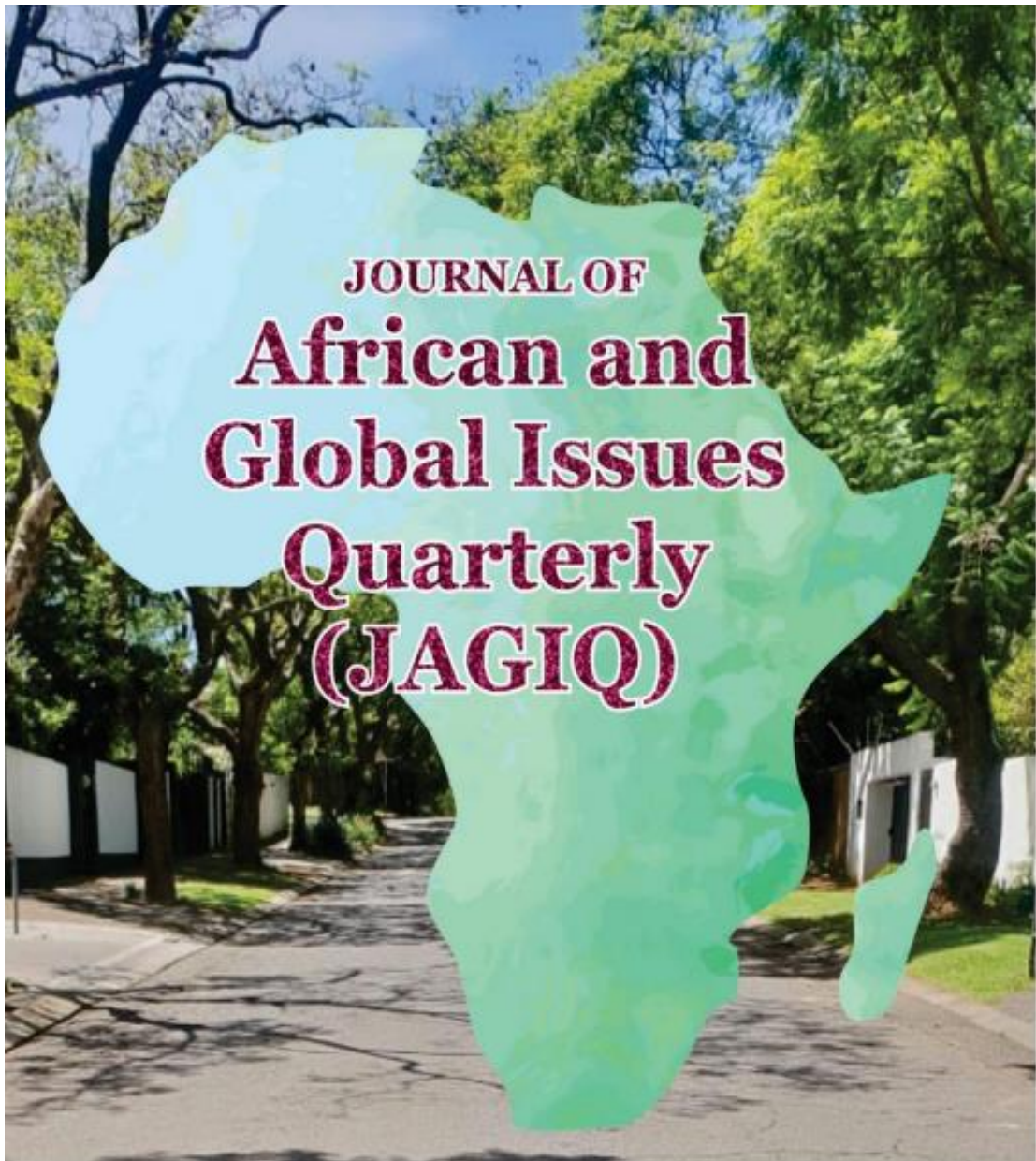




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Editorial Note:

Strengthening Accountability, Confronting Violence, and Reimagining Security in Africa

This Special Issue of African and Global Issues Quarterly arrives at a critical juncture. Across Africa, nations grapple with interconnected crises: the erosion of public trust in financial governance, the devastating rise of organised violence among youth, the persistent marginalisation of vulnerable populations, and the enduring legacy of colonial and neocolonial institutions that continue to shape contemporary realities. The thirteen papers presented here dissect these challenges with intellectual rigour and practical urgency.

We open with Nakabago and Hofisi's forensic examination of Uganda's Universal Primary Education capitation grant. For decades, UPE has been hailed as a pro-poor triumph. Yet, as the authors reveal, weak monitoring and evaluation of internal controls have turned a lifeline into a leaky vessel. Without real-time auditing and community-based oversight, financial accountability remains aspirational. This paper is a clarion call: education funding cannot be separated from forensic vigilance.

The crisis of youth violence, examined across two complementary studies by Somtochukwu, Muyideen, and colleagues, forces us to look where society often refuses to look: inside Ogun State's correctional facilities. Their first paper critically submits that socioeconomic indicators unemployment, broken kinship networks, and educational exclusion are causal pathways into cultism. The second adds a psychosocial layer, revealing how trauma, identity displacement, and the search for belonging drive young inmates deeper into violent collectives. Together, these studies argue that incarceration without therapeutic intervention is not rehabilitation but a factory for recidivism.

History matters. Daniel Oluwafemi John takes us into Igangan Town, Oyo State, between 1973 and 2021. The farmer-herder crisis is often framed as a contemporary emergency, but John demonstrates its long arc: decades of land tenure ambiguity, climate-induced migration, and state neglect. Understanding 1973 is essential for solving 2026. This is a sobering lesson in how unresolved grievances become inherited wars.

Joel Odaudu moves beyond Africa's borders with a multidimensional causal analysis of terrorism. Rejecting single-factor explanations, Odaudu insists on the confluence of political exclusion, economic inequality, and social fragmentation. His framework is a necessary tool for any government designing a counterterrorism policy that does not merely react but prevents.

The international justice system faces a necessary reckoning in Avitus A. Agbor's incisive critique of the International Criminal Court's racist image and agenda. Through comparative analysis of the situations in Ukraine and Palestine, Agbor exposes the selective application of international law a double standard that undermines the Court's legitimacy and perpetuates global hierarchies of victimhood.

Choma, Thobejane, and Ranneditsheni's revisiting of human rights for people living with albinism foregrounds a community too often marginalised in both policy and scholarship. Their work reminds us that human rights discourse must move beyond abstract universality to address specific, lived vulnerabilities rooted in superstition, stigma, and systemic neglect.

Governance and accountability receive comprehensive treatment. Mohono, Gabanakgosi, and Shopola's Public Value Theory perspective on parliamentary oversight provides a fresh

framework for understanding democratic governance in Southern Africa. Zweni and Mahlala extend this conversation to grassroots public participation in municipal budget development, demonstrating that budgets are political statements about whose needs are prioritised.

The spectre of fragmentation looms large in Kelechi Johnmary Ani's unravelling of secessionist movements in Ambazonia and Biafra. By examining governance failures, identity politics, and historical grievances, Ani illuminates the root causes of separatist aspirations rather than merely managing their symptoms.

The private sector's challenges in volatile environments are explored by Parsad and Chummun, whose study of operational excellence in VUCA (Volatile, Uncertain, Complex, and Ambiguous) environments focuses on South Africa's insurance industry, offering practical insights for navigating uncertainty.

Academic rigour and methodological integrity come under the spotlight in Musaigwa, Nojiyeza, and Tabane's practical guide to writing strong conclusion chapters, addressing a perennial challenge in research dissemination and preempting reviewer criticism.

Nthambeleni Charles Netshisaulu's conceptual analysis of reversible metaphors in Tshivenda adds a rich linguistic dimension, demonstrating how language reflects and shapes cognition, culture, and social relations.

Taken together, these contributions remind us that accountability is not a bureaucratic checkbox. It is the thread linking school grants to classroom outcomes, correctional policies to safe communities, land history to peaceful coexistence, international law to genuine justice, and linguistic expression to cultural identity. The papers collectively argue that sustainable development in Africa demands simultaneous attention to financial probity, social inclusion, historical reckoning, and institutional reform.

We extend our deepest gratitude to all contributing authors for their intellectual rigour and commitment to advancing knowledge that serves African communities. In a world increasingly characterised by complexity and contestation, the role of critical scholarship has never been more vital. This Special Issue intervenes with rigour, compassion, and hope.

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**MONITORING AND EVALUATION OF INTERNAL CONTROLS IN THE
FINANCIAL ACCOUNTABILITY OF THE UNIVERSAL PRIMARY
EDUCATION CAPITATION GRANT IN UGANDA**

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Abstract

Monitoring and evaluation (M&E) of a government programme's internal controls is deemed central to the effectiveness of the internal controls in fostering the financial accountability of government resources, in terms of reliable reporting, compliance with applicable laws and safeguarding the resources from loss. It is crucial for the implementers of a government programme to regularly review the effectiveness of its internal controls, in order to detect and address any identified gaps that may undermine the financial accountability of the programme. This article sought to establish the effectiveness of monitoring and evaluation of internal controls in promoting financial accountability of the UPE capitation grant in Uganda. The study adopted an exploratory design using interviews, focus group discussions and document review to collect data. Data analysis applied content analysis techniques. Findings revealed gaps in programme internal controls, which undermine financial accountability. Misalignments between the policies, regulations and guide lines (which constitute the internal controls) of the UPE capitation grant and current laws such as the Public Finance Management Act 2015 as amended, undermine the effectiveness of internal controls to mitigate risks of misreporting and fraud of program resources. Failure to review and streamline guidelines for internal control measures like pupil enrolment verification, has led to massive leakages of resources, resulting from exaggeration of enrolment numbers by schools. Such flaws in the internal controls of the UPE capitation grant must be regularly identified and addressed by the grant implementers and government, in order to enhance the financial accountability of the grant.

Keywords: Internal controls; Financial accountability; Monitoring and evaluation; UPE capitation grant; Uganda

Introduction

Monitoring and evaluation of internal controls is regarded a bedrock for robust internal controls which are capable of fostering the financial accountability of an entity like a government programme. It is argued that after designing and implementing the internal controls of a programme, it is cardinal for the the implementers of the programme to regularly monitor and evaluate the efficacy of the internal controls in mitigating risks such as misreporting, fraud and non compliance with government laws, which would endermine financial accountability(Agbenyo et al. 2018:3). M&E of internal controls is intened to detect and adress gaps in the internal controls, which may undermine their potency in performing the roles for which they were designed (Hermanson et al. 2012:A32; Tunji 2013:1; COSO 2013:5).

Scholars emphasise that it is crucial for management of an entity to regularly monitor and review the performance of internal controls of the entity in combating risks, promoting reliable reporting and compliance with applicable laws, in order to ensure effective financial accountability (Fadzil et al 2005:846; Tunji 2013:1; Çika 2018:5). While a number of studies have been conducted on monitoring and evaluation (M&E) of the UPE program in Uganda, few studies focus on monitoring and evaluation of the internal controls of the UPE Capitation Grant and how this affects the financial accountability of the program. This study focuses on exploring the effectiveness of the M&E of internal controls of the UPE capitation grant in fostering the

financial accountability of the grant, specifically with regard to reporting, compliance with applicable laws and safe guarding program resources from loss.

Sharma and Senan (2019:45) define M&E of internal controls of an entity as a set of processes used by management to examine and assess whether its internal controls are functioning properly in protecting an entity from risks such as fraud, poor reporting and noncompliance. Hume (2012:138) refers to monitoring of internal controls as the routine or ongoing observation or reviewing of the policies, procedures, regulations and guidelines of an entity to detect any deficiencies or misalignments which may weaken the integrity of the internal controls. This is done mainly by personnel who are the implementers of internal controls, as they go about their routine work (Wakida and Shambrook 2014:10; Nertila 2018:55). Evaluation on the other hand is defined by Dzomira (2014:122), Pickett (2011:107) and Setiyawati (2016:3) as the periodic independent reviews or assessment mainly by the internal audit function, of the performance or functionality of the internal controls, to determine their continued effectiveness in guarding the entity against risks such as misuse of organisation's resources. In the public sector context, evaluation entails the process of periodically appraising the policies, procedures, regulations and guidelines of a government entity with the purpose of ascertaining whether they are aligned with the current public laws, policy and regulations (Mebratu 2015:2). This study conceptualises monitoring and evaluation as the

process undertaken by government to review the policies, procedures, regulations and guidelines (contained in the UPE hand book), to determine whether they are still relevant and applicable, to mitigate the risks such as misappropriation of program funds, which undermine the financial accountability of the grant. It includes addressing any identified deficiencies and updating the guidelines, to align them with the relevant laws that are enacted from time to time (MOES 2008:15; Arinaitwe et al; Aduam 2015:3; 2015:15; Kavuma et al 2017:8; Senkaali 2014:18; MoFPED 2017:83).

Under this study, monitoring and evaluation of internal controls is regarded as a cycle of activities which start with routine and periodic reviews which lead to identification of gaps or deficiencies in the internal controls of the program (COSO 2013:5; Dzomira 2014:122; Sharma and Senan 2019:45; Agbenyo et al 2018:3). This is followed by reporting of the identified gaps and recommendations to address the gaps, to relevant authorities such as government, adoption and implementation of the recommendations. The cycle ends with feedback or follow up on the implementation of the recommendations (Makgatho 2013: 5; Wakida 2014:10). The routine reviews pertain to the on - going checking or watching of the internal controls by operational personnel and stakeholders, in the performance of their day-to-day duties, to identify any malfunctioning in the internal controls (Agbenyo et al. 2018:3).

The routine reviews are carried out instantly as the personnel as the staff go about their routine duties (Agbenyo et

al. 2018:3). Periodic reviews on the other hand involve independent assessments or appraisals performed mainly by the internal audit function at specified intervals with the aim of ascertaining the integrity of the internal control system (Tunji 2013:2; Ncgobo and Malefane 2017:78). Reviews lead to identification of gaps, deficiencies or defects that negatively affect the effectiveness of the internal control system (Fourie and Ackermann 2013:501; Agbenyo et al 2018:3; Sharma and Senan 2019:45). It is important to ascertain the root cause of the gaps or deficiencies (Nyakundi et al. 2014:7). It has been reported that gaps or deficiencies can be brought about by a misalignment between the stipulated policies, procedures, regulations and guidelines of an entity and what is practiced in reality (Nyakundi et al. 2014:7). COSO (2013:3) reports that a gap becomes eminent when the enactment of new laws renders the current procedures, guidelines and processes outdated and therefore inoperable (COSO 2013:3).

Affum (2011:12) points out that routine reviews mainly focus on internal control processes which aim to check out for any lapses in the processes, which may require adjustments in order to guard the entity against any risks that may emerge.

It is suggested that an effective monitoring or routine review of internal controls is contingent upon a number of factors. One of the factors is the clear assignment of the responsibility of reviewing the internal control processes for any flaws, to specific personnel who are supposed to alert senior management to act (Rosenkrans and Svetlana 2015:14). According to COSO

(2013:5) and (Rosenkrans and Svetlana 2015:14), the clear assignment of the review responsibility to specific personnel enables management to supervise the activity and to require reports in order to verify that the exercise is routinely and correctly done. Makgatho (2013:4) recommends that frontline or operational staff who are charged with the routine reviews should be inducted with the basic skills to enable them effectively conduct the assignment.

The second factor that supports the effectiveness of routine reviews is the involvement of stakeholders (Sulemana 2018:1730). The stakeholders include but may not be limited to operational personnel who are charged with enforcing or operating the internal control system or external stakeholders who interact with the system (Baltaci and Yilmaz 2006:13; Makgatho 2013: IV). According to the stakeholder theory, it is argued that the involvement of stakeholders in routine reviews promotes their ownership of the process and motivates them to associate with the findings and recommendations (Sulemana 2018:174). This is because the personnel at the various levels who are involved in implementing the processes can easily identify any gaps in the operations and promptly alert senior management (Sulemana et al. 2018:174). Further, Ekaterina and Svetlana (2015:14) point out that as a way of complimenting the efforts of the internal stakeholders, government or senior management should create an avenue through which external stakeholders can raise any complaints on or point out any identified malfunctioning of any policy, procedure or guidelines that need to be addressed. On the other hand, if the

stakeholders of an entity are not engaged in the review of the internal control system, they tend to view the exercise as an initiative of senior management and therefore, they will not buy in the process. This according to Inusah and Abdulai (2015:63) leads the stakeholders either to ignore or resist the recommendations, which makes it difficult for them to implement the recommendations (Inusah and Abdulai 2015:63).

The Department of Education of the Gauteng Province of South Africa experienced lapses in internal control processes in area such as records management, staff leave and payroll management, which resulted into irregular, fruitless, and wasteful expenditure. These lapses were reportedly caused by failure by the Department of Education to involve personnel and stakeholders in continuously reviewing the processes for any deficiencies (Makgatho 2013:4). Despite the benefits offered by routine reviews, the mechanism poses potential challenges. By their nature, routine reviews are deemed to be self-assessments because they are carried out by the staff themselves who are in charge of operating the internal controls (Asiligwa 2017:96). As a result, the routine reviews tend to lack objectivity, since there is potential conflict of interest, which can undermine the quality of findings and recommendations. Further, reviews are impaired by the fact that some operational staff may lack technical skills necessary to conduct thorough reviews (Ekaterina and Svetlana 2015:14).

In order to avoid the conflict of interest and make the review process more

effective, it is important to complement the routine with periodic reviews (Agbenyo 2018:3). Periodic reviews are independent assessments of the internal control controls, conducted at specified intervals (usually annually), by the internal audit function (Makgatho 2013: 24; Agbenyo 2018:3). Mebratu (2015:2) notes that periodic reviews are usually conducted annually, but special audits can be conducted to address specific malfunctions in the system. Additionally, the scope and frequency of the periodic reviews may vary depending on the risks perceived or assessed by the entity. Further, it is observed that since periodic reviews are conducted by internal auditors who are professional and guided by international standards (such as International Standards on Auditing), they tend to be more in-depth, systematic, thorough and detailed. The outcome therefore is deemed to be more dependable (Tunji 2013:7; Amaechi and Chinedu 2017:2). The purpose of periodic reviews is to ascertain if the internal controls are adequately designed, appropriately executed, and effective in guarding the entity against any emerging risks. Periodic reviews also aim to establish whether all the components of the internal control system are present and functioning well. It helps management to determine which components are working well and which ones are not, so as to focus remedial efforts (Makgatho 2013: 24; Agbenyo 2018:3; Lagat and Okelo, 2016:50. Further, the periodic reviews aim to assess the design and functionality of policies, regulations and procedures to determine if they are any misalignments with the current laws (Ncgobo and Malefane 2017:78).

Lagat and Okelo (2016:14), reported that a periodic review of the internal controls by internal auditors in Baringo County, Kenya unearthed weak financial control systems, poor book keeping, lack of financial policies, and poor use of technology which exposed the institution to misappropriation of millions of Kenya shillings, poor quality financial reporting, delayed salaries and employee unrest. The discovery gave the County government an opportunity to tighten controls in all the fluid areas. In addition, following reports of corruption involving millions of dollars in procurements and poor compliance with World Bank procedures and policies by the IDA funded projects in many African and Latin American countries, the internal audit function undertook a major special review of the internal control system of the IDA. The special review revealed material weaknesses in the internal controls which included lack of explicit controls to address risks of fraud and corruption, out dated operational policies and procedure, as well as poorly designed financial and procurement procedures, which had to be addressed (Hume 2012:143). On the other hand, Tunji (2013:14) reveals that the banking industry in Nigeria has witnessed distress largely due to misuse and vandalisation of bank property, misappropriation of funds, inaccurate records and poor-quality financial reporting resulting from ineffective internal control systems. It was found that the dysfunctional internal control systems were traced to failure by the audit function to periodically review the systems to detect lapses like poor segregation of duties, access to physical assets, lack of staff rotation and poor documentation.

Literature shows that successful periodic review is anchored on a well-resourced internal audit function which is able to operate independently to produce objective review findings and recommendations (Mebratu 2015:2; Davis et al 2017:60 Horvat and Žvorc 2017:529; Nguyen et al 2018:2). According to Mebratu (2015:2), a periodic review is deemed independent if it is conducted without any due influence from senior leadership or any individual within or outside the entity and if the report is submitted to an organ outside of management influence. According to Alzeban (2019:26), when the periodic review is conducted independently, it comes up with more impartial findings which reveal gaps in the internal controls and it can come up with more sound recommendations and when such recommendations are implemented, the entity will have increased chances of improved internal controls. A Malaysian company suffered one of the largest accounting frauds in Malaysian history to a colossal tune of up to USD 68 million due to undetected irregularities involving issuing of false invoices. However, an independent review of the internal controls by the internal audit function unearthed that dirt (Fadzil et al 2005:845). Amaechi and Chinedu (2017:4) on the other hand, mention that lack of independence in the review process, compromises the quality of the findings and recommendations. It is revealed that in spite of the periodic reviews carried out by internal audit departments in public sector entities in Nigeria, the rate of fraud and financial impropriety is on the increase. This is attributed to lack of independence in conducting the reviews which has made it difficult to detect and objectively

report malfunctions in the internal control systems.

Another factor that underpins an effective periodic review process is management support, reflected by allocation of sufficient resources required to conduct the exercise (Mebratu 2015:3). Sifile and Munyunguma (2014:82), point out that failure to facilitate the audit function with adequate resources frustrates the periodic reviews and portends danger to the quality of the internal controls.

After the reviews have been conducted, it is obligatory for the actors to communicate or report the findings from the reviews. Ekaterina and Svetlana (2015:14) report that emphasis should be placed on sharing any identified gaps, discrepancies or irregularities in the internal controls and any possible recommendations for rectification. It is emphasised that any identified gaps or deficiencies in the internal controls should be brought to the immediate attention of senior management and other relevant authorities for correction to avoid the persistence of the defects which can lead to possible collapse of the internal control system (Affum 2011:14; COSO 2013:5). COSO (2013:5) and Ekaterina and Svetlana (2015:14) recommend that senior management should put in place a clear mechanism for personnel and stakeholders to communicate in a timely manner any identified deficiencies or lapses in the internal control processes for remedial action. On the other hand, Alzeban (2019:27) avers that review findings and recommendations by the internal audit, should be reported directly to the Board or other governance body, through the audit committee (Ekaterina and

Svetlana 2015:14; Alzeban 2019:27). This is to ensure the impartiality of the information provided by the internal auditors. This also addresses the conflict of interest that is likely to arise when the report is submitted to management. Alzeban (2019:27) argues that reporting periodic review findings and recommendations by the internal audit to management will undermine the objectivity and reliability of the information. This is because if the report exposes any management malpractices, it will be suppressed before it reaches higher authorities and as such it will not be acted upon. However, Aikins (2012:196), recommends that while emphasis should be placed on independence, it is a good practice for the internal auditors to avail management a copy of the findings and recommendations before a final report is presented to audit committee. According to the author, this promotes a good working relationship between management and the internal audit team and foster the adoption of the recommendations by management.

The final element of the monitoring and evaluation cycle of the internal control system is the adoption and implementation of the recommendations of the internal control reviews and follow up. Amaechi and Chinedu (2017:4) and Aikins (2012:196) mention that the worthiness of the internal control reviews is determined by management's commitment to adopt and implement the recommendations of the exercise. It is observed that if the recommendations are not implemented, the lapses identified in the internal controls remain and the risks continue to increase, thereby leaving the entity

vulnerable to risks such as financial losses, poor financial reporting and noncompliance with applicable laws (Alzeban 2019:30; Wadesango et al 2019:1). Sifile and Munyunguma (2014:84), observe that failure to adopt and implement review recommendations demoralises the internal auditors and undermines future conduct of reviews and quality of recommendations. Many companies listed on the London Stock Exchange (UK) were discovered not to act on the recommendations from the reports and consequently continued to produce poor quality financial reports, evidenced by abnormal accruals, although this was consistently raised by internal audit reports in their internal control periodic review reports (Alzeban, 2019: 39).

It is proposed that to promote the implementation of the review recommendations, there is need for the reviewers especially the internal auditors to track the recommendations and conduct follow up audits to ensure the implementation of the agreed actions (Aikins 2012:196). Aikins (2012:196), discovered that the failure to implement 34% of the internal control review recommendations by local governments in the USA, resulted into failure to correct persistent financial control weaknesses. This caused the misappropriation of up to USD 12 million of school funds in New York district. This revelation led to an awakening among the leadership of the local governments to begin to vigilantly follow up the implementation of the recommendations. Further, Amaechi and Chinedu (2017:4) discovered that in spite of the fact that periodic reviews of the internal controls of the public sector institutions in South Eastern

Nigeria by internal auditors made a lot of recommendations like improvement in the segregation of duties, such recommendations were not adopted and as such not implemented. This weakened the internal controls further, resulting into increased of cases of fraud and financial impropriety. Significant literature shows that monitoring and evaluation of internal controls is more effectively executed by institutions with well-established structures and systems. However, there is not much literature on how M&E of internal controls is applied in smaller public units like UPE schools in Uganda where structures do not provide for enough personnel to execute the reviews (Tunji 2013:14; Egbunike and Tarilaye, 2017:2; Mebratu 2015:2; Makgatho 2013:23).

Method

The study adopted an exploratory design using interviews, focus group discussions and document review to collect data. The interviews were held with officials from the Ministry of Education and Sports, Ministry of Finance, Planning and Economic Development, District Education officer, District Inspector of Schools, District Internal Auditor, Head Teachers and School Management Committee members from Bugiri District, in Uganda. These interviews were conducted to supplement the existing literature. Data was analysed to identify emerging themes and examine the monitoring and evaluation of the internal controls of the UPE capitation grant. Conventional and summative content analyses were used to generate meaning from the data collected.

Findings and Discussion

Monitoring and Evaluation of Internal Controls and how it influences Financial Accountability.

This section analyses responses from participants with regards to M&E of the internal control system and how it affects to the effectiveness of financial accountability. The presentation and discussion of findings is guided by the M&E constructs which include internal control reviews, gap or deficiency identification; reporting of findings and recommendations; adoption and implementation of recommendations and follow up of recommendations.

The study sought to establish whether the capitation grant policies, procedures, and guidelines (provided in the UPE handbook), which constitute the internal controls of the grant, are reviewed routinely and periodically reviewed, to determine whether they are aligned with the current legislation and other government regulatory frame works. The objective was to determine their effectiveness in supporting financial accountability.

The head teachers were asked if they conduct M&E or reviews of the procedures and guidelines of the UPE capitation grant. Majority responded in the negative and did not seem to comprehend what the reviews or M&E of the internal control system meant. Through elaborate explanation about reviews, the researcher asked head teachers if they conduct any routine or periodic checks for any gaps or deficiencies in the procedures and guidelines of the UPE capitation grant. Most of the head teachers responded

that they do not conduct any reviews of the internal control system. Majority added that they were never oriented about conducting reviews and are not aware if this is part of their assignments. A review of the UPE handbook revealed that it is silent about the M&E of the internal control system. In addition, the manual does not designate the head teacher the responsibility to review the handbook (MoES 2008:15).

Gap or deficiency identification

Head teachers were interrogated if they have identified any gaps or challenges while implementing the UPE capitation grant policies, procedures, and guidelines. Majority reported that they observe some inconsistencies in the policies and guidelines as they implement the grant. One of the head teachers recounted that

“...these days the MoFPED sends the UPE funds directly to the school account, yet the handbook still states that the money is supposed to be sent through the local governments”.

This was confirmed by the review of the UPE handbook which stipulates that the UPE capitation grant is supposed to be channelled to the Local Governments (including districts and municipalities). According to the handbook, Local Governments are supposed to open bank accounts onto which the grant is deposited, before being disbursed by the local governments to the schools under their jurisdictions (MoES 2008:5). However, following the enactment of the Public Finance Management Act (PFMA) 2015 as amended, the current practice is

that the MoFPED wires the funds directly to schools' UPE capitation grant bank accounts (MoFPED 2015:692). In spite of the fact that direct wiring of schools improves efficiency, it has created complexity in financial accountability because it eroded controls in form of checks and balances supposed to be offered by the local governments, which were essential for internal controls. In addition, when the policy of direct wiring was introduced, no provision was made to close the gaps created by the policy to ensure schools do not abuse the system.

Another head teacher highlighted that

“the UPE hand book stipulates that schools are supposed to receive funds twice per quarter after submitting accountability reports for the previous releases”.

This was confirmed through a review of the UPE handbook which states that “releases of funds to the districts/ municipalities will be on a quarterly basis”. However, the head teacher added that “...we actually receive the money termly and releases are automatic and not always tied to submission of accountability reports.” The fact that the release of money to schools is done termly and not twice per quarter implies that there is no urgency for the schools to account for the money since they receive the money they require to run the program for the whole term at once. In addition, since the release of the grant is automatic and not tied to submission of accountability reports, the head teachers do not feel the pressure to account for the money. Another head teacher commented that

“...government is supposed to follow our work plans submitted to the MoES in releasing funds to schools, but you find that they just send you any arbitrary amount without explanation”.

In fact, most head teachers interviewed complained that the government sends to schools less money than the schools request for in their work plans and yet the government does not bother to explain the short fall nor does it guide on how the work plan should be adjusted. According to the head teachers, this presents an operational challenge of how to allocate the reduced amounts to implement the activities. Some head teachers testified that the short fall in the releases generates a lot of arguments in the SMC meetings on how to allocate the reduced money released, which sometimes breeds conflicts, leading to loss of commitment by some SMCs whose views are not carried.

A review of the handbook confirms that it stipulates that the MoFPED is supposed to inform and explain to the MoES and the local governments, whenever the MoFPED releases less funds than what is requested for by the local governments, but this does not happen (MoES 2008:4). Work plans serve as internal control measures for ensuring that head teachers spend the grant according to approved activities. Releasing money to schools without following the work plans undermines the internal controls and tempts head teachers to divert the grant and spend it on activities other than those in the work plan. Failure by the MoFPED to explain to schools, whenever they release less funds than what the schools

expect breeds an “I do not care attitude” among the head teachers which encourages them to wilfully abuse the system. For example, some head teachers reported that they enter commitments by borrowing items like stationaries in the expectation that they will pay when the money comes. So when they receive less money, they get frustrated and resort to juggling money around.

The study also observed also observed that there were misalignments between the handbook and the current policies which came into force by the enactment of the Public Finance Management Act 2015 (as amended) and the Treasury Instructions 2017. It was discovered that such policies have not been operationalized. As a result, the UPE handbook is silent about them and therefore the head teachers end up violating such policies. An example is the practice by the head teachers of paying cash for all transactions especially to suppliers for all goods as opposed to use of cheques or electronic transfers. The practice of transacting exclusively by cash is contrary to section 10.3 of the Treasury Instructions 2017 which stipulates that local purchase orders (LPOs) will be issued to suppliers who should deliver the goods and services before being paid electronically (MoFPED 2017:170). Transacting in cash requires a lot of cash to be kept at schools which poses challenges of facilities for keeping it thus exposing it to theft. The practice also tempts the head teachers to divert the money. All these operational challenges undermine financial accountability.

The head teachers further reported that while these inconsistencies and many

others have been noted, they do not have a clear framework for reporting them. They mentioned that they sometimes bring them to the attention of the DEO during their termly meetings. However, nothing is done. The head teachers' responses unearth a deep hole in the M&E of the internal control system. First, it reveals that the UPE program is guided by inconsistent policies which are affecting the effective operationalization of internal controls. It also implies that the inconsistencies are left to persist unchecked. The lack of clear mechanism for identifying and reporting of inconsistencies in the policies, procedures and guidelines of grant creates complacency among the head teachers and tempts them to abuse the system which weakens the financial accountability of the grant.

The study also discovered that SMCs who are key stakeholders are not involved in the review of the policies, procedures and guidelines of the UPE capitation grant. The SMCs were probed if they have observed any discrepancies in the UPE hand book. Majority of the SMCs reported that they have not been able to notice any discrepancies, since most of them do not have the handbook. The responses show that just like the head teachers, the SMCs have not been empowered by the UPE program to review the internal control system for any gaps which subsequently affect the integrity of the internal control system of the capitation grant. The failure to empower the SMCs to check the internal control system for any deficiencies or to suggest any remedies has led the persistence of gaps in the internal control system. This has presented operational lapses like poor verification

of items procured and cash payments contrary to the Treasury Instructions 2017 (MoFPED 2017:171), which have been exploited by head teachers to allegedly swindle the grant thereby undermining the financial accountability of the grant.

An extensive review of the guidelines reveals that they are silent about stakeholder involvement in the review process which is contrary to the recommendation by Ekaterina and Svetlana (2015:14) who emphasize stakeholders' role in eliciting their ownership and to boost the outcome of the process. Whereas section (13) subsection (1) of the Education Act (2008) provides that the SMC shall manage the school, the UPE handbook does not categorically empower the SMCs to participate in the M&E of the internal controls of the grant. The failure to involve the SMCs who are crucial operators of the internal control system of grant, in the M&E of the system implies that they are empowered to recognise and report any gaps in the system which may explain why they are not able to enforce compliance with the policies, procedures and guidelines by the head teachers. It is also not surprising that there are operational hiccups which may not be addressed until the handbook has been aligned to the on the ground realities. For example, the inability by the SMCs to detect loopholes in the hand book could explain why the SMCs are lured by the head teachers to commit such mistakes like signing blank bank cheques, and endorsing payments for activities that might not be in the approved work plan. This resonates with the finding by Makgatho (2013:4) that failure by an institution to designate and empower

personnel to get involved in the M&E of the internal control system compromises the integrity of the system and makes the institution vulnerable to risks such as fraud.

Internal control reviews

The study also targeted the DEO to find out if schools undertake reviews of the internal control system of the UPE capitation grant. The DEO reported that the head teachers and SMCs are not mandated to review the policies, procedures and guidelines for deficiencies. This is mainly because this task is not provided for among their duties and responsibilities. Asked if the handbook meets the current operational standards, the DEO revealed that the handbook has some inconsistencies which pose operational challenges for them as enforcers of financial accountability and for schools as implementers of the UPE capitation grant. The DEO observed that the handbook does not rhyme with some of the processes the government follows, which makes the work of local governments as enforcers of financial accountability difficult. The DEO noted for example, that the UPE handbook states that District/Municipal Local governments are responsible for opening the District/municipal UPE capitation bank account, receiving the funds from the MoFPED and accounting for all the capitation grant transfers to schools under their jurisdiction (MoES 2008:4). However, the UPE capitation grant bank accounts opened by the local governments are now redundant because the MoFPED circumvents the local governments and wires money directly to schools. The action of the central government bypassing the local governments to deal

with the schools directly weakens the clout of the local governments in demanding accountability from the head teachers.

The DEO also pointed out some operational gaps exist between the new policies, procedures and guidelines and the UPE handbook. The DEO observed that the Treasury Instructions 2017 clearly highlights a number of internal control measures which should be observed by schools in implementing public funds like the UPE capitation but about which the UPE handbook is silent. The DEO noted for example that the Treasury Instructions 2017 in section 6.3.2 clearly guides on segregation of duties, performing of internal checks (M&E) to detect areas of control weaknesses that need to be corrected and checking of errors in records, as well as equipping staff with relevant skills (MoFPED 2017:80). The DEO observed that these are tasks which should be performed by the SMCs if there are equipped with simple accounting skills or by the sub accountant if the program had provided for allowances to them for carrying out such tasks. However, the UPE handbook is totally silent on these issues. The silence of the UPE handbook on critical internal control instructions must be contributing to flouting of internal controls and hence the reported cases fraud by the head teachers, thus compromising the financial accountability of the capitation grant.

The DEO was further interrogated if they have received any feedback from the head teachers on inconsistencies in the policies, procedures and guidelines of UPE capitation grant. The DEO reported that during their meetings, a

few head teachers sometimes highlight some gaps in the policies, procedures, guidelines and practices of the grant. The DEO noted for example that

“the head teachers complain that although the UPE handbook expects the sub accountants of divisions/sub counties to assist SMCs in book keeping, there is no provision for facilitating the sub accountants to the work. In reality, the head teachers end up diverting some of the grant money to pay the sub accountants, something that promotes unethical behaviour and also encourages the head teachers to take advantage to swindle some funds, thus frustrating the financial accountability of the grant”.

Asked what actions have been taken, the DEO answered that “deficiencies in the UPE handbook are not within our jurisdiction to handle. I think that really the responsibility of rectifying these inconsistencies lies with the MoES”. The DEO responded that although they do not formally submit reports to the MoES on deficiencies in the policies, procedures and guidelines of the capitation grant, they usually highlight the deficiencies during the various conferences and workshops organised by the MoES. The DEO’s testimony reflects a gap in the reporting structure for M&E of internal control. The responses show that there is no formal mechanism for informing the MoES of the deficiencies in the system to enable the ministry to correct them. Failure by the DEOs to formally alert the MoES of the deficiencies in the UPE handbook could be among the reasons the MoES

has not yet addressed the deficiencies, because they may not be aware of how seriously such deficiencies are affecting the implementation of the grant.

The weaknesses in the M&E of the internal controls of UPE capitation grant revealed by the participants prompted an interview with District Chief Auditor (CIA) who is mandated with reviewing the functionality of the systems, to establish if they periodically assess the effectiveness of the internal controls of the grant. The CIA responded that audits of UPE capitation grant are carried out at least once every school term. Asked what the scope of the audits covers, the CIA reported they mainly focus on how the funds have been used. The CIA however reported that once every year they conduct comprehensive audits that cover assessments of the policies, procedures and guidelines in the handbook. The CIA was asked further, if they have discovered any inconsistencies in the UPE hand book. The CIA testified that

“we have always pointed out in our reports a number of inconsistencies in the policies, procedures and guidelines which are stipulated in the UPE handbook. For example, handbook stipulates that release of funds to schools that are persistently non-compliant is supposed to be frozen. However, in contravention of the handbook, the MoFPED just releases funds automatically, irrespective of the performance of the schools”.

The automatic release of funds to schools means that even schools that misappropriate funds continue to receive the funds. This demotivates other government agencies like the MoES and local governments from

following up the money to enforce accountability by the schools.

In addition, the CIA testified that

“schools are required to conduct head counts of pupils at the beginning of the year in order to verify the enrolment of students per school. The enrolment is supposed to guide the government in budgeting for the capitation grant and allocating the right amount of the grant to local governments and ultimately to the schools. However, the handbook does not provide guidance on how the process is supposed to be conducted and who should constitute the team to conduct the head count. In fact, the handbook is silent about the whole issue of head counts”.

The CIA observed that sometimes head teachers in some schools conduct head counts without any external person participating, which tempts head teachers to exaggerate the numbers. Head counts are meant to be an internal control measure to verify the enrolments in schools, in order to ensure accurate amounts of the grant are budgeted for and disbursed. The absence of guidance on the conduct of head counts has led to the process being abused by some schools to falsify their enrolments in order to attract more money. The mishandling of the verification process as earlier reported undermines the effectiveness of the internal control system of the grant. Weaknesses in the system engenders losses of the grant which undermines financial accountability.

Furthermore, the CIA reported that the handbook cites laws which are no longer applicable. For example, the CIA narrated that “the handbook states that the accountability for the UPE capitation grant should comply with the various regulations laid down in the various laws, which include the Finance Management Act 1964, Treasury Accounting Instructions and the Local Government Financial and Accounting Regulations (MoES 2008:5). However, the GOU has since enacted new laws and regulations, (such as the Public Finance and Management Act 2015 as amended, Public Finance Management Regulations 2016 and Treasury Instructions 2017)”. This implies that the implementers of the grant are still operating the old laws which were found ineffective by government in promoting accountability and therefore amended. The CIA emphasised that “our reports have always recommended that the handbook be updated in order to align it with the current laws and procedures, but this has not taken up”. The narrative by the CIA reveals that the UPE handbook is clearly outdated and is not providing the intended control measures. It is not surprising that the inconsistencies in the UPE handbook has occasioned the reported breaches of Treasury Instructions by the head teachers. For example, while the Treasury instructions 10.3 (MoFPED 2017:170), suppliers of goods and services should be paid electronically after delivery, the handbook is silent on cash management. As a result, all payments are transacted in cash which undermines the internal controls and undermines the grant to risks like losses and fraud.

When asked how they report their findings and recommendations, the CIA recounted that

“We produce a consolidated report for all sectors of the district, which we submit to the Chief Administrative Officer (CAO); however, we also produce school reports on the capitation grant, which we submit to the DEO”.

When the CIA was asked how the report reaches the MoES, they responded that “our practice is that we submit audit reports to the CAOs who are the Accounting Officers. We then send copies of the report to the line ministries responsible for each sector. In this case we send a copy of our findings and recommendations on UPE capitation grant to the Permanent Secretary of MoES”. The testimony by the CIA implies that the report on the deficiencies in the policies, procedures, guidelines and practices of the UPE capitation grant, reaches MoES.

The testimonies by the DEO and CIA triggered an interview with officials of the MoES to ascertain whether they receive reports on the inconsistencies in the policies, procedures and guidelines of the UPE capitation grant. A key participant from the MoES narrated that “we have received internal audit reports which observe that some policies and procedures in the handbook are longer applicable. For example, most of the reports highlight inconsistencies like automatic releases of funds, contrary to the stipulation by the handbook which states that releases should be tied to submission of accountabilities for previous releases. The other inconsistency in the hand book often

cited is the reference to old laws like the Treasury Accounting Instructions (1964) that have been since amended”.

The MoES participants were also asked whether they have received any reports on deficiencies in the UPE handbook from the implementers of the grant like schools and local governments. The MoES respondents reported that they do not formally receive reports from the implementers on the deficiencies they identify the policies, procedures and guidelines contained in the UPE guidelines. However, one of the participants from the MoES responded that

“...when we visit schools for monitoring, head teachers raise some issues touching on the mismatches between the policies, procedures and guidelines in the hand book and what is officially practised. For example, head teachers complain about the mismatch between the amounts released and the school work plans, while others highlight the inconsistencies between the current vote allocations and what is stated in the UPE handbook”.

The responses reveal that there is no formal reporting mechanism from the implementers who are the direct users of the UPE handbook to report to the MoES the shortcomings in the handbook. The fact that the deficiencies are not directly established from the users explains why action may not be taken.

The respondents from the MoES were further asked if as a ministry they have observed any deficiencies in the

policies, procedures and guidelines in the UPE handbook. They reported that they have noted some inconsistencies between what is specified in the UPE handbook and the current practice of the MoFPED. The respondents noted for example that whereas the MoFPED is supposed to release funds upon the advice of the MoES (MoES 2008:4), instead it releases the money directly to schools and then advises the MoES. This implies that the MoES' role of direct oversight is negated and this suggests the ministry cannot easily enforce financial accountability of the grant by the schools. In fact, a key informant from the MoES complained that "it seems that the MoFPED just focuses on ensuring that money reaches the schools but does not place emphasis in ensuring that the schools account for the funds".

Asked what actions the MoES has taken to correct the inconsistencies in the policies, procedures and guidelines in the handbook, one of the respondents explained that the process of amending the handbook necessitates a lot of consultations with several stakeholders and agencies, which requires a lot of resources, which the MoES needs to mobilise. Probed on when the MoES intends to start on the exercise of updating the UPE hand book, one of the MoES participants responded that

"I know that there a plan to update the handbook because this has always been mentioned in various meetings which I have attended. However, the exercise has not been undertaken due to budgetary constraints".

The delay by the MoES to implement the recommendations of the internal audit reports to align the policies, procedures and guidelines for the UPE capitation grant with the laws and procedures that are currently applicable has weakened the internal control system of the grant. This has resulted in exposing the grant to abuse such as misappropriation, by head teachers who are exploiting the gaps in the system, hence undermining the financial accountability of the grant. As observed by various scholars the worthiness of the M&E of an internal control system is determined by management's commitment to adopt and implement the recommendations of the exercise. If the recommendations are not implemented, the lapses identified in the internal controls remain and the risks continue to increase, thereby leaving the entity vulnerable to risks such as misappropriation of resources and poor quality financial reporting which undermine financial accountability (Aikins 2012:196; Alzeban 2019:30; Wadesango et al 2019:1).

Conclusion

This article sought to investigate the effectiveness of monitoring and evaluation of the internal controls on the financial accountability of the UPE capitation grant in Uganda. system in smaller public units like UPE schools in Uganda. It was found that the internal controls were not regularly monitored and evaluated, to assure their effectiveness in promoting financial accountability. For example, inconsistencies were noted between the UPE guidelines (which embody the internal controls), which were instituted in 2008 by the MoES and recent

legislations like the Public Finance Management Act of 2015 and the Treasury Instructions (2017). Failure to align the handbook with the current laws governing public expenditure implies that the document cannot sufficiently guide the implementers to effectively account for grant. This is line with the finding of Agbenyo *et al.* (2018:3) which revealed that poor monitoring and evaluation of internal controls weakens their effectiveness to promote financial accountability. The government should update the UPE guidelines to align them with the current legislation and policies to make them relevant for the enforcement of accountability and promotion of the performance of the UPE capitation grant.

The efficacy of the M&E of an internal control system is determined by management's commitment to adopt

and implement the recommendations of the M&E exercise. Failure to implement recommendations by the responsible authorities means the lapses identified in the internal controls remain and the risks continue to increase, which leaves the entity vulnerable to risks such as misappropriation of resources and poor quality financial reporting which undermine financial accountability. The absence of guidance on the conduct of head counts has led to the process being abused by some schools to falsify their enrolments in order to attract more money. The mishandling of the verification process as earlier reported undermines the effectiveness of the internal control system of the grant. These loopholes in the M&E of the internal controls of UPE capitation grant revealed by the participants must be plugged to strengthen the internal control system.

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