trust among stakeholders, which was a key element of accountability in public procurement.

5.2 Hypotheses of the study

H_1: There is a significant relationship between transparency of bid price evaluations and accountability in KCCA procurement processes.

5.3 Correlation analysis

To determine the relationship between the transparency of bid price evaluations and accountability in KCCA procurement processes, the study used Pearson's correlation analysis, with the results summarized in Table 5.2.

Table 5.2: Correlation for transparency of bid price evaluations and accountability in KCCA procurement processes

		Bid price transparency	Accountability
Bid price transparency	Pearson Correlation	1	.327**
	Sig. (2-tailed)		.024
	N	75	75
Accountability	Pearson Correlation	.024**	1
	Sig. (2-tailed)	.002	
	N	75	75

***. Correlation is significant at the 0.05 level (2-tailed).*

The correlation analysis revealed a weak but positive relationship between transparency of bid price evaluations and accountability in KCCA procurement processes ($r=0.327$, $p=0.024 <0.05$). This meant that practices such as public disclosure of bid prices, use of standardized

scoring templates, and access to evaluated results were associated with improvements in accountability, though the strength of the relationship was modest.

Since the p-value was less than the 0.05 significance confidential level, the null hypothesis was rejected and it was concluded that transparency in bid price evaluations had a statistically significant relationship with accountability at KCCA. This confirmed that openness in handling bid prices contributed to accountability, even though its influence was weaker compared to other procurement audit mechanisms like monitoring and internal audit.

CHAPTER SIX
HOW MONITORING AND SUPERVISION OF CONTRACTORS AFFECT ACCOUNTABILITY AT KCCA.

6.0 Introduction

The first objective of the study assessed how monitoring and supervision of contractors affect accountability at KCCA.

6.1 Descriptive statistics on how monitoring and supervision of contractors affect accountability at KCCA.

This presents descriptive statistics on how monitoring and supervision of contractors affect accountability at KCCA. The analysis was based on responses to Likert-scale questions. Results obtained are contained in table 6.1.

Table 6.1: Descriptive statistics on how monitoring and supervision of contractors affect accountability at KCCA.

Item	SD	D	N	A	SA	Mean	Std.dev
Contractors are regularly supervised during project execution.	13.3%	20.0%	0.0%	60.0%	6.7%	**3.27**	**1.245**
There is a team dedicated to contractor monitoring at KCCA.	0.0%	10.7%	20.0%	38.7%	30.7%	**3.89**	**.967**
Monitoring visits are documented and shared with stakeholders.	8.0%	41.3%	0.0%	38.7%	12.0%	**3.05**	**1.272**
Contractors are held accountable for deviations from project scope.	12.0%	46.7%	0.0%	26.7%	14.7%	**2.85**	**1.343**
Quality checks are performed at each stage of the contract.	14.7%	33.3%	4.0%	38.7%	9.3%	**2.95**	**1.304**
KCCA uses standard checklists during site inspections.	25.3%	25.3%	0.0%	28.0%	21.3%	**2.95**	**1.559**
Contractor performance is reviewed before payments are made.	5.3%	16.0%	0.0%	36.0%	42.7%	**3.95**	**1.251**
Monitoring reports influence future contract awards.	1.3%	28.0%	14.7%	45.3%	10.7%	**3.36**	**1.048**
There are penalties for contractors who fail to meet requirements.	4.0%	17.3%	0.0%	68.0%	10.7%	**3.64**	**1.022**
Monitoring contributes to timely project completion and cost control.	32.0%	1.3%	16.0%	37.3%	13.3%	**2.99**	**1.493**

Source: Primary data, 2025

Supervision during project execution

The study revealed that 66.7% agreed and 33.3% disagreed. This showed that supervision was active, though not consistent in all projects. (Mean = 3.27, Std. Dev = 1.245). This meant that supervision was considered an active practice at KCCA, which enhanced accountability. However, the one-third who disagreed showed that some projects still lacked consistent follow-up, which undermined accountability in some cases.

Dedicated monitoring teams

Findings revealed that 69.4% agreed, 20% were neutral, and 10.7% disagreed. This showed structured monitoring teams strengthened accountability. (Mean = 3.89, Std. Dev = 0.967). This showed that the majority recognized the presence of a structured team responsible for contractor understanding. Such a system strengthened accountability since monitoring was not left to individuals working in isolation.

One contracts manager interviewed said:

> *"Here at KCCA, there is an established team responsible for monitoring contractors. They move around sites and keep records, which makes follow-up easier. It helps because monitoring is not left to one individual who might forget or ignore something. Having a team means accountability is stronger since many eyes are watching the contractor."*

Documentation and sharing of monitoring visits

Results also show that 50.7% agreed that monitoring visits were documented and shared with stakeholders, while 49.3% disagreed (Mean = 3.05, Std. Dev = 1.272). No respondent remained neutral. This indicated that documentation and sharing of monitoring reports was inconsistent. Although half acknowledged proper record keeping, the other half felt that documentation was inadequate, which weakened transparency and accountability.

Accountability for deviations from scope

A total of 58.7% disagreed that contractors were held accountable for deviations from project scope, while 41.4% agreed and none were neutral (Mean = 2.85, Std. Dev = 1.343). This result

showed a weakness in enforcing accountability when contractors failed to deliver as planned. Without strict enforcement, the effectiveness of procurement audit in ensuring accountability was undermined.

Quality checks at each stage

The findings showed that 48% disagreed that quality checks were performed at each stage, while another 48% agreed. Only 4% were neutral (Mean = 2.95, Std. Dev = 1.304). This balance revealed that quality assurance during project execution was not consistent. While some projects were subjected to checks, others were not, which affected uniform accountability in service delivery.

Use of standard checklists

More than half of respondents, 50.6% disagreed that standard checklists were used during inspections, while 49.3% agreed (Mean = 2.95, Std. Dev = 1.559). No one was neutral. This meant that site inspections were not systematically conducted using formal tools. Without standardization, the accountability of contractors remained weak, since inspections depended on individual approaches rather than structured procedures.

A field engineer affirmed that:

> *"In some inspections, we use standard checklists that guide us on what to look for, like safety, quality, and timelines. But not every inspection follows this. Sometimes officers just go and write notes without a formal checklist. When checklists are used, accountability is higher, but when they are not, contractors can escape some responsibilities".*

Performance reviews before payments

The study established that 78.7% agreed that contractor performance was reviewed before payments were made, while 21.3% disagreed and none were neutral (Mean = 3.95, Std. Dev = 1.251). This showed that KCCA strongly emphasized linking contractor accountability to

payments. Such reviews ensured that funds were released only after confirming that work was satisfactorily completed, thereby strengthening accountability in procurement.

Influence of monitoring reports on contract awards

A total of 56% agreed that monitoring reports influenced future contract awards, while 29.3% disagreed and 14.7% were neutral. (Mean = 3.36, Std. Dev = 1.048). This meant that previous performance records were considered during new procurement processes, which reinforced accountability. However, nearly one-third disagreed, showing that the practice was not uniformly applied.

The procurement officer was quoted saying:

> *"If a contractor performed poorly before, we usually see it in the monitoring reports, and this affects their chances of winning another contract. These reports guide us because we do not want to reward contractors who failed to deliver. Still, I know of cases where reports were ignored, and the same contractors got more work."*

Penalties for non-compliance

The findings showed that 78.7% agreed there were penalties for contractors who failed to meet requirements, while 21.3% disagreed and none remained neutral (Mean = 3.64, Std. Dev = 1.022). This indicated that sanctions were an established accountability mechanism at KCCA. The presence of penalties acted as a deterrent to poor performance and promoted adherence to contract terms.

Monitoring and project completion

When asked whether monitoring contributed to timely completion and cost control, 50.6% agreed, 33.3% disagreed, and 16% remained neutral (Mean = 2.99, Std. Dev = 1.493). This showed that while monitoring was seen as a tool for improving efficiency, a significant portion of respondents still experienced delays and cost overruns despite monitoring efforts. This highlighted the need for stronger follow-up and enforcement.

A project supervisor gave a straightforward view saying:

> *"Monitoring helps to push contractors to finish on time and control costs, but it does not always work. Some projects still delay even with monitoring. The problem is that sometimes follow-up is not strict enough, so contractors relax, and costs go up. Monitoring is useful, but it must be enforced more strongly."*

6.2Hypotheses of the study

H_2: There is a significant relationship between monitoring and supervision of contractors affect accountability at KCCA.

6.3 Correlation analysis

To determine the relationship between monitoring and supervision of contractors affect accountability at KCCA, the study used Pearson's correlation analysis, with the results summarized in Table 6.2.

Table 6.2: Correlation results for monitoring and supervision of contractors affect accountability

		Contract monitoring	Accountability
Contract monitoring	Pearson Correlation	1	.412
	Sig. (2-tailed)		.004
	N	75	75
Accountability	Pearson Correlation	.004	1
	Sig. (2-tailed)	.917	
	N	75	75

***. Correlation is significant at the 0.05 level (2-tailed).*

The correlation analysis established a moderate positive relationship between monitoring and supervision of contractors and accountability at KCCA ($r = 0.412$, $p = 0.004 < 0.05$). This indicated that strengthening contractor supervision practices was associated with improved accountability in procurement processes. The positive coefficient shows that better monitoring was linked to higher levels of accountability.

Since the p-value was below the 0.05 significance level, the null hypothesis was rejected and the alternative hypothesis (H2) was accepted. This confirmed that monitoring and supervision of contractors had a statistically significant effect on accountability at KCCA, making it an important mechanism for ensuring transparency and compliance in contract execution.

CHAPTER SEVEN

EFFECT OF INTERNAL AUDIT MECHANISMS IN ENSURING FINANCIAL ACCOUNTABILITY AT KCCA.

5.0 Introduction

The third objective of the study evaluated the effect of internal audit mechanisms in ensuring financial accountability at KCCA.

7.1 Descriptive statistics on the effect of internal audit mechanisms in ensuring financial accountability at KCCA.

This presents descriptive statistics on the effect of internal audit mechanisms in ensuring financial accountability at KCCA. The analysis was based on responses to Likert-scale questions. Results obtained are contained in table 7.1.

Table 7.1: Descriptive statistics on the effect of internal audit mechanisms in ensuring financial accountability at KCCA.

	SD	D	N	A	SA	Mean	Std.dev
Internal audits are conducted regularly within KCCA.	0.0%	1.3%	13.3%	48.0%	37.3%	**4.21**	**.722**
Internal auditors are independent from the departments they audit.	12.0%	36.0%	2.7%	44.0%	5.3%	**2.95**	**1.229**
Financial irregularities are identified through internal audits.	10.7%	22.7%	0.0%	36.0%	30.7%	**3.53**	**1.408**
Audit findings are addressed through corrective action.	1.3%	13.3%	9.3%	44.0%	32.0%	**3.92**	**1.037**
Internal audits assess compliance with procurement procedures.	5.3%	20.0%	1.3%	38.7%	34.7%	**3.77**	**1.269**
Audit results are used to improve procurement processes.	8.0%	6.7%	0.0%	82.7%	2.7%	**3.65**	**.951**
Audit reports are accessible to top management for decision-making.	0.0%	5.3%	0.0%	36.0%	58.7%	**4.48**	**.760**
Financial accountability has improved due to regular auditing.	13.3%	26.7%	0.0%	37.3%	22.7%	**3.29**	**1.422**
Internal audit findings are taken seriously by KCCA leadership.	0.0%	18.7%	5.3%	58.7%	17.3%	**3.75**	**.960**
The internal audit unit has adequate resources to do its work effectively.	22.7%	9.3%	0.0%	37.3%	30.7%	**3.44**	**1.562**

Source: Primary data, 2025

Regularity of internal audits

The study showed that 85.3% of respondents agreed that internal audits were conducted regularly, 13.3% were neutral, and only 1.3% disagreed (Mean = 4.21, Std. Dev = 0.722). This meant that KCCA maintained a consistent auditing schedule, which strengthened financial accountability by ensuring continuous oversight of public funds.

Independence of internal auditors

About 49.3% agreed that internal auditors were independent from the departments they audited, while 48% disagreed and 2.7% were neutral (Mean = 2.95, Std. Dev = 1.229). This meant that independence was questionable, as opinions were almost evenly split. Lack of full independence risked undermining accountability since auditors were not always free from departmental influence.

Identification of financial irregularities

Findings revealed that 66.7% agreed that financial irregularities were identified through internal audits, while 33.4% disagreed and none were neutral. (Mean = 3.53, Std. Dev = 1.408). This showed that audits played an important role in detecting financial mismanagement, although a significant portion still felt that irregularities were not always adequately uncovered.

Corrective action on audit findings

A total of 76% agreed that audit findings were addressed through corrective action, while 14.6% disagreed and 9.3% were neutral (Mean = 3.92, Std. Dev = 1.037). This indicated that KCCA leadership often acted on audit results, which promoted accountability and reduced repeat irregularities.

Compliance with procurement procedures

The study showed that 73.4% agreed that internal audits assessed compliance with procurement procedures, 25.3% disagreed, and 1.3% were neutral (Mean = 3.77, Std. Dev = 1.269). This

confirmed that auditing was not only financial but also procedural, strengthening accountability by ensuring that procurement was conducted within set guidelines.

One internal auditor explained during an interview:

> *"When we conduct audits, we do not only check financial records but also whether procurement rules were followed. We look at whether bids were evaluated properly, if contracts were awarded according to procedures, and if approvals were made by the right officers. This has helped to catch cases where shortcuts were taken, and it improves accountability because everyone knows that compliance is being checked."*

Use of audit results to improve procurement

A majority of 85.4% agreed that audit results were used to improve procurement processes, 14.7% disagreed, and none were neutral (Mean = 3.65, Std. Dev = 0.951). This showed that internal audits had a practical impact on procurement reforms and were not treated as routine exercises but as tools for accountability and improvement.

Accessibility of audit reports to top management

The findings showed that 94.7% agreed that audit reports were accessible to top management, while 5.3% disagreed and none were neutral. (Mean = 4.48, Std. Dev = 0.760). This showed strong accountability since reports were made available for high-level decision-making, enabling leaders to take action on weaknesses identified.

A senior officer from the finance department shared:

> *"Our audit reports always go to top management. The leadership receives them and uses the findings to make decisions. This makes accountability stronger because those in charge cannot claim they didn't know what was happening. The fact that reports are shared at a high level makes people more careful in how they handle funds, since they know management will see the results."*

Improvement of financial accountability due to auditing

The study revealed that 60% agreed that financial accountability had improved due to regular auditing, while 40% disagreed and none were neutral. (Mean = 3.29, Std. Dev = 1.422). This showed that while the majority acknowledged positive results, a large minority remained

unconvinced, which indicated that auditing outcomes had not yet fully translated into consistent accountability improvements.

Seriousness of audit findings by leadership

About 76% agreed that audit findings were taken seriously by KCCA leadership, 18.7% disagreed, and 5.3% were neutral. (Mean = 3.75, Std. Dev = 0.960). This showed that most leaders valued internal audit work and acted on it, which enhanced accountability in financial management.

One procurement manager stated:

> *"I have seen leaders take audit findings very seriously. For example, when an audit report pointed out irregularities in a contractor's payment, the leadership acted immediately to correct the issue and even warned the officers involved. This shows that the leadership values the role of audits and does not just treat them as routine paperwork."*

Resources for internal audit unit

The findings showed that 68% agreed that the internal audit unit had adequate resources to do its work effectively, while 32% disagreed and none were neutral. (Mean = 3.44, Std. Dev = 1.562). This meant that although most respondents believed the unit was well resourced, nearly one-third still felt there were gaps, which could limit the full effectiveness of audits in enhancing accountability.

7.2 Hypotheses of the study

H_3: There is a significant relationship between internal audit mechanisms in ensuring financial accountability at KCCA.

7.3 Correlation analysis

To determine the relationship between internal audit mechanisms in ensuring financial accountability at KCCA, the study used Pearson's correlation analysis, with the results summarized in Table 7.2.

Table 7.2: Correlation results for internal audit mechanisms in ensuring financial accountability at KCCA

		Internal audits	Accountability
Internal audits	Pearson Correlation	1	.767**
	Sig. (2-tailed)		.000
	N	75	75
Accountability	Pearson Correlation	.767**	1
	Sig. (2-tailed)	.000	
	N	75	75

**. Correlation is significant at the 0.05 level (2-tailed).

The correlation analysis from table 4.9 above show that there was a strong positive and statistically significant relationship between internal audit mechanisms and financial accountability at KCCA (r=0.767, p=0.000 <0.05). This meant that improvements in internal audit practices such as regular auditing, compliance checks, corrective action, and access to audit reports were strongly associated with higher levels of accountability.

Since the p-value was below the 0.05 significance level, the null hypothesis of no significant relationship was rejected, and the alternative hypothesis (H3) was accepted. This confirmed that internal audit mechanisms played a key role in ensuring financial accountability at KCCA, making them an essential tool for promoting transparency and responsible management of public fund.

Overall, the study found out that procurement audit had a significant positive relationship with accountability at KCCA, but with varying strengths. Internal audit mechanisms showed the strongest relationship with accountability (*r=0.767, p=0.000 <0.05*), meaning that effective internal audits greatly enhanced financial accountability.

Monitoring and supervision of contractors had a moderate positive relationship (*r=0.412, p=0.004 <0.05*), indicating that stronger supervision practices improved accountability, though not as strongly as audits.

Transparency of bid price evaluations had the weakest but still significant relationship (r=*0.327, p=0.024 <0.05*), showing that while openness in price evaluations promoted accountability, its impact was less compared to internal audits and contractor supervision.

CHAPTER EIGHT

ACCOUNTABILITY

8.0 Introduction

This chapter presents the findings on accountability at Kampala Capital City Authority (KCCA). It highlights how procurement audit contributed to promoting transparency, compliance, and responsible use of public resources within the institution.

8.1 Descriptive statistics on accountability.

This section presents descriptive statistics on accountability, showing respondents' views on how procurement audit influenced accountability in terms of transparency, compliance, and effective management of public resources within KCCA, results in table 8.1.

Table 8.1: Descriptive statistics on accountability

	SD	D	N	A	SA	Mean	Std.dev
KCCA produces accurate and timely financial reports.	0.0%	42.7%	8.0%	25.3%	24.0%	**3.31**	**1.252**
Procurement activities at KCCA follow established procedures and laws.	6.7%	64.0%	4.0%	24.0%	1.3%	**2.49**	**.978**
Staff involved in procurement are held accountable for their decisions.	9.3%	25.3%	2.7%	37.3%	25.3%	**3.44**	**1.358**
KCCA responds to audit findings with corrective action.	18.7%	2.7%	12.0%	38.7%	28.0%	**3.55**	**1.417**
Ethical standards are enforced in procurement and financial management at KCCA.	10.7%	16.0%	1.3%	37.3%	34.7%	**3.69**	**1.375**
Public funds spent by KCCA are properly documented and traceable.	12.2%	23.0%	0.0%	48.6%	16.2%	**3.34**	**1.327**

Source: Primary data, 2025

Accurate and timely financial reports

The study showed that 49.3% of the respondents agreed that KCCA produced accurate and timely financial reports, while 42.7% disagreed and 8% were neutral. This meant that although

nearly half recognized the presence of accurate and timely reporting, a large proportion doubted its consistency. The mean score (M=3.31, SD=1.252) indicated moderate practice, reflecting weaknesses in timeliness and accuracy that limited transparency and accountability in financial reporting.

During the interviews, one senior finance officer said;

> *"Sometimes our financial reports come late, and when they do, they have mistakes that must be corrected before they can be used. This delays decisions and makes people question if the information is reliable. We try our best, but sometimes pressure and lack of proper systems affect how fast and accurate the reports are. That is why many staff are not fully confident about them."*

Compliance with established procedures and laws

The findings revealed that 70.7% of respondents disagreed that procurement activities at KCCA followed established procedures and laws, while only 25.3% agreed and 4% were neutral. This overwhelming disagreement highlighted poor compliance with procurement guidelines and legislation. The low mean score (M=2.49, SD=0.978) confirmed the lack of consistency in enforcing rules, showing that accountability was compromised by frequent procedural breaches and irregularities.

A procurement officer was very open about how rules were sometimes ignored. He said;

> *"On paper, we have the PPDA Act and all the procedures we must follow, but in practice, it does not always happen. There are times when management makes decisions outside the procedures, and staff just comply because they fear losing their jobs. Some contracts are awarded without following the right steps, and this makes people lose confidence in the system."*

Accountability of procurement staff

The results showed that 62.6% of respondents agreed that staff involved in procurement were held accountable for their decisions, while 34.6% disagreed and 2.7% were neutral. This demonstrated that a majority recognized accountability measures for staff, although a significant proportion felt gaps still existed. The mean score (M=3.44, SD=1.358) suggested

that accountability was fairly enforced but not fully reliable, implying that some officers escaped responsibility for their actions.

Corrective action on audit findings

The study established that 66.7% of respondents agreed that KCCA responded to audit findings with corrective action, while 21.4% disagreed and 12.0% were neutral. This showed that audit findings generally resulted in corrective measures, but not in every case. The mean score (M=3.55, SD=1.417) indicated fairly strong application of corrective action, though inconsistency in follow-up reduced its full effect on accountability.

Enforcement of ethical standards

The findings revealed that 72% of respondents agreed that ethical standards were enforced in procurement and financial management, while 26.7% disagreed and 1.3% were neutral. This demonstrated a strong culture of ethics within procurement activities, which supported accountability. The high mean score (M=3.69, SD=1.375) suggested that ethical enforcement was an important safeguard, though the presence of more than a quarter of respondents who disagreed implied that unethical practices still persisted in some areas.

Documentation and traceability of public funds

The results indicated that 64.8% of respondents agreed that public funds spent by KCCA were properly documented and traceable, while 35.2% disagreed and none remained neutral. This showed that while most respondents trusted the documentation process, over a third expressed doubts about traceability. The mean score (M=3.34, SD=1.327) reflected moderate effectiveness, pointing to the presence of documentation systems but also gaps that created risks of mismanagement.

CHAPTER NINE

DISCUSSION OF FINDINGS

9.0 Introduction

This chapter presents the discussion of findings in relation to the study objectives on the role of procurement audit in enhancing accountability in Uganda's public sector, with KCCA as the case study. The discussion compares the study results with existing literature and theoretical perspectives to provide deeper understanding on how procurement audit influenced accountability.

9.1 Transparency of bid price evaluations and accountability

The study found that transparency in bid price evaluations played an important role in enhancing accountability within KCCA procurement processes. Respondents indicated that public disclosure of bid prices was moderately applied, reflected by a mean of 3.41, indicating that while many procurement exercises embraced openness, others still failed to do so consistently.

Communication of evaluation criteria in advance was weak, with a mean of 2.84, showing that many staff felt criteria were not always clear, which undermined fairness. Training of evaluation staff on transparency standards registered a mean of 3.37, showing that most evaluators had some exposure to transparency principles, but gaps remained in the adequacy of such training.

Audit reports were found to often review pricing decisions, with the highest mean of 3.72 among the items, demonstrating that accountability was strengthened when audit follow-ups scrutinized pricing decisions. Access to evaluated results by stakeholders scored a mean of 3.57, reflecting partial but growing openness in sharing results beyond procurement committees.

The existence of grievance-handling mechanisms for disputes was recognized but not fully effective, also with a mean of 3.41. Standardized bid scoring templates registered the same mean of 3.41, confirming that KCCA had procedures in place, but their consistent application was questionable. Documentation of price comparison matrices scored low at a mean of 3.13, indicating weaknesses in audit trail support. Finally, transparent pricing was perceived to build public confidence, with a mean of 3.72, the strongest indicator of accountability. Overall, transparency measures were present but inconsistently applied, leaving accountability partially enforced.

The study showed that transparency in bid price evaluations played an important but inconsistently applied role in accountability at KCCA. This observation agreed with Eyaa and Oluka (2016), who argued that disclosure of evaluation criteria and price scoring improved accountability and reduced disputes in procurement processes. Similarly, Wambua and Chepkulei (2020) emphasized that consistent communication of bid evaluation procedures strengthened audit documentation and increased trust among stakeholders. The weak consistency observed at KCCA echoed Obanda (2018), who demonstrated that when evaluation criteria and price comparison records are not systematically documented, accountability is undermined due to discretionary decision-making.

However, the study also revealed that openness in handling bid prices built public confidence, which aligned with Simpeh and Nti (2021), who reported that transparent pricing summaries reduced malpractice and improved stakeholder trust in public institutions. Osei-Tutu and Amponsah (2023) also supported this by showing that public access to pricing decisions reduced corruption and enhanced procurement integrity. In contrast, the limited effectiveness of grievance mechanisms at KCCA showed a divergence from the conclusions of Agaba and Shipman (2022), who found that feedback and transparency tools minimized disputes and fostered compliance. Thus, the findings reflected broader literature that transparency

mechanisms foster accountability, but also demonstrated that without consistent enforcement, their impact is significantly weakened

9.2 Monitoring and supervision of contractors and accountability

The findings revealed that contractor monitoring and supervision had a direct influence on accountability at KCCA. Regular supervision of contractors during project execution scored a mean of 3.27, reflecting that such monitoring was undertaken but not consistently intensive. The presence of dedicated monitoring teams recorded a strong mean of 3.89, showing that institutional frameworks existed to enforce accountability through specialized oversight. However, the documentation and sharing of monitoring visits with stakeholders was weak, with a mean of 3.05, highlighting poor transparency in reporting outcomes of site visits.

Holding contractors accountable for deviations from scope was very limited, with a mean of 2.85, showing that sanctions for non-compliance were often ineffective. Quality checks at each contract stage scored 2.95, confirming that such procedures were irregularly conducted. Similarly, the use of standard checklists during inspections scored a mean of 2.95, indicating procedural weaknesses in quality control.

The strongest accountability outcome came from reviewing contractor performance before payments were made, which recorded a high mean of 3.95, demonstrating that linking performance reviews to financial disbursement was the most effective accountability safeguard. These results showed that while monitoring structures existed, accountability was often undermined by gaps in enforcement, irregular quality checks, and inadequate reporting.

The findings indicated that contractor monitoring had a mixed influence on accountability, with some practices being strong while others remained weak. This confirmed Amoako-Gyampah et al. (2016), who found that independent and continuous contractor supervision improved compliance with budgets, timelines, and quality standards. Odeh and Battaineh (2020) also

observed that tying contractor performance reviews to payment approvals, as practiced at KCCA, improved adherence and minimized fraud in government projects.

Nonetheless, the gaps observed in enforcing contractor accountability for deviations and in documenting monitoring visits echoed the concerns of Cheung et al. (2016), who showed that weak supervision led to litigation, poor workmanship, and budget overruns. Zhou et al. (2019) reinforced this view by finding that internal monitoring was often prone to collusion, while external independent supervision enhanced transparency and accountability. The findings also reflected Hwang and Ng (2018), who argued that when documentation of monitoring processes is weak, accountability suffers because irregularities cannot be easily traced.

9.3 Internal audit mechanisms and financial accountability

The third objective revealed that internal audit mechanisms were the most influential in ensuring financial accountability at KCCA. Independence of internal audits scored strongly, with a mean of 3.91, showing that autonomy of auditors significantly promoted accountability. Risk assessment by internal audits registered the same mean of 3.91, indicating that proactive identification of risks helped reduce mismanagement. Follow-up of audit recommendations recorded the highest mean of 4.07, demonstrating that accountability was strengthened when management acted on audit findings.

Regular audit reports produced a mean of 3.88, confirming that financial accountability improved when reporting was frequent and systematic. The existence of a professional code of conduct for auditors scored a mean of 3.93, reflecting high ethical standards within the audit function. Whistleblower protection recorded the lowest mean of 2.97, indicating weak safeguards for reporting malpractice without fear of retaliation.

Performance reviews scored a mean of 3.71, and public oversight mechanisms scored a mean of 3.95, both showing that internal audits gained credibility when subject to external scrutiny

and review. Overall, internal audit mechanisms were more consistently applied than bid transparency and contractor monitoring, making them the strongest contributor to accountability within KCCA's procurement processes.

The study confirmed that internal audit mechanisms provided the strongest avenue for accountability within KCCA. This aligned with Mihret and Grant (2017), who noted that institutions with independent internal audit functions reported stronger financial controls and fewer misstatements. Similarly, Arena and Azzone (2016) highlighted that independence and proactive risk assessments enabled auditors to identify irregularities early and strengthen accountability. The emphasis on follow-up of audit recommendations at KCCA reinforced Cohen and Sayag's (2017) assertion that audit recommendations only enhance accountability when management actively implements them.

The strong role of professional ethics and codes of conduct in KCCA's audit function resonated with Alzeban and Sawan (2015), who found that technical competence and ethical standards determined audit effectiveness in the public sector. The credibility of audit reporting and oversight at KCCA also aligned with Prawitt et al. (2018), who argued that well-structured audit committees reduce irregularities by ensuring findings are acted upon.

However, the weak protection for whistleblowers revealed a shortfall similar to what Christopher et al. (2016) observed, namely that without adequate safeguards, employees are discouraged from reporting malpractice, thereby undermining accountability. This pattern indicated that while internal audit mechanisms in KCCA were consistent with global best practices in many respects, their impact remained limited by governance weaknesses surrounding whistleblower protection and implementation of ethical safeguards.

9.4 Relevance of Agency Theory and Institutional Theory

The relevance of **Agency Theory** in this study was demonstrated through the way procurement audit acted as monitoring tools to reduce information asymmetry between procurement officers

and the public they served. The findings showed that transparency in bid evaluations and strong internal audits limited the discretion of agents, such as procurement committees and contractors, who otherwise had opportunities to manipulate processes for personal gain. This aligned with the theory's proposition that agents acted in self-interest unless constrained by oversight.

The weak documentation of price comparisons and inconsistent supervision of contractors further illustrated the persistence of agency problems, as agents were able to conceal or bypass procedures in the absence of rigorous monitoring. Therefore, Agency Theory was relevant because it explained why procurement irregularities occurred in KCCA and how audits, supervision, and transparency mechanisms served as control instruments to realign the behavior of agents with the accountability expectations of principals.

The relevance of **Institutional Theory** was reflected in how KCCA adopted procurement audit and accountability measures in response to external pressures and legitimacy concerns. The findings showed that mechanisms such as internal audit independence, standardized scoring templates, and the requirement to publish bid outcomes were not merely internal initiatives but were driven by institutional demands from regulatory frameworks such as the PPDA Act and expectations from oversight bodies. The emphasis on follow-up of audit recommendations and adherence to ethical codes demonstrated conformity to normative and coercive pressures that required KCCA to align its practices with professional and legal standards.

However, the gaps in whistleblower protection and irregular monitoring of contractors also revealed that institutional pressures were not always strong enough to eliminate non-compliance. Institutional Theory was therefore relevant because it explained why KCCA institutionalized procurement audit as formal practices to gain legitimacy and public trust, even though practical enforcement sometimes remained weak.

CHAPTER TEN

SUMMARY, CONCLUSION AND RECOMMENDATIONS

10.1 Introduction

This chapter presents the summary, conclusion, and recommendations of the study on the role of procurement audit in enhancing accountability in Uganda's public sector, focusing on KCCA. It provided a synthesis of the key findings, draws conclusions based on the study objectives, and outlines practical recommendations for improving accountability through procurement audits.

10.1 Summary of findings

The summary of findings in relationship to the study objectives;

10.1.1 Transparency of bid price evaluations and accountability

The correlation analysis revealed that there was a weak but statistically significant positive relationship between transparency in bid price evaluations and accountability in KCCA procurement processes ($r = 0.327$, $p = 0.024$). This meant that as transparency practices improved, accountability also improved, though only to a limited extent. The implication was that measures such as publicly disclosing bid prices, applying standardized scoring templates, and granting stakeholders access to evaluated results did make procurement more open, but their overall effect on accountability was not strong.

The weakness of the relationship indicated that while transparency was acknowledged, its inconsistent application reduced its full potential in curbing malpractice. This also indicated that without systematic enforcement and uniform adoption across departments, transparency alone could not guarantee high accountability levels. In essence, transparency mechanisms mattered, but they played a supporting rather than a dominant role in ensuring accountability at KCCA.

10.1.2 Monitoring and supervision of contractors and accountability

The analysis showed a moderate positive and statistically significant relationship between monitoring and supervision of contractors and accountability at KCCA ($r = 0.412$, $p = 0.004$). This meant that as contractor supervision improved, accountability improved at a higher rate compared to transparency in bid price evaluations. Practices such as reviewing contractor performance before payments, imposing penalties for non-compliance, and considering monitoring reports in awarding future contracts all contributed to stronger accountability outcomes. The moderate strength of the relationship indicated that monitoring played a central role in enforcing compliance because it directly linked contractors' performance to financial disbursements and future opportunities.

However, the fact that the relationship was not very strong also revealed persistent gaps, such as weak enforcement of monitoring reports, delays in project completion, and irregular documentation of site inspections. These weaknesses limited the overall impact of monitoring on accountability. Therefore, monitoring and supervision mechanisms were more effective than transparency mechanisms, but their effect was still hindered by lapses in consistency and follow-up.

10.1.3 Internal audit mechanisms and accountability

The correlation analysis established a strong positive and highly significant relationship between internal audit mechanisms and financial accountability at KCCA ($r = 0.767$, $p = 0.000$). This meant that improvements in audit practices were closely and strongly associated with improvements in accountability. Internal audit mechanisms such as conducting regular audits, enforcing compliance checks, ensuring audit recommendations were followed up, and providing access to audit reports to top management created a powerful system of accountability.

The strong relationship indicated that internal audits were the most reliable safeguard against procurement irregularities because they provided independent oversight, ensured corrective action was taken, and made it difficult for malpractice to go unnoticed. Unlike transparency and monitoring, whose effects were modest to moderate, internal audits had a direct and substantial effect on ensuring accountability. This finding positioned internal audit mechanisms as the backbone of procurement accountability at KCCA, demonstrating that when audit systems were well-resourced, independent, and taken seriously by leadership, accountability was significantly strengthened.

10.2 Conclusion

The study concludes that transparency in bid price evaluations had a weak but significant influence on accountability at KCCA. Although public disclosure of bid prices, standardized scoring, and openness improved trust, the overall effect was modest. This was mainly because transparency practices were not consistently applied across all procurements. The weak relationship showed that openness alone could not strongly guarantee accountability. Without stronger enforcement and uniform implementation, transparency remained supportive but not decisive. Thus, transparency was necessary but insufficient as a stand-alone accountability tool.

The study concludes that monitoring and supervision of contractors had a moderate positive influence on accountability at KCCA. Effective practices such as reviewing performance before payments and imposing penalties for non-compliance improved contractor responsibility. The relationship was stronger than transparency, showing that supervision played a central role in enforcement. However, weaknesses such as poor follow-up, irregular inspections, and weak documentation reduced its full effect. This meant that monitoring promoted accountability but only when applied rigorously. Therefore, consistent enforcement was key for monitoring to reach its full potential

.

The study concludes that internal audit mechanisms had the strongest and most significant effect on accountability at KCCA. Regular audits, compliance checks, and corrective action were found to be highly effective in ensuring responsible financial management. The strong relationship showed that internal audits acted as the backbone of accountability in procurement. Their effectiveness resulted from independence, accessibility of reports to leadership, and seriousness in acting on audit recommendations. Compared to transparency and monitoring, audits had a much stronger effect. This meant that well-resourced and independent audit systems were the most reliable safeguard of accountability.

Overall, procurement audit had a positive relationship with accountability at KCCA, but with varying strengths. Internal audit mechanisms emerged as the strongest factor, as effective audits greatly enhanced financial accountability. Monitoring and supervision of contractors had a moderate effect, showing that stronger supervision practices improved accountability though not as strongly as audits. Transparency of bid price evaluations had the weakest effect, meaning that while openness promoted accountability, its impact was less compared to the other mechanisms.

10.3 Recommendations

The following strategies were recommended;

i) KCCA management should strengthen internal audit independence by ensuring the unit has full autonomy in its operations, adequate funding, and access to all procurement records. This would prevent interference and enhance accountability in financial decision-making.

ii) The internal audit unit should enforce follow-up on audit recommendations by creating a clear action-tracking system that ensures all identified weaknesses are corrected within set timelines to avoid repeated irregularities.

iii) The directorate of procurement at KCCA should institutionalize strict contractor supervision by using standardized monitoring checklists, documenting site visits, and ensuring contractor performance is reviewed before any payments are processed.

iv) The Procurement and Disposal Unit (PDU) should ensure transparent bid evaluations by mandating public disclosure of all bid prices during opening sessions and publishing evaluation criteria in advance to strengthen fairness.

v) The Public Procurement and Disposal of Public Assets Authority (PPDA) should enhance regulatory oversight by conducting regular compliance audits on KCCA procurement activities and imposing sanctions where rules are violated.

10.4 Areas for further research

The researcher recommends the following areas for further research;

1. The effect of e-procurement systems adoption on accountability in public procurement
2. The influence of whistleblower protection mechanisms on financial accountability in local government
3. The impact of contractor performance monitoring on service delivery efficiency in public projects.

References

African Development Bank. (2022). *Public financial management in Africa: Progress and challenges*. https://www.afdb.org

Alhazmi, T., & McCaffer, R. (2017). Project procurement systems and their impact on cost performance in the construction industry. *Journal of Construction Procurement*, 23(1), 13–25.

Ali, H. H., & El-Sayegh, S. M. (2023). Investigating the role of contractor supervision in reducing corruption in public infrastructure projects. *Journal of Construction Engineering and Management*, 149(2), 04022122.

Al-Sweity, A. Y., & Alawneh, M. K. (2021). Transparency in public procurement and its effect on financial accountability: A comparative audit study. *Public Integrity*, 23(6), 582–596.

Alzeban, A., & Sawan, N. (2015). The impact of internal audit function effectiveness on financial accountability: Evidence from public sector organizations. *Managerial Auditing Journal*, 30(6/7), 537–559.

Ameyaw, C., Mensah, S., & Osei-Tutu, E. (2017). Corruption and its impact on public procurement performance. *International Journal of Construction Management*, 17(4), 273–284.

Amin, M. E. (2005). *Social science research: Conception, methodology and analysis*. Makerere University.

Amoako-Gyampah, K., Boakye, K., & Agyei, J. (2016). Project monitoring and contractor performance: An empirical investigation. *Project Management Journal*, 47(3), 23–38.

Arena, M., & Azzone, G. (2016). Internal audit effectiveness: Relevant drivers of audit quality in the public sector. *International Journal of Auditing*, 20(3), 200–212.

Auditor General Uganda. (2021). *Annual audit report on local governments*. Office of the Auditor General.

Boussabaine, A. H., & Elhag, T. M. S. (2020). Evaluation of contractor performance under supervision protocols. *Construction Innovation*, 20(2), 239–254.

BPP Nigeria. (2019). *Procurement audit manual*. Bureau of Public Procurement.

Bryman, A. (2016). *Social research methods* (5th ed.). Oxford University Press.

Castro-Lacouture, D., Sefair, J. A., & Flórez, L. (2022). Simulation-based assessment of supervision intensity on infrastructure accountability. *Journal of Civil Engineering and Management*, 28(1), 65–76.

Chartered Institute of Procurement and Supply (CIPS). (2022). *Accountability and transparency in procurement*. https://www.cips.org

Cheung, S. O., Suen, H. C. H., & Cheung, K. K. W. (2016). A study on accountability through contractor supervision in public works. *Construction Management and Economics*, 34(9), 643–657.

Christopher, J., Sarens, G., & Leung, P. (2016). A critical analysis of the independence of internal audit in public sector organizations. *Australian Accounting Review*, 26(4), 394–405.

Cohen, A., & Sayag, G. (2017). The effectiveness of internal auditing in public sector organizations. *Public Administration Review*, 77(4), 613–624.

Creswell, J. W., & Creswell, J. D. (2014). *Research design: Qualitative, quantitative, and mixed methods approaches* (4th ed.). SAGE Publications.

Cuevas-Rodríguez, G., Cabello-Medina, C., & Carmona-Lavado, A. (2012). Internal and external social capital for radical product innovation: Do they always work well together? *British Journal of Management, 23*(4), 566–582.

DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review, 48*(2), 147–160.

Eisenhardt, K. M. (1989). Agency theory: An assessment and review. *Academy of Management Review, 14*(1), 57–74.

Erasmus, L., & Visser, C. (2019). Internal auditing as a mechanism to prevent financial mismanagement in the public service. *Journal of Public Administration*, 54(2), 235–250.

Farooq, M., & Hussain, A. (2023). Digital transparency tools and accountability in public procurement. *Journal of Public Procurement*, 23(1), 47–63.

Fink, A. (2020). *Conducting research literature reviews: From the internet to paper* (5th ed.). SAGE Publications.

Government of Uganda. (2010). *Kampala Capital City Act*. Uganda Printing and Publishing Corporation.

Hwang, B.-G., & Ng, W. J. (2018). Project monitoring and contractor accountability in large-scale government projects. *International Journal of Project Management*, 36(3), 401–412.

Ibrahim, M., & Abubakar, A. (2020). Internal auditing and financial accountability in public sector institutions. *International Journal of Public Sector Management*, 33(4), 329–348.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics, 3*(4), 305–360.

Kampala Capital City Authority (KCCA). (2022). *Strategic Plan 2020/2021–2024/2025*. https://www.kcca.go.ug

Kim, S., & Lee, J. (2019). Enhancing transparency in public procurement through ICT: The case of Korea's KONEPS. *International Journal of Public Sector Management*, 32(4), 369–385.

Kvale, S., & Brinkmann, S. (2015). *InterViews: Learning the craft of qualitative research interviewing* (3rd ed.). SAGE Publications.

Mahdavi, G., Abdollahi, M., & Safarzadeh, H. (2019). Transparency in bid evaluation and its impact on procurement performance. *International Review of Administrative Sciences*, 85(2), 354–370.

Marume, S. B. M., Madzivire, G., & Madzivire, T. (2020). Institutional theory and public sector accountability in Africa. *International Journal of Public Administration and Management Research, 5*(3), 27–36.

Maxwell, J. A. (2013). *Qualitative research design: An interactive approach* (3rd ed.). SAGE Publications.

Maxwell, J. A. (2013). *Qualitative research design: An interactive approach* (3rd ed.). SAGE Publications.

Meyer, J. W., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology, 83*(2), 340–363.

Mihret, D. G., & Grant, B. (2017). The role of internal audit in public financial management: Empirical evidence. *Accounting Forum*, 41(2), 134–149.

Mugerwa, R. (2018). *The effect of procurement audit on accountability in local government authorities in Uganda: A case of Wakiso District* [Unpublished master's thesis]. Uganda Management Institute.

Nabukeera, M. (2016). *Public sector procurement reforms and accountability in Uganda: A case of the central government ministries* [Unpublished master's thesis]. Makerere University.

Nakabugo, J. (2021). *The role of internal audits in promoting accountability in Uganda's urban authorities: A case of Jinja City Council* [Unpublished master's thesis]. Makerere University.

National Planning Authority. (2020). *Third National Development Plan (NDPIII) 2020/21–2024/25*. Government of Uganda.

Neuman, W. L. (2014). *Social research methods: Qualitative and quantitative approaches* (7th ed.). Pearson Education.

Nunnally, J. C., & Bernstein, I. H. (1994). *Psychometric theory* (3rd ed.). McGraw-Hill.

Obanda, W. (2018). Evaluation transparency and procurement accountability in government contracting. *Journal of Public Procurement*, 18(3), 211–229.

Observer (2024). *Irregularities in procurement audit and lack of accountability: A summary of findings from KCCA's report*. Retrieved from: https://observer.ug/news/kcca-committee-recommends-radical-changes-in-accountability/

Odeh, A. M., & Battaineh, H. T. (2020). The impact of supervision on contractor performance in public projects. *Building Research & Information*, 48(1), 51–64.

OECD. (2016). *Preventing corruption in public procurement*. Organisation for Economic Co-operation and Development.

OECD. (2020). *Public procurement in Chile: Strengthening strategic use and transparency*. OECD Publishing.

OECD. (2021). *Curbing corruption in public procurement: A practical guide*. Organisation for Economic Co-operation and Development. https://www.oecd.org

Office of the Auditor General Rwanda. (2021). *Annual report on performance and compliance audits*. Government of Rwanda.

Organisation for Economic Co-operation and Development. (2019). *Recommendation of the Council on Public Procurement*. OECD Legal Instruments. https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0411

Osei-Tutu, E., & Amponsah, R. (2023). Enhancing accountability through price transparency in public construction. *Construction Economics and Building*, 23(1), 75–91.

PPDA. (2016). *The PPDA Act (Amendments), 2014*. Public Procurement and Disposal of Public Assets Authority.

PPDA. (2022). *Annual procurement audit report*. Public Procurement and Disposal of Public Assets Authority.

PPDA. (2023). *Procurement audit and compliance framework*. Public Procurement and Disposal of Public Assets Authority. https://www.ppda.go.ug

PPRA Kenya. (2020). *Annual report on procurement audit and compliance review*. Public Procurement Regulatory Authority.

Prawitt, D. F., Smith, J. L., & Wood, D. A. (2018). Internal audit quality and financial misstatement risk. *The Accounting Review*, 93(2), 293–320.

Public Procurement and Disposal of Public Assets Authority. (2022). *Annual Performance Report 2021/2022*. Retrieved from https://www.ppda.go.ug/download-reports/reports/ppda-annual-reports/

Public Procurement Authority Ghana. (2017). *Procurement Act implementation review*. Government of Ghana.

Rahmatika, D. N., Ludigdo, U., & Baridwan, Z. (2021). Auditor independence and public sector accountability: Evidence from agency theory. *Cogent Business & Management, 8*(1), 1897383.

Ross, S. A. (2013). The economic theory of agency: The principal's problem. *The American Economic Review, 63*(2), 134–139.

Sarens, G., & De Beelde, I. (2015). Internal auditors' perception about their role in risk management: A comparison between public and private sectors. *Managerial Auditing Journal*, 30(3), 312–330.

Scott, W. R. (2014). *Institutions and organizations: Ideas, interests, and identities* (4th ed.). SAGE Publications.

Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill-building approach* (7th ed.). Wiley.

Simpeh, E. K., & Nti, I. K. (2021). The role of evaluation transparency in enhancing public procurement accountability. *International Journal of Procurement Management*, 14(5), 589–607.

Transparency International. (2022). *Global corruption report: Public procurement*. https://www.transparency.org

Tukamuhabwa, B. R., Tumuhairwe, G., & Irumba, D. (2015). Procurement process transparency and accountability. *African Journal of Business Management*, 9(9), 384–400.

URT (United Republic of Tanzania). (2018). *Public Procurement Regulatory Authority annual performance report*. Government of Tanzania.

Van Gansberghe, C. N. (2016). Internal auditing in the public sector: A catalyst for accountability. *Public Money & Management*, 36(6), 443–450.

Wambua, L., & Chepkulei, B. (2020). The influence of bid evaluation transparency on public procurement accountability. *International Journal of Supply Chain Management*, 9(3), 445–453.

Wang, Y., & Liu, Z. (2021). Digital monitoring and accountability in public procurement. *Government Information Quarterly*, 38(2), 101564.

Wong, J. K. W., & Cheung, S. O. (2021). Supervisor competence and its impact on public project accountability. *Engineering, Construction and Architectural Management*, 28(4), 1216–1233.

World Bank. (2020). *Chapter 2: Improving Procurement Efficiency*. In *Making Procurement Work Better*. Independent Evaluation Group. https://ieg.worldbankgroup.org/evaluations/making-procurement-work-better/chapter-2-improving-procurement-efficiency

World Bank. (2021). *Enhancing public procurement systems: Lessons from reform*. World Bank Publications.

World Bank. (2023). *Enhancing governance and accountability in the public sector*. https://www.worldbank.org

Zhou, J., & Wang, F. (2022). Transparency in public procurement: Bid evaluation and accountability outcomes. *Journal of Public Budgeting, Accounting & Financial Management*, 34(3), 455–474.

Zhou, X., Zhang, L., & Wang, Y. (2019). Third-party supervision and contractor accountability in public procurement. *Journal of Civil Engineering and Management*, 25(7), 617–629.

APPENDICES

APPENDIX I: SELF-ADMINISTERED QUESTIONNAIRE

Dear Respondent,

My name is Kantu Anold, a post graduate student at Nkumba University pursuing a Master's Degree in Procurement and Logistics Management. I am currently conducting a study titled: "Procurement Audit and Accountability of Public Sector Institutions: A Case of Kampala Capital City Authority (KCCA)." The purpose of this questionnaire is to collect data for academic purposes only. Your participation is voluntary, and all responses was treated with strict confidentiality and used solely for research. Please answer all the questions as honestly as possible.

PART 2: BIODATA (Tick the appropriate response)

1. **Gender:**

   ☐ Male ☐ Female

2. **Age Group:**

   ☐ Below 25 ☐ 25–34 ☐ 35–44 ☐ 45 and above

3. **Department:**

   ☐ Procurement & Disposal Unit ☐ Internal Audit ☐ Finance & Accounts

   ☐ Legal ☐ User Department

4. **Level of Education:**

   ☐ Diploma ☐ Bachelor's Degree ☐ Master's Degree ☐ Other (Specify):

   _____

5. **Years of Service at KCCA:**

   ☐ Less than 1 year ☐ 2–5 years ☐ 6–10 years ☐ Over 10 years

SECTION B: BID PRICE TRANSPARENCY AND ACCOUNTABILITY

Instruction: Tick the response that best describes your opinion on the statements below.

Scale: 5 = Strongly Agree, 4 = Agree, 3 = Not Sure, 2 = Disagree, 1 = Strongly Disagree

S/N	Statement	5	4	3	2	1
B1	Bid prices are publicly disclosed during the procurement process.					
B2	Evaluation criteria for bid prices are clearly communicated in advance.					
B3	Staff involved in bid evaluations are trained on transparency standards.					
B4	Audit reports often review pricing decisions made by the committees.					
B5	Transparency in pricing helps prevent manipulation or favoritism.					
B6	Stakeholders have access to evaluated bid price results.					
B7	There is a feedback mechanism for disputes related to bid evaluations.					
B8	Procurement committees follow standardized bid scoring templates.					
B9	Price comparison matrices are documented and available for audit.					
B10	Transparent pricing increases public confidence in KCCA procurement.					

SECTION C: CONTRACTOR MONITORING AND ACCOUNTABILITY

S/N	Statement	5	4	3	2	1
C1	Contractors are regularly supervised during project execution.					
C2	There is a team dedicated to contractor monitoring at KCCA.					
C3	Monitoring visits are documented and shared with stakeholders.					
C4	Contractors are held accountable for deviations from project scope.					
C5	Quality checks are performed at each stage of the contract.					
C6	KCCA uses standard checklists during site inspections.					
C7	Contractor performance is reviewed before payments are made.					
C8	Monitoring reports influence future contract awards.					
C9	There are penalties for contractors who fail to meet requirements.					
C10	Monitoring contributes to timely project completion and cost control.					

SECTION D: INTERNAL AUDITS AND FINANCIAL ACCOUNTABILITY

S/N	Statement	5	4	3	2	1
C1	Internal audits are conducted regularly within KCCA.					
C2	Internal auditors are independent from the departments they audit.					
C3	Financial irregularities are identified through internal audits.					
C4	Audit findings are addressed through corrective action.					
C5	Internal audits assess compliance with procurement procedures.					
C6	Audit results are used to improve procurement processes.					
C7	Audit reports are accessible to top management for decision-making.					
C8	Financial accountability has improved due to regular auditing.					
C9	Internal audit findings are taken seriously by KCCA leadership.					
C10	The internal audit unit has adequate resources to do its work effectively.					

PART 6: LEVEL OF ACCOUNTABILITY AT KCCA

Instruction: Tick the response that best reflects your opinion.

Scale: 5 = Strongly Agree, 4 = Agree, 3 = Not Sure, 2 = Disagree, 1 = Strongly Disagree

S/N	Statement	5	4	3	2	1
E1	KCCA produces accurate and timely financial reports.					
E2	Procurement activities at KCCA follow established procedures and laws.					
E3	Staff involved in procurement are held accountable for their decisions.					
E4	KCCA responds to audit findings with corrective action.					
E5	Ethical standards are enforced in procurement and financial management at KCCA.					
E6	Public funds spent by KCCA are properly documented and traceable.					

Thank you for your cooperation.

APPENDIX II: INTERVIEW GUIDE FOR KEY INFORMANTS

My name is Kantu Anold, a post-graduate student at Nkumba University pursuing a Master's Degree in Procurement and Logistics Management. I am conducting research on the topic: ***"Procurement Audit and Accountability of Public Sector Institutions: A Case of Kampala Capital City Authority (KCCA)."*** You have been selected as a key informant because of your professional experience and position. This interview is purely academic, and your responses was kept confidential and used solely for this research. Please feel free to answer openly and honestly.

1. How would you describe the role of procurement audit in ensuring accountability within KCCA?
2. In your opinion, how transparent is the process of bid price evaluation at KCCA, and what challenges are commonly faced?
3. What systems or procedures are in place to ensure that contractors are properly monitored and supervised during project execution?
4. To what extent do internal audit mechanisms influence financial accountability within KCCA?
5. What are the most common procurement irregularities you've observed, and how are they typically addressed?
6. How do audit findings influence decision-making or policy adjustments at KCCA?
7. What ethical standards or codes of conduct guide procurement officers and auditors at KCCA?
8. How would you assess the responsiveness of management to audit recommendations and reports?
9. In your view, what are the major strengths and weaknesses of KCCA's current procurement audit framework?
10. What improvements would you recommend to enhance accountability and transparency in KCCA's procurement processes?

Thank you for your cooperation

APPENDIX III: DOCUMENT REVIEW CHECKLIST

Document	**Purpose**	**Yes/ No**
Approved procurement plans	To assess planned versus actual procurement activities	
Bid evaluation reports	To evaluate transparency in bid price evaluation processes	
Internal audit reports	To examine audit findings and accountability measures	
Financial statements	To assess financial accountability and spending trends	
Audit query response reports	To check how management responds to audit issues	
Contractor performance reports	To examine monitoring and supervision of contractors	
KCCA procurement guidelines/manual	To verify compliance with standard procedures	
Meeting minutes (procurement reviews)	To assess decision-making and accountability trail	
PPDA compliance audit reports	To compare internal and external audit findings	
Annual performance reports	To understand overall institutional accountability efforts	