

# Journal of Finance and Accounting



ISSN Online: 2616-4965

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Peer Reviewed Journals & books

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**ISSN: 2616-4965**

# Internal Audit Function and Budgeting Efficiency in Financial Institutions: A Case of Rwanda Social Security Board

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*How to cite this article:* Nishimwe H., & Kengere O. (2023). Internal Audit Function and Budgeting Efficiency in Financial Institutions: A Case of Rwanda Social Security Board. *Journal of Finance and Accounting*. Vol 7(3) pp. 46-58. <https://doi.org/10.53819/81018102t2145>

## Abstract

The main purpose of this research is to examine Internal audit function and budgeting efficiency in financial institutions in Rwanda specifically in Rwanda Social Security Board (RSSB). The research used descriptive research design with a mixed approach of qualitative and quantitative data. The formula developed by Taro Yamane was employed to determine the sample size (n=52). The findings showed that internal audit plan provides guidelines for auditors' regular audits (mean 4.29); and internal audit reviews for budgets were made available (mean 4.32). It was also revealed that internal audit advised on budgeting (mean 4.25); internal audit provided assurance to the budgeting efficiency (mean 4.15); the internal audit assured budget management that there was an effective internal control for budgeting (mean 4.21); the internal auditor established audit objectives and scopes accordingly (mean 4.41); and internal audit prevented risks and fraudulent malpractices occurring when budgeting (mean 4.34). and those internal auditors follow up on the agreed management action plan based on audit recommendations (mean 4.24); internal auditors provide follow-up reports within a specified duration of time as guided by the organization's policies for the exercise (mean 4.01); follow-up reports were shared (mean 4.61). According to the research, there is a strong positive correlation between RSSB's internal audit frequent review and budgeting efficiency ( $r = .713$   $\rho = .000$ ); strong positive degree of relationship between internal audit recommendation and budgeting efficiency ( $r = .634$ ,  $\rho = .004$ ) and strong positive correlation between internal audit follow up and budgeting efficiency ( $r = .784$ ;  $\rho = .000$ ). The study concluded that internal audit, through regular reviews, provision of recommendations, and follow-up contributed to the efficiency of budgeting at RSSB. The study recommended that RSSB should strengthen its internal audit plan as a measure of ensuring that auditors are guided on the strategic follow-up plans to adopt and capture recommendations effectively.

**Key words:** *Internal audit, Budgeting efficiency, Public institutions, RSSB*

## 1. Introduction

Throughout most of its existence, internal audit has worked as a straightforward administrative process and method, examining documents, assessing, and evaluating assets, and providing reports to the board of directors, management, or external auditors (Omolaye & Jacob, 2017). However, several factors have come together recently to bring about a quiet change in the field. Organizations must be accountable for the use of shareholder funds and efficient in providing services (Zack, 2012).

To effectively create added value as opposed to merely ensuring compliance with laws and regulations, more than organizational changes are needed. Asset mismanagement is a result of several factors, including inadequate pay, a lack of desire among many bank employees, and low ethical standards and governance practices (Ramamoorti, 2013). The internal audit function is often believed to have the ability to provide management with previously unequalled services in the course of their duties. The Institute of Internal Auditors (IIA) updated internal auditing's definition indicates how this potential has evolved into a challenge. Commercial banks have recognized the value of internal audit in boosting asset management, which improves financial performance (Basel Committee, 2012). In support for internal audit, the Government of Rwanda has passed a law that requires all public institutions to have internal audit units responsible for coordinating and harmonizing functions related to internal audit in all financial aspects including budgets (Kantengwa, 2011). Besides, the establishment of uniform internal audit standards and reporting requirements for the use of internal auditors in all budgetary agencies has made it capable for the government to keep track of how public institutions spend public funds. The budgeting efficiency has difficulties, and instances such as over budgeting or under budgeting that affect the nature of internal audit reports, this create a great concern to the RSSB management, little was written on how internal audit affected Rwanda's financial institutions' performance throughout the literature. This raised the necessity for this study which look how internal audit affected on budgeting effectiveness of Rwanda Social Security Board and will serves as reference to future researchers as it highlights that internal audit strongly contribute to the budgeting efficiency.

### 1.1 Objectives of the Study

#### 1.1.1 General Objectives

The general objective of this research is to examine how internal audit function affects financial institution budgeting efficiency in the case of the Rwanda Social Security Board (RSSB) was the general objective of this study.

#### 1.1.2 Specific Objectives

The specific objectives guiding the study included;

- (i) To examine the contribution of internal audit regular reviews on the budgeting efficiency of Rwanda Social Security Board.
- (ii) To investigate the contribution of internal audit recommendations on the budgeting efficiency of Rwanda Social Security Board.
- (iii) To evaluate the contribution of internal audit, follow up on the budgeting efficiency of Rwanda Social Security Board

## 2. Literature Review

### 2.1. Empirical Literature Review

#### 2.1.1 Internal Audit Regular Reviews and Budgeting Efficiency

Harelimana (2018) looked at the findings of an internal audit on Rwanda's government's budget management. His study found that good staff management, asset management, and management control practices improve budgeting efficiency and accomplishment in local government. Budget formulation, budget proposal and discussion, budget monitoring, budget adjusting, budget administration, and budget reporting provided the groundwork for the budget process and implementation in local government. The study found a significant connection between internal audit, the budgeting process, and budget execution. It was advised that more efforts be made to generate new sources of income to supplement government transfers and improve budget execution.

Shah and Nathalie (2012) research concluded that internal auditors should review and evaluate a variety of organizational activities, measure risks and the controls in place to manage them, ensure performance in completing the tasks entrusted to you and provide recommendations to improve the organization's security and increase efficiency. One of the most important internal control system procedures is internal audit. There is no institution that can ignore it, even partially, even partially, without also losing control of a crucial aspect of its ability to survive. A key part of the management team and a signatory to an audit charter that guarantees his independence is the internal auditor. Action should be taken to upgrade the internal audit department when it falls short of what upper management expects. The study's findings demonstrate that internal audit can increase organizational efficiency and indirectly help organizations achieve their goals.

#### 2.1.2 Internal Audit Recommendations and Budgeting Efficiency

Patrick, James, and Craig (2015) claimed that institutions are now expected to accomplish more with less. Strong economic pressures necessitate ongoing business innovation on the part of organizations to fulfill the demands of a rapidly evolving market and regulatory environment. These increasing markets demand is not exclusive to the internal audit function, meaning that it must come up with creative solutions to assist the organizations prosper and succeed. For an organization to have high performance, there is a need of constant and continuous attempts to improve, it is not an accident. The researchers concluded that the internal audit function can adapt to a new decade of value-driven activity with improvement audits made to assist the firm run as efficiently as possible while remaining consistent with its primary objectives and risk environment. By doing this, auditors are collaborating in new ways with management and business process owners to advance internal audit up the value chain while bringing excellence.

#### 2.1.3 Internal Audit Follow up and Budgeting Efficiency

Empirical evidence by Theofans, George, Iordanis, and Petros (2014) suggested that internal audit contributed to the right management of any business economic resources and that internal auditing process must function effectively for the business to survive and succeed. To increase effectiveness, they highlight four areas that the directors of internal audit must concentrate on: a suitable business environment, top management support, high-quality internal audit personnel, and high-quality internal audit work. Internal auditors must have a thorough understanding of the regulations and requirements of the various departments and agencies of the government as well as how they affect the regular operations of the businesses they represent. The requirements for internal audits have expanded significantly hence improve the businesses efficiency and effectiveness.

<https://doi.org/10.53819/81018102t2145>

#### **2.1.4 The Effect of Internal Audit Function Effectiveness and Implementation of Accrual Based Government Accounting Standard on Quality Financial Reporting**

Gamayuni (2018) assessed how well the internal audit function supported the adoption of the government accounting standard for accurate and high-quality financial reporting. The researcher emphasized the importance of evaluating the internal audit function's effectiveness and found it to be successful and substantial in influencing the quality of financial reporting. However, components that demonstrate the effectiveness of the internal audit function include policies and procedures, planning, approval, communication, coordination, resource management, reporting to leadership, program creation, quality control, and follow-up on public complaints. Despite the results of the joint questionnaire, there are still problems that restrict the internal audit function, especially in terms of coordination, resource and asset management, reporting to the appropriate authority, program improvement and quality control, and follow-up on customer complaints. The study's findings revealed that the quality of financial reporting may be more significantly influenced by the internal audit function's effectiveness. It offers suggestions to the regional government that will improve the performance of the internal audit function. To achieve qualified financial reporting, the local government should begin creating numerous rules and procedures and coordinating the internal audit function.

#### **2.1.5 Elements and success factors for an efficient budgeting**

Kunnathuvalappil (2019) stipulate that while effective budgeting does not ensure success, it does substantially aid in getting the best financial results. A budget is an essential tool for turning general intentions into precise, doable goals and objectives. It is anticipated that by following the budgetary regulations, the specified aims and objectives will be accomplished. The usage of budgets is common, and they have long been seen as important management tools. More control, better communication, and employee motivation are all made possible through budgeting. A budget is a financial strategy for controlling upcoming activities and outcomes. It can be calculated in terms of pounds, dollars, units, and hours. The non-financial plans and controls that direct daily management activities are linked by budgets to the financial plans necessary to achieve a suitable profit and financial position. Management is helped in focusing on important issues by the indicators of effective budgeting. One element that influences outcome-oriented steering is budgeting intensity. By making it easier to use budgeting tools, system quality serves as an input to the budgeting process. In conclusion, these elements improve leadership efficiency, which in turn supports management's logic. By connecting the budgeting system with the other organizational subsystems, the coordination function of management accounting aims to facilitate reasoned decision-making. Systematic integration of budgeting and strategy is essential. Since they set forth defined goals with the intention of motivating desired behavior, budgets are a part of performance measurement. However, financial slack appears if incentives and budgets are not effectively coordinated.

### **2.2 Research Gap**

Internal audit and budget were primarily the subjects of the literature review that was developed in this chapter. Internal auditing continues to improve organizations' management and business processes across all sectors. Owners might primarily recognize the internal audit's role in the improvement of their business's performance (Shah & Nathalie, (2012); Saud, (2012); Gamayuni, (2018); Mexmonov, (2020). Internal audit's responsibility is to make sure that management can quickly identify risks that could prevent the system's objectives from being met, that controls are effective, efficient, and robust, and that all governance procedures are followed Theofans, *et al.*, (2014). Budgeting as a sensitive part of an organization has to be

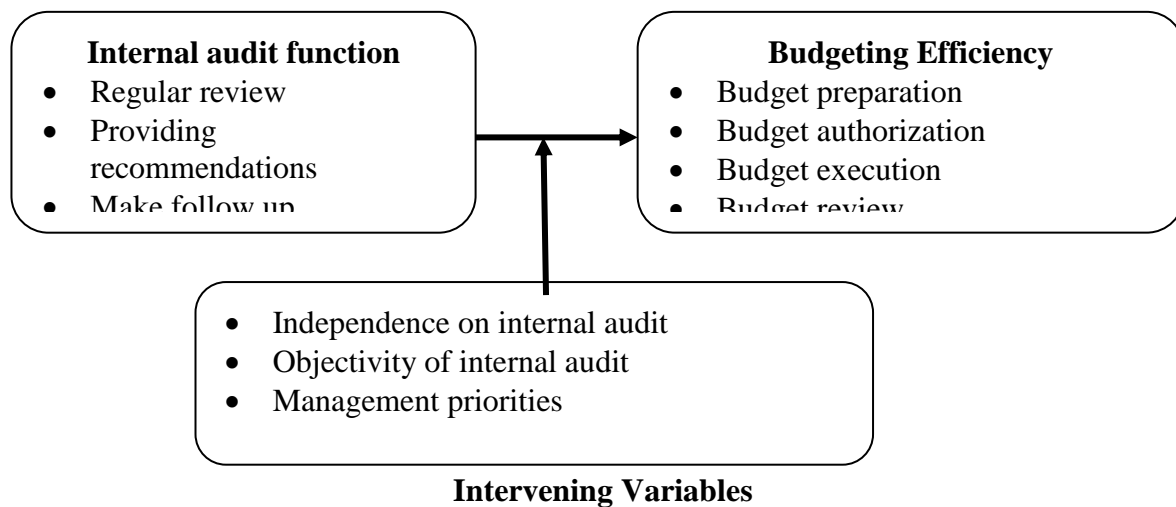
considered with a high attention in organization and the recommendations from the internal audit review are important for better management Snežana &Dejan (2011).

However, the research gap was identified whereby previous researches focused on internal audit in general by analyzing their impact on financial management, risk management, organizational goals, good governance in whole and they did not look at the internal audit on the budgeting efficiency Theofans, *et al.*, 2014; Patrick, *et al.*, (2015). This study's goal is to ascertain how internal audit function impacts RSSB budgeting effectiveness. By doing this, the researcher analyzed the regular internal audit review of budgeting function and contribution of internal audit recommendations for the proper budget management.

### 2.3 Conceptual framework

#### Independent Variables

#### Dependent Variables



**Figure 1: Conceptual framework**

**Researcher 2023.**

The Figure 1 of conceptual framework demonstrates that there is a relationship between the independent variable represented in the study as internal audit function with regular reviews of budgeting efficiency, recommendations, and follow-up and the dependent variable which is represented by budgeting efficiency, with budget preparation, budget authorization, budget execution, and budget review. There are also intervening variables which are: Independency, objectivity and management priorities.

### 3. Materials and Methods

The researcher used descriptive research design with a mixed approach of qualitative and quantitative data: this design was used because it helps to collect qualitative and quantitative data (Kombo and Tromp, 2006). The target population of this study was 60 people where there are 23 employees attached to Quality Assurance Department and 37 attached to Finance Department. The

researcher determined the sample size of 52 respondents of the study using Taro Yamane's formula. The study included convenience, stratified, and purposeful sampling techniques. A study questionnaire served as the main method for gathering primary data. The questionnaires were distributed, answered, however they were given codes or labels that helped in data analysis using descriptive method. The Statistical Product and Service Solutions (SPSS-Version 23) computer program was used to process the data after the coded information was

added. Descriptive statistics (mean, frequencies, percentages, Std. Dev and variance), Karl Pearson for correlation and regression models were computed for quantitative data. The study's findings were displayed in tables.

The research followed the ethical rules and principles regarding data collection and analysis in Rwanda such as protect the informant, avoid plagiarism as the ethical standards of conducting academic research (Kang & Hwang, 2023). All the respondents were asked with dignity and respect. The MKU letter of introduction assisted the researcher to seek acceptance letter form Rwanda Social Security Board (RSSB). Thus, both the introduction and acceptance letters were presented to respondents before being asking to be interviewed or to fill the questionnaire. It is in this regard; the respondents were told that the information that were given to researcher in this research served solely academic reasons to feel free to provide the information. The respondents were told not to include their personal identification on the questionnaire to ensure confidentiality of the information.

#### 4. Presentation of Research findings

##### 4.1 Contribution of Internal Audit Regular Review on budgeting efficiency

**Table 1: Duration of Planning Budget**

Duration	Frequency	Percent
Quarterly	10	19.2
Bi-Annually	19	36.5
Annually	23	44.2
Total	52	100.0

44.2% of the respondents, as seen in table 1, indicated that the budget was done annually, 36.5% indicated that the budget was done bi-annually and 19.2% indicated that the budget was done quarterly. The above findings indicated that RSSB had budgets whose process differed, probably depending on the nature of the budget. In addition, the differences in time were a suggestion that the process of reviewing was ongoing during the budgeting.

**Table 2: Opinions concerning the contribution of Internal Audit Regular Reviews on the Budgeting Efficiency of RSSB**

Statement	SDDN	A	SA	Mean
The internal audit plan provides guidelines that guide auditors conducting- regular audits	1	7	2123	4.2949
Internal audit reviews for budgets are made available to employees.	-	2	5 1728	4.3205
Employee's comments and concerns are factored in during the process of reviewing departmental budgets	1	3	3 2124	4.2564
There is no feedback on budget review provided by internal auditors on budgets	2	2	201117	3.7692
The final organizational budget is not communicated to all concerned parties	1	1	152213	3.9872
Expenses which are not in line with the available budget are paid and such factors not factored by internal auditors in their reports	1	2	112216	3.8077

The results in Table 2, respondents agreed with the statements that; internal audit reviews for budgets were made available to employees (mean 4.32); and the internal audit plan provides guidelines for auditors conducting regular audits (mean 4.29), the final budget organizational budget was not communicated to all concerned parties (mean 3.98); and expenses which were not in line with the available budget were paid and such factors not factored by internal auditors

in their reports (mean 3.80). Respondents were neutral with the statements that; there was no feedback on budget review provided by internal auditors on budgets (mean 3.76). This concurred with Harelimana (2018) who found that good staff management, asset management, and management control practices improve budgeting efficiency and accomplishment in local government.

In addition, to this there was also a need to establish relationship between internal audit regular reviews on budgeting efficiency at RSSB, Table 3 shows a summary of gathered data.

**Table 3: Correlation between internal audit Regular Review and budgeting efficiency at Rwanda Social Security Board**

Statement	Budgeting efficiency at RSSB
Internal audit Pearson Correlation	.713*
regular review Sig. (2-tailed)	.000
N	52

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

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

**Source Primary data (2023)**

The table 3 shows that there is a strong positive degree of relationship between internal audit regular review and budgeting efficiency at RSSB. This was indicated by ( $r=.713$ ;  $P=.000$ ;  $N=52$ ). This tells us that increase in regular review will also improve budgeting efficiency. These findings collaborated by the findings presented by Shah and Nathalie (2012) who confirmed that internal audit helps to prevent risk which can affect an organization and that internal audit can increase organizational efficiency and indirectly help organizations achieve their goals.

**4.2 Contribution of Internal Audit Recommendations on Budgeting Efficiency**

**Table 4: Opinions Regarding the Contribution of Internal Audit Recommendations on the Budgeting Efficiency at RSSB**

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
Internal audit provides advice on budgeting techniques and proposes ways of improving the budget	-	-	2	14	36	4.2564
Internal audit provide assurance to the Budget that processes utilized are right and in accordance with applicable laws	1	2	6	13	30	4.1538
The internal audit assures budget management that there is an effective internal control for budgeting	-	-	9	22	21	4.2179
The internal auditor establishes audit objectives and scopes according to the plan he has been given	-	-	3	16	33	4.4103
Internal audit identifies and monitor risks which may be related to budgeting efficiency.	1	-	4	30	17	4.1026
Internal audit prevents all risks and fraudulent malpractices that may occur while budgeting	1	1	1	19	30	4.3462



From Table 4, respondents agreed with the statements that; the internal auditor establishes audit objectives and scopes according to the plan he has been given (mean 4.41); internal audit prevent all risks and fraudulent malpractices that may occur while budgeting (mean 4.34); internal audit provides advice on budgeting techniques and proposes ways of improving the budget (mean 4.25); the internal audit assure budget management that there is an effective internal control for budgeting (mean 4.21); internal audit offer assurance to the Budget that processes utilized are right and in accordance with applicable laws (mean 4.15); internal audit identifies and monitor risks which may be related to budgeting efficiency (mean 4.10). This concurred with Patrick, James, and Craig (2011) concluded that the internal audit function can adapt to a new decade of value-driven activity with improvement audits made to assist the firm run as efficiently as possible while remaining consistent with its primary objectives and risk environment.

Furthermore, to this, there was also a need to illustrate relationship between internal audit recommendations on budgeting efficiency at RSSB, table 5 below summarizes the data collected.

**Table 5: Relationship between Internal Audit Recommendations and Budgeting Efficiency at Rwanda Social Security Board**

Statement		Budgeting efficiency at RSSB
Internal audit recommendation	Pearson Correlation	.634*
	Sig. (2-tailed)	.004
	N	52

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

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

#### Source Primary data (2023)

According to Table 5, at RSSB there is a strong positive degree of relationship between internal audit recommendations and budgeting efficiency. This was indicated by ( $r=.634$ ;  $P<0.05$ ;  $N=52$ ). This tells us that effective implementations of recommendations given by internal auditor improve budget efficiency. These findings did not contract the findings published by Patrick, James, and Craig (2015) who postulated that high performance cannot happen by chance, it is due to effective implications of internal auditors' recommendations.

### 4.3 Contribution of Internal Audit Follow-up on Budgeting Efficiency

**Table 6: Opinions Regarding the Contribution of Internal Audit Follow-up on the Budgeting Efficiency at RSSB**

Statement	N Valid	SDA	DA	N	A	SA	Mean
The internal audit plan provides a follow-up plan that guide auditors in ensuring compliancy and captures how recommendations and management actions will be tracked	52	1	1	12	32	6	3.9744
Internal auditors follow up on the management agreed action plan based on the audit recommendations.	52	-	2	5	21	24	4.2436
Internal auditors provide follow-up reports within a specified duration of time as guided by the organization’s policies guiding the exercise	52	1	2	6	26	17	4.0128
Follow-up reports are shared with all concerned members and the measures taken against non-compliancy	52	-	1	1	11	39	4.6154
Internal auditors’ follow-up reports provide management progress made in progressing agreed actions.	52	2	6	5	26	13	3.9487
Internal auditors’ follow-up reports provide explanation on whether appropriate actions have been made within the previously agreed timescale and if there has been any slippage.	52	6	4	14	14	14	3.7436
Internal auditors’ follow-up reports identify if there has been some slippage, what the reason is for this and what is being done to rectify it.	52	-	3	7	25	17	4.1282
Internal auditors’ follow-up reports explain any instances where management have subsequently accepted that they will now take the risk by not carrying out the previously agreed action.	52	2	3	10	14	23	3.8846

**Source: Primary Data (2023)**

Respondents agreed with the statements, as shown in Table 6; follow-up reports are shared with all concerned members and the measures taken against non-compliancy (mean 4.61); internal auditors follow up on the management agreed action plan based on the audit recommendations (mean 4.24); internal auditors’ follow-up reports identify if there has been some slippage, what is the reason for this and what is being done to rectify it (mean 4.12) and internal auditors provide follow-up reports within a specified duration of time as guided by the organization’s policies guiding the exercise (mean 4.01). Responders were neutral with the statements that; the internal audit plan provides a follow-up plan that guide auditors in ensuring compliancy and captures how recommendations and management actions will be tracked (mean 3.97); internal auditors’ follow-up reports provide management progress made in progressing agreed actions (mean 3.94); internal auditors’ follow-up reports explain any instances where management have subsequently accepted that they will now take the risk by not carrying out the previously agreed action (mean 3.88) and internal auditors’ follow-up reports provide explanation on whether appropriate actions have been made within the previously agreed timescale and if there has been any slippage (mean 3.74). The results were consistent with Theofans, George, Iordanis, and Petros (2010) who said that internal audit contributed to the right management of any business economic resources and that internal auditing process as a whole must function effectively for the business to survive and succeed.

Last not the least, there was also a need to found relationship between internal audit follow up on budgeting Efficiency. The concerned data were offered in table 7.

**Table 7: Correlation between Internal Audit Follow up and Budgeting Efficiency at Rwanda Social Security Board**

Statement	Budgeting efficiency at RSSB	
Internal audit follows up	Pearson Correlation	.784*
	Sig. (2-tailed)	.000
	N	52

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

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

**Source: Primary data (2023)**

The Table 7 shows that there is a strong positive degree of relationship between internal audit continuous follow up and budgeting efficiency at RSSB. This was indicated by ( $r=.784$   $P<0.05$ ;  $N=52$ ). This tells us that improves in follow up by internal audit leads to the improvement of budgeting at RSSB. These results were consistent with those given by George, Iordanis, and Petros (2010) who argued that internal audit contributed a lot to the management of organizations. Additionally, it was important to determine how RSSB's internal audit follow-up affected budgeting effectiveness. To this end, regression analysis was computed and presented in below table 8.

**Table 8: Regression Coefficient Analysis**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
1 (Constant)	.569	.165		3.443	.001
Internal audit follows up	.521	.042	.542	12.458	.001

a. Dependent Variable: budgeting efficiency

**Source: Primary data (2023)**

The Table 8 indicate that regression coefficients of the internal auditor follow up is statistically significant in explaining budgeting efficiency at RSSB. This was shown by ( $B=0.542$ ;  $P<0.05$ ). This shows that an increase of one unit in internal audit follow-up results in an increase of 0.542 units in budgeting efficiency. This finding concurs with the findings presented by Omolaye and Jacob (2017), that internal audit facilitated monitoring and evaluation process.

**4.4 Budgeting Efficiency**

**Table 9: Efficiency of Budget Preparation**

Response	Frequency	Percent
Not Sure	3	5.8
Somehow Efficient	7	13.5
Efficient	24	46.2
Extremely efficient	18	34.6
Total	52	100.0

46.2% of respondents, as shown in Table 9, said that budget preparation was efficient, 34.6% indicated that the preparation of budgets was extremely efficient, 13.5% were of the opinion that the preparation of budgets was somehow efficient and 5.8% of the respondents were not sure about the efficiency of the budget preparation This concurred with Mishkin, (2017) who found that budget efficiency helps in contribution of internal audit as a major contributor.

**Table 10: Efficiency of Budget Execution**

Response	Frequency	Percent
Not Efficient	2	3.8
Not Sure	3	5.8
Somehow Efficient	10	19.2
Efficient	14	26.9
Extremely efficient	23	44.2
Total	52	100.0

**Source:** Primary Data, (2023)

Table 10 shows that 44.2% of respondents thought budget execution was very efficient, 26.9% indicated that the execution of budgets was efficient, 19.8% were of the opinion that the execution of budgets was somehow efficient, 5.8% of the respondents were not sure about the efficiency of the budget execution and 3.8% indicated that the execution of the budget was not efficient, The findings were in line with Jackson, (2015), who stated that the aim of the budget audit efficiency codes is to improve the quality and effectiveness of audits by substantially changing audit practice.

**Table 11: Efficiency of Budget Review**

Response	Frequency	Percent
Not Efficient	2	3.8
Not Sure	8	15.4
Somehow Efficient	2	3.8
Efficient	15	28.8
Extremely efficient	25	48.1
Total	52	100.0

**Source:** Primary Data, (2023)

48.1% of respondents, as shown in Table 11, said that the budget review was very efficient, 28.8% indicated that the review of budgets was efficient, 15.4% of the respondents were not sure about the efficiency of the budget review, 3.8% were of the opinion that the review of budgets was somehow efficient and 3.8 indicated that the review of the budget was not efficient, The findings concurred with Lee et al. (2014) who found a positive relation between internal audit and budget efficiency are greater for clients that have heightened corporate governance.

## 5. Conclusions and Recommendations

### 5.1 Conclusions

In conclusion, internal audit function was identified as an important and essential procedure in ensuring that budgets at RSSB were efficiently prepared, authorized, executed, and reviewed. The study deduced that RSSB had an internal audit plan that provided guidelines to auditors and conducted regular audits. Internal audit reviews for budgets were made available to employees, hence suggesting that regular reviews of budgets ensured its efficiency In regards

to audit recommendations and how they influenced the efficiency of the budgeting efficiency, findings deduced that internal audit provided advice on budgeting techniques and proposed ways of improving the budget, provided assurance to the budget that processes utilized were right and in accordance with applicable laws, ensured that audit objectives and scopes according to the plan had been given identified and monitored risks related to the budgeting efficiency, and prevented all risks and fraudulent malpractices associated with the budgeting efficiency. In regards to internal audit follow up and its influence on the budgeting efficiency, study findings deduced that internal auditors followed up on the management agreed action plan based on the audit recommendations, provided follow-up reports within a specified duration of time as guided by the organization's policies guiding the exercise, shared reports with all concerned members and the measures taken against non-compliance, and identified if there had been some slippage, what is the reason for this and what is being done to rectify it.

## **5.2 Recommendations**

The study provided the following recommendations in light of the findings:

RSSB should strengthen its internal audit plan as a measure of ensuring that auditors are guided on the strategic follow-up plans to adopt and capture recommendations effectively.

Internal audit reports should be evaluated periodically to ensure that they meet the established requirements and standards of offering the management with compliance progress.

## **5.3 Acknowledgement**

There are many people to whom I owe a great debt of gratitude for assisting me throughout my postgraduate studies. While I name only a few here, it must be acknowledged that this accomplishment has been a result of collective efforts and goodwill, support and encouragement from friends and family members, colleagues at work and at school. To my spouse Jean Clement Gatera, who has made numerous sacrifices to help this project be successful; may God bless you very much. To my daughter Gatera Ilse Briella and Sons Gatera Ilya Brady and Gatera Ishimwe Bracha, who missed my affection while I was conducting the research; I offer my eternal love and affection. My coworkers at work, especially Madame Triphine Nyirasangwa, and my fellow students with whom we experienced both the highs and the lows of academic trends, deserve my gratitude. All of my friends and anyone else who has helped this project succeed, whether directly or indirectly, have my deepest gratitude and best wishes. May you get many blessings from the Lord.

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