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DEDICATION

This dissertation is dedicated to my mother Plaxedes Katsande for the love and caring she gave me since birth, may the Almighty grant her many more years. I wish to extend this dedication to my sister Hazvinei Zimidzi and brother Kudzi Zimidzi for the moral support they gave me throughout my studies. May the almighty God richly bless their lives.

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ABSTRACT

This paper analysis the Effects of the Audit Committees on the performance of State-Owned Enterprises in Zimbabwe (2011-2015). We examine the role of the audit committee in their oversight in the performances of the SOEs. This study examines whether the quality of the audit committee, captured by its independence, expertise, and diligence, is associated with improved SOEs performance. Using a sample of internal Audit Functions of 17 SOEs out of the 78 SOEs in Zimbabwe the study found that high-quality audit committee improves oversight and hence firm performances. The study further found out that higher quality audit committee members' skills are associated with well-coordinated internal audit work. SOEs that have a working Audit committees helps the board in an oversight and monitoring functions pertaining to the reporting and presentation of Audit work. The study recommends that the auditing skills of the auditors be improved in order to ensure appropriate articulation of issues and that internal reporting. The selection of the members to sit on the committee should be well articulated on finance and auditing functions and also that they obtain continuous capacity development.

KEYWORDS: Audit Committee, State-Owned Enterprises, Corporate Governance, Effects of the AC and Performance of SOEs

TABLE OF CONTENTS

APPROVAL FORM	ii
RELEASE FORM	iii
DEDICATION	iv
ACKNOWLEDGEMENTS	v
ABSTRACT	vi
LIST OF TABLES	x
Chapter 1: Introduction	1
1.0 Introduction.....	1
1.1 Background to the Study.....	1
1.2 Statement of the Problem.....	5
1.3 Main Topic.....	6
1.4 Conceptual Framework.....	6
1.5 Sub research questions	8
1.6 Research objectives.....	8
1.7 Hypotheses.....	8
1.8 Significance of study.....	9
1.9 Delimitation	10
1.10 Limitations	10
1.11 Assumptions.....	10
1.12 Abbreviations and Acronyms.....	11
1.13 Chapter summary	11
2.0 Introduction.....	12
2.1 Audit committee characteristics.....	12
2.1.1 Audit committee independence Based on agency theory	13
2.1.2 Audit committee financial expertise	14
2.1.3 Audit committee meeting frequency.....	14
2.1.4 Audit committee size	15
2.1.5 Audit committee Composition.....	16
2.2 The Qualifications of Audit Committee Members.....	17
2.2.1 Multiple directorships of Audit committee members	18
2.3 Chapter Summary	19
CHAPTER 3: RESEARCH METHODOLOGY	20
3.0 Introduction.....	20

3.1	Research Paradigm.....	20
3.2	Research Approach	22
3.2.1	Quantitative research approach.....	22
3.2.2	Qualitative research approach.....	24
3.3	Research Design.....	25
3.4	Population	27
3.5	Sample Size.....	27
3.6	Sampling Techniques.....	28
3.7	Data Sources	28
3.8	Research Instruments	30
3.8.3	The interview	33
3.9	Ethical Considerations	35
3.10	Data Collection Procedures.....	36
3.11	Data Validation	36
3.12	Data Presentation	37
3.13	Data Analysis.....	38
3.14	Summary	38
CHAPTER 4: DATA INTERPRETATION AND ANALYSIS		39
4.0	Introduction.....	39
4.1	Questionnaire response rate	39
4.2	Highest level of education.....	40
4.3	Duration in organisation.....	41
4.4	Position in Company.....	42
4.5	The board performs its duties to oversee the performance of SOEs	43
4.6	The board has influence on the performance of SOEs.....	45
4.7	Performance of SOEs have improved as a result of board oversight.....	47
4.8	Audit committee`s recommendations are overridden by the overall	49
4.9	The audit committee is entirely independent in the execution of its duties	51
4.10	There is need to ensure audit independence to in the SOEs` operations.....	53
4.11	Do you agree that SOEs performs better due to audit committee independence	55
4.12	The Board impedes the independence of the audit committee`s.....	57
4.13	The audit committees is aware of its duties	59
4.14	The audit committee duties affect the performance of SOEs.....	61
4.15	There are some limitations governing the duties as audit committee	63
4.16	The composition of the audit committee exhibit diversity.....	65

4.17	The audit committees’ skills have an impact on the oversight role of SOEs.....	67
4.18	There is continuous skills development of the audit committee	69
4.19	The chairperson of the audit committee is qualified in Accounting and Auditing	71
4.20	The audit committee is mandated to select the external auditors.....	73
4.21	Chapter summary	74
CHAPTER 5: FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....		75
5.0	Introduction.....	75
5.1	Chapter Summaries.....	75
5.2	Findings.....	76
5.3	Conclusions.....	77
5.4	Recommendations.....	77
5.5	Areas for further research	78
5.6	Chapter summary	78
REFERENCES.....		79
APPENDIX I.....		85
APPENDIX II.....		86
APPENDIX III.....		87
APPENDIX IV.....		88
APPENDIX V.....		92
ZIMIDZI TURNITIN REPORT.....		94

LIST OF TABLES

Table 1.1	SOES and Audit committees' status (2012-2015)	5
Table 4.1	Questionnaire response rate	39
Table 4.2	Highest level of education	40
Table 4.3	Duration in organisation	41
Table 4.4	Position in Company	42
Table 4.5	The board performs its duties to oversee the performance of SOEs	43
Table 4.6	The board has influence on the performance of SOEs	45
Table 4.7	Performance of SOEs have improved as a result of board oversight	47
Table 4.8	Audit committee`s recommendations are overridden by the overall	49
Table 4.9	The audit committee is entirely independent in the execution of its duties	51
Table 4.10	There is need to ensure audit independence to in the SOEs' operations	53
Table 4.11	SOEs performs better due to audit committee independence	55
Table 4.12	The Board impedes the independence of the audit committee`s	57
Table 4.13	The audit committees is aware of its duties	59
Table 4.14	The audit committee duties affect the performance of SOEs	61

Table 4.15	There are some limitations governing the duties as audit committee	63
Table 4.16	The composition of the audit committee exhibit diversity	65
Table 4.17	The audit committees' skills have an impact on the oversight role of SOEs	67
Table 4.18	There is continuous skills development of the audit committee	69
Table 4.19	Chairperson is qualified in Accounting and Auditing	71
Table 4.20	The audit committee is mandated to select the external auditors	73

LIST OF FIGURES

Figure	Description	Page
1.1	Conceptual Framework.....	7

LIST OF APPENDICES

Appendix	Description	Page
I	Letter requesting authority to conduct research.....	85
II	Supporting letter to carry out research.....	86
III	Informed Consent Form.....	87
IV	Specimen Questionnaire	88
V	Specimen Interview Protocol	92

Chapter 1: Introduction

1.0 Introduction

The study seeks to analyse the effects of the Audit Committee on the performance of state owned enterprise sector in Zimbabwe. This chapter presents the background to the problem. It also focusses on the research problem that comes out of it and the objectives, research questions and hypotheses. Furthermore, the purpose of the study, significance, the assumptions and the limitations will be explored. The delimitation of the study and the acronyms section will then follow together with the chapter conclusion.

1.1 Background to the Study

The increase in unethical behaviour in corporates has been rising alarmingly in Zimbabwe. The report of the Auditor General for the financial year ending 2015, has raised some issues within the public sector in Zimbabwe and particularly in state owned enterprises (SOEs). Incidences of fraud, misprocurement and embezzlement of funds have been unearthed in this sector. The auditor General has reported that SOEs such as National Railways of Zimbabwe (NRZ), Air Zimbabwe and Zimbabwe Broadcasting Corporation (ZBC) are technically insolvent.

At the ZBC, Tafirenyika (2014) reports that the chief executive office was embroiled a \$1million scandal in which he was allegedly accused of inflating the price of a radio Outside Broadcasting van from China. The van was valued at between \$100,000 and \$200,000 and the difference from \$1million could have been shared between the CEO and the Chinese firm. ZBC also, thereafter, suspended the acting CEO and the general manager on allegations of misconduct that could have prejudiced the corporation of over \$7million. A report by KPMG also stated that that the CEO of ZBC allegedly profited in excess of \$3.5 million through abuse of office from 1 January 2009

to 31 December 2013. This case is still under the courts although the defended has denied the abuse of office.

Gumbo (2017) reports that there was endemic corruption and violation of government laws and poor corporate governance at the Zimbabwe Revenue Authority (ZIMRA) which resulted in the suspension of the Commissioner General and five general managers. These had fraudulently imported cars into the county. Still at ZIMRA, Muleya (2015) reported that ZIMRA officials solicited for a \$70 000 bribe so that they could slash a \$900 000 stamp duty charged on a client. A revenue supervisor and revenue officer were charged in court after being granted bail previously. Two ZIMRA officials at Beitbridge Boarder Post, a loss control officer and supervisor were convicted of criminal abuse of office after they had detained a consignment of liquor that had not been entered into ZIMRA books. On October 14 2015, Jachi (2015) reports that a ZIMRA supervisor appeared in court on allegations of swindling a Chinese business man of \$100000 in a tax deal. The Chinese man was supposed to pay \$3million and the determination was that the extra funds be returned to the Consolidated Revenue Fund (CRF).

Furthermore, the executives of the SOEs were found to be milking the organisations by awarding themselves huge salaries at the expense of service delivery. At PSMAS, according to Chipunza (2014), the CEO of the company was said to be earning a salary of US\$3,4 million per annum in 2011 and 2012. Executives of PSMAS were each given US\$300 000 in 2012 when the enterprise had a debt of \$38 000 000 in unsettled bills to service providers. Members of PSMAS were not getting services anymore without cash upfront payments. This was caused by lack of approval from the board and lack of effective Board structures. Cuthbert Dube was the CEO since 1992 and the chairperson had been on the Board for 18 years (Maune, 2012). Both were relieved off

their duties in January 2014. Statutory Instrument 77 of 2015 was invoked whilst creditors were in the process of pursuing legal actions, (Chipunza, 2014).

According to Sifile (2014), corporate governance in Zimbabwe has become lopsided as a result of greed tendencies by the executive and the failure by the employees to report such scandals and shenanigans. Maune (2015), posits that the emergence on the fore and reporting of these shenanigans by whistleblowers, has prompted the government to institute investigations into the way these SOEs are run in Zimbabwe. A number of such investigations, entitled “Forensic Audits” have been carried out for Premier Services Medical Aid Society (PSMAS), ZBC, NRZ and CSC to mention but a few (Sifile, 2014). According to the Auditor General’s report of 2015, NRZ has failed to uplift any loads between 2013 and 2015 as per the contracts with clients like ZPC and Hwange colliery. Furthermore the report highlighted that the grain marketing board has not paid farmers who supplied grain during the 2012-2013 season and this amounts remains outstanding as of 2015 financial year and cropping season.

Muzapa et al (2016), opined that the continuous misgovernance of SOEs leads to the compromise in the administration of the SOEs. Presenting the 2016 National budget Statement, Minister Chinamasa, noted that the SOEs in Zimbabwe have continued to be a drain of the fiscus and this has become perennial. At Air Zimbabwe, the CEO and the secretary defrauded the airline of \$8 million, besides operating planes without insurance. They were sentenced to 10 years imprisonment but the date of the sentence coincided with the launch of the Code of Corporate Governance in Zimbabwe (Dube, 2016). Continued loss making by these SOEs have become a concern to government who have instituted a programme to reforms the SOEs, with initially target of Ten (10) SOEs in various sector of the economy (Ministry of Finance and

Economic Development, 2014). Since Independence Zvavahera et al (2013), the only success stories under SOEs reforms has been Cotton Company and Dairiboard Zimbabwe.

The country continues to lose potential revenues, through taxes and dividends as a result of the shenanigans in the SOEs sector in Zimbabwe. The Zimbabwe revenue Authority in its financial report for the year 2015, noted that the Authority is owed close to a billion dollars by individuals, corporates and parastatals in tax obligations. This was also highlighted by Zhou (2012), who opined that the fiscal activities have been weighed down by the corruption within the system. This has motivated the researcher to investigate the role and the compromise of audit committees in unearthing and reporting financial and operational shenanigans in the SOEs sector in Zimbabwe.

The role of the Audit committee has been questioned in most of the Auditor Generals' finding which shows mismanagement of funds by SOEs. The analysis of data has revealed that there has not been a study relating to the role of the Audit committee mechanisms and hence the researcher would want to carry out such a `study in the Zimbabwean context. Gramling et al (2009), argued that the most critical internal control mechanisms is the oversight role that is played by the audit committee in any organisations.

The role and effects of audit committees in whistleblowing has not be covered and when it was, it related to a differing environment in which the SOEs have superior legislation and control than the Zimbabwean situation. In other jurisdictions like the Americas, it is reported that the introduction of the SOX led to the improvements in financial reporting (Gramling et al, 2009). Kahinde and Osagie (2017) opined that, since the audit committee has the prerogative to appoint the auditors and also oversees the functions of the internal auditor, they are the first in the line of

reporting to be briefed about the findings of the auditors and the deficiencies of a system. It is in this regard that the Audit committee has a role to play in whistleblowing mechanisms.

In the parastatals sector in Zimbabwe, Maune (2013) noted that some boards of the SOEs have been running for more than 10 years without renewal, while other SOEs have been running without boards, which means the executives would run the audit committees if ever they exist, and this compromises the independence of the committees.

Table 1.1: SOES and Audit committees’ status (2012-2015)

Year	Total SOEs	With Audit Committees	Without Committees
2015	78	51	27
2014	72	45	27
2013	105	58	47
2012	102	64	38

SERA, 2017

Information gathered from State Enterprises Restructuring Agency (SERA), shows that out of a total of 78 SOEs on Zimbabwe, a total of 51/78 (65%), had Audit committees and fully functional boards while the remaining 27/78(35%) had no substantive boards hence no audit committees in place there. This means that corporate governance practices in these 27 SOEs would not be working properly or are not in existence in line with the State Enterprise Corporate Governance Framework of 2010.

1.2 Statement of the Problem

SOEs in Zimbabwe have been perennial loss makers over the years and this has been attributed to weak corporate governance structures and operational rigidities in the sector. These SOEs have become a burden to the fiscus as they present schemes of bail outs and support from the government, yet they do not bring in any taxes or dividends to the fiscus. A number of scandals

have been happening in these SOEs leading to the loss of the critical revenues, yet no-one has been bringing these to the fore, either through the regulators of the relevant structures. State Enterprise Corporate Governance Framework of 2010 as well as the King IV report on corporate governance in South Africa calls for the audit committee to have a role in the unearthing of the scandals and shenanigans, yet the situation in Zimbabwe has seen a lot of such scandals being swept under the carpet. This has motivated the researcher to carry out a study on the role and the compromise of the audit committee in the overall performances of SOEs sector in Zimbabwe.

1.3 Main Topic

An analysis of the effects of the Audit Committees functions on overall SOEs performances in Zimbabwe (2011- 2015).

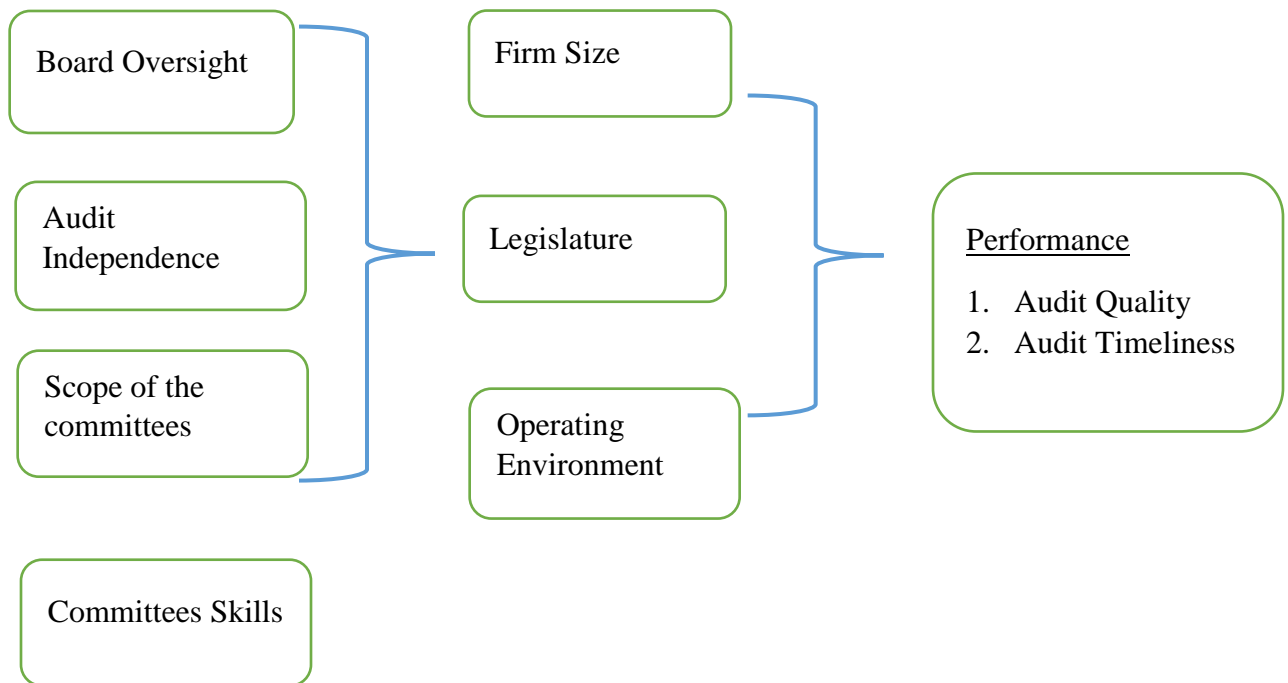
1.4 Conceptual Framework

Bray (2015), defined the stewardship theory as denotes that the role of the managers of the firm are to ensure that the communities' needs are aligned to the firm's goals and that the directors and managers work as stewards for the fulfilment of the community developmental needs. Larson (2013), noted that the stewards' objectives and interest are aligned to those of the owners. This is meant to remove the self-interest notion that is brought about by the agency theory. Karns (2011), posits that the managers in who uses the stewardship theory are driven by the attainment of the innovative ways to improve performance and sustainability than personal glory.

According to Fong (2009), stakeholder theory, based on the norms of fairness and equity portrays the operation of the firm as serving a wide range of stakeholders other than the owners of capital. These owners includes the customers, employees, government and other related institutions with links to the firm (Larson, 2013). Mitchel (2010), further alludes that the concept

of stakeholder satisfaction has become embedded in the minds of the managers such that they created virtual links that enables free comments and communications. Flower (2015) avers that the role of management as a result of stakeholder mission fulfilment is to create value to all the parties within the sphere of the firm.

Figure 1.1: Conceptual Framework



The scope of the internal audit Committees has a bearing on the audit quality and the timeliness in which it will be executed. According to the stakeholder theory, audit quality and the quality of the internal controls are as a result of the independence of the internal audit function (Karns, 2011). Furthermore the Size of the firm affect the overall delivery of quality on the part of the internal audit function and its competences (Shehata, 2012). The need to have or not have an internal audit committees within the firm depends on the ownership structures of the firms

(Zachariah, 2016). Family owned firms might not see the necessities of having an internal audit function, while larger firms actually outsource that service in order to enhance controls and quality of information output (Miyianda, 2011). Legal requirements as those of listed firms that they have audited financial statements annually, makes it imperative for these firms to expedite the audit activities by having an internal audit team that complements the external auditors and hence this has a bearing on the scope of work of the internal audit function.

1.5 Sub research questions

- To what extent does board oversight influence performances of SOEs?
- What has been the effect of audit independence on SOEs performances?
- To what extent does the scope of the audit committees affect SOEs performances?
- What impact does audit committees' skills have on the overall SOEs performances?
- To what extent does regulation influence the SOEs performances?

1.6 Research objectives

- To establish the extent to which board oversight influence performances of SOEs
- To determine the effect of audit Committees independence on SOEs performances
- To evaluate the extent to which the scope of the audit committees affect SOEs performances
- To determine the impact of audit committees' skills on the overall SOEs performances
- To determine the extent to which regulation influences SOEs' performances

1.7 Hypotheses

H01: Board oversight has a positive correlation with SOEs performances

HA1: Board oversight has a negative relationship with SOEs performances

H02: Audit Committees independence has a positive relationship with SOEs performances

HA2: Audit Committees independence has a negative relationship with SOEs performances

H03: The scope of the audit committees has an influence on SOEs performances

HA3: The scope of the audit committees has no influence on SOEs performances

H04: Audit committees' skills affect firm performances

HA4: Audit committees' skills have no effects on firm performances

H05: Regulation positively influences SOEs` performances

HA5: Regulation has no effects on SOEs` performances

1.8 Significance of study

To the Student

This study will be carried out in partial fulfilment of the Master of Commerce in Accounting Degree.

To the SOEs

Since the study offers a new dimension which has not been explored in Zimbabwe, the SOEs sector stands to benefit as scandals may be reported with action being taken on the perpetrators of the scandals.

To the University

This study will be used as referral material by other scholars at the University in the area of Internal Audit Committees in SOEs and related areas.

1.9 Delimitation

The study will be delimited to the role of internal audit Committee in the SOEs sector in Zimbabwe. More specifically only those SOEs located in Harare are of interest to the current study. The study will also be delimited to the years 2011-2015 only. This being the post multi-currency period in Zimbabwe.

1.10 Limitations

The study is affected firstly, by methodology, that is, the methodology chosen by the researcher might be affected by the environmental changes during the period of the study.

Secondly, it is anticipated that study will be affected in that some respondents might withhold data they might feel is confidential during the data collection period. As such, the researcher needs to ensure confidentiality of responses by respondents. The researcher will also obtain clearance to carry out the research and assure the respondents that information obtained will be used for academic purposes only and that there will be nothing to link them to the presented data.

1.11 Assumptions

The first assumption that the researcher will make is that the SOEs business strategies and models will not be altered significantly to affect the results of this research. If that happens the researcher will make a survey study on those firms who have stability in terms of their strategies and models. Secondly, the researcher assumes that the current legislation governing SOEs will

not change significantly to affect findings and that the respondents will respond to the best of their knowledge.

1.12 Abbreviations and Acronyms

SOEs State Owned Enterprises

NCCGZ National Code of Corporate Governance of Zimbabwe

AG Auditor General

IAF Internal Audit Function

1.13 Chapter summary

The chapter highlighted the background to the study, being the audit committees' absence in the SOEs and these affecting the overall audit work by the Auditor General's department. Following this was the research problem, the conceptual framework was design leading to the research questions and the research objectives of this study. The assumptions, limitations and delimitations were also provided together with the acronyms and summary of the chapter. The next chapter review relevant literature on the overall role of the internal audit committees in SOEs.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

There is no universally accepted definition of corporate governance. Defined broadly, corporate governance refers to the private and public institutions, including laws, regulations and accepted business practices, which in market economy, govern the relationship between corporate managers and entrepreneurs (corporate insiders) on one hand and those who invest resources in corporations on the other hand. Cadbury (1992) defines corporate governance as the whole system of controls, both financial and otherwise, by which a company is directed and controlled. OECD (1998) also defines corporate governance as a set of relationships between a company's board, its shareholders and other stakeholders. According to the OECD (1998), corporate governance also provides the structure through which the objectives of the company are set and the means of attaining those objectives and monitoring performance are determined.

2.1 Audit committee characteristics

Audit Committee (AC) is an oversight committee under the main board of directors. The board of directors has delegated the responsibility of corporate reporting process to the AC (Bedard & Gendron, 2010; Li et al., 2012). The Malaysian Code on Corporate Governance (2007) views ACs as the ultimate monitor of the corporate reporting process. Thus, AC is regarded as the monitoring device that reduces information asymmetry (Akhtaruddin & Haron, 2010; Barako et al., 2006), and consequently mitigates agency costs (Bedard & Gendron, 2010). Akhtaruddin and

Haron (2010) and Barako et al., (2006) have indicated that AC is considered as a means of monitoring and improving corporate disclosure processes including voluntary disclosure. Literature on AC has suggested that AC effectiveness essentially functions on AC characteristics (Akhtaruddin & Haron, 2010; Bedard & Gendron, 2010; Dhaliwal et al., 2010; Li et al., 2012; Persons, 2009). Hence, the right combination of skills and experience are critical in supporting the AC's ability to carry out its responsibilities effectively. Therefore, hypotheses are developed to investigate the effect of AC characteristics (independence, financial expertise, size and frequency of meetings and directorship of AC members) on corporate voluntary disclosure.

The Sarbanes-Oxley Act (SOX 2002, section 2) defines an audit committee as "a committee (or equivalent body) established by and amongst the board of directors of an issuer for the purpose of overseeing the accounting and financial reporting processes of the issuer and audits of the financial statements of the issuer". A competent, committed, independent, and tough-minded audit committee has been described as "one of the most reliable guardians of the public interest" (Levitt, 2000).

2.1.1 Audit committee independence Based on agency theory

Fama and Jensen (1983) have argued that the effective monitoring of management's behavior is more likely to be influenced by the presence of independent directors. This is because the independent directors on AC have no economic or personal relationship with management and hence they are more likely to work independently and objectively from management influence (Bedard & Gendron, 2010). Therefore, independent directors on AC have more opportunity to control and reduce management's opportunities to withhold information for their own benefits

(Allegrini & Greco, 2011). Hence, an AC with independent directors will insure the quality and transparency of financial reporting process, and which in turn reduces information asymmetry (Allegrini & Greco, 2011; Li et al., 2012). It therefore appears reasonable to argue that effective monitoring by independent directors on AC is thought to further motivate management to provide accurate and additional information in quick information processing (Haniffa and Cooke, 2002). Akhtaruddin and Haron (2010) and Patelli and Prencipe (2007) have found that AC independence is associated with more voluntary disclosure.

2.1.2 Audit committee financial expertise

In order to effectively monitor corporate reporting process, AC members should be financially literate, so that they are able to understand and interpret financial statements (Dhaliwal et al., 2010). Financial expertise leads AC members to identify and ask knowledgeable questions that challenge management and external audit to a greater extent of financial reporting quality (Bedard & Gendron, 2010). This in turn will enhance transparency of corporate reporting and hence mitigate agency problem associated with flow of information. Previous studies have found a positive relation between AC financial expertise and financial reporting quality (Kelton & Yang, 2008; Kent, Routledge, & Stewart, 2010), and level of voluntary disclosure (Akhtaruddin & Haron, 2010).

2.1.3 Audit committee meeting frequency

Karamanou and Vafeas (2005) have argued that AC that meets more frequently is more likely to effectively accomplish its monitoring role. Greco (2011) has argued that meeting frequency of AC would allow the members to express judgment about the firm's accounting choice of principles, disclosures and estimates. In this case, regular meetings of AC would make it

informed and knowledgeable about relevant accounting and auditing issues (Allegrini & Greco, 2011). For this reason, a more active AC, i.e. one that meets frequently during the year, would provide its members with greater opportunities for discussing and evaluating the issues placed before them concerning the company's financial reporting practices (Li et al., 2012). Empirically, Allegrini and Greco (2011) and Li et al., (2012) have found that at least four meetings a year for AC members are significantly related to the level of voluntary disclosure and intellectual capital disclosure, respectively.

2.1.4 Audit committee size

Resource dependency theory argues that larger ACs are willing to devote greater resources and authority to effectively carry out their responsibilities (Allegrini & Greco, 2011). More directors on AC are more likely to bring diversity of views, expertise, experiences and skills to ensure effective monitoring (Bedard & Gendron, 2010). Hence, a higher number of AC members is likely to help such committee to uncover and resolve potential issues in corporate reporting process (Li et al., 2012). This indicates that, AC size is an integral factor for AC to adequately oversee corporate disclosure practices (Persons, 2009). Persons (2009) has found empirical evidence that many directors on AC appear to enhance the level of voluntary disclosure.

The magnitude of the committee is the sum of memberships of the group chosen by the governing bodies. This figure of memberships is taken as a sign of means accessible to the group. Where a large audit committee member exist, it is likely that possible challenges emanating from financial reporting task has the likelihood of being exposed and settled (Mohammed – Nor et al 2010). This depends on the situation where considerable number of the size of the committee rise the available means to the committee and enhances the superiority of control. In a study by Persons (2009) and Li et al (2008) it indicated “that the audit committee

size affects corporate disclosures”. Abbott, Parker and Peters (2004) investigated forty one companies that presented deceitful financial statement and eighty eight companies which yearly restated their results for nine years (i.e. beginning from 1991 to 1999). The findings depict that committee size has no considerable influence on quality of financial reporting. But in the work of Lin, Li and Yang (2006) indicated negative association amid committee size and financial reporting. The exact sum of members of audit committee is particularly important as it affects the commitment of memberships to monitor management and detect deceitful behaviours. A bigger size of the audit committee can alleviate material differences throughout the tested equity submissions. Lipton and Lorsch (2011) remarked that the ability “of the audit committee” oversight function rises when the figure of its memberships increases. Yermack (1996) posits that, a lesser audit committee magnitude improves on firms’ worth. This stand corresponds with Jensen (1993) assertion that a small sized audit committee enhances the efficiency with which the audit committee engages in oversight and control. However, Mansi and Reeb (2004) noted that an audit committee size that is large spends a considerable period and means to check the financial reporting process and internal control mechanism. These inputs suggest that size constitutes a significant factor for the effective performance of the group. Therefore, the committee’s size should be appropriately stated.

2.1.5 Audit committee Composition

Composition of an audit committee refers to the ratio of non-executive and executive directors. Audit committees with a higher composition of non-executive directors are considered more independent than those with more executive directors. There is evidence that executive directors would dominate the decision-making process of the company’s top management, resulting in less objective decisions. For instance, Shivdasami (1993) and Yermack (1996) find that executive

directors reveal only a limited amount of information to nonexecutive directors in order to prevent stakeholders from getting all the information. The domination of executive director's results in weak control mechanisms within the management structure.

The presence of nonexecutive directors as the majority members of the audit committee would, therefore, enhance the independence of the committee. Studies show that non-executive directors are able to provide independent opinions to the top management for consideration because of their potential to act more independently than executive directors (Vinten & Lee, 1993). Non-executive directors are able to play positive roles in corporate governance (Beasley, 1996). Vicknair, Hickman and Carnes (1993) find significant changes in the membership of audit committees from 1980 to 1987 in terms of an increasing ratio of non-executive director membership of audit committees. The change reflects the importance of independence of the audit committee in order to ensure the effectiveness and objectivity in top management strategic decision making. Porter and Gendall (1993) observe that an audit committee should comprise not less than three members with the majority of non-executive directors. A large composition of non-executive directors in an audit committee would optimize the reputation of an audit committee as a good monitor (Porter & Gendall, 1993).

Non-executive directors can be seen to be more objective and more able to offer criticism in relation to policies undertaken by management. As a result, the non-executive directors would reduce the probability of financial statement manipulation (McMullen & Raghunandan, 1996).

2.2 The Qualifications of Audit Committee Members

The responsibilities of audit committees include the assessment and evaluation of the corporate ethical environment, financial information, regulatory compliance, and internal control and

information systems. Obviously, audit committee members should have the requisite qualifications and expertise to discharge these responsibilities.

Consequently, audit committee members without accounting or finance knowledge may not be qualified to be audit committee members. BRC (1999) recommends that at least one member should have accounting or related financial management expertise. Expertise is defined as “past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a CEO or other senior officer with financial oversight responsibilities” (BRC, 1999). Pomeranz (1997) cited that 35 per cent of audit committees did not include an accountant, while a third of audit committees lacked a lawyer. The Federal Deposit Insurance Corporation Improvement Act (FDICIA) of 1991, passed by the US Congress in response to the then savings and loan scandals, requires that audit committees in banking institutions should have at least 2 members with banking or related financial management expertise and have access to outside legal counsel (McMullen, 1996).

2.2.1 Multiple directorships of Audit committee members

Fama and Jensen (1983) have argued that outside directors with directorships are perceived to be valuable Hisham Kamel Madi et al. *Procedia - Social and Behavioral Sciences* 164 (2014) 486 – 492 489 because they are concerned about their reputation damage, litigation risks and possible loss of future board opportunities and therefore will be motivated to perform their monitoring role effectively. Multiple directorships provide directors with important information regarding new policies, trade and practices among firms that could lead to better performance (Haniffa & Cooke, 2002). In addition, they expose directors to different management styles and monitoring behavior and allow directors to seek advice from others (Haniffa & Cooke, 2005).

For this context, it can be argued that for a director of AC who is attached to different firms as a board member, manager, or any committee member might gain additional contextual background for conducting their monitoring responsibilities and this may affect financial reporting outcomes. Consistently, Haniffa and Cooke (2005) have reported that multiple directorships of AC members enhance the corporate disclosure practices.

2.3 Chapter Summary

The chapter presented a review of related literature. It looked at the audit committees` size, characteristics, Ac frequency and AC composition in respective to their effect on the AC have on the performances of the SOEs in the public sector in Zimbabwe. The next chapter brings about the methodology that has been used for this research study.

CHAPTER 3: RESEARCH METHODOLOGY

3.0 Introduction

Chapter III presents the research methodology employed in the current study. The research paradigm, research approach and design are presented and discussed. The chapter also presents and discusses the population, sample size and sampling techniques. Research instruments, types of data collected, that is, primary and secondary, and ethical considerations are also discussed. The chapter goes further to present and discuss the data collection procedures adopted in the study followed by data validation, data presentation and data analysis.

3.1 Research Paradigm

The present study is rooted in the pragmatist paradigm in which the belief is that reality is constantly renegotiated, debated, interpreted, and therefore the best method to use is the one that solves the problem (Creswell, 2014. Nueman, 2014). According to Creswell and Plano Clark (2011), the choice of this pragmatic approach is the research questions, where the use of either quantitative or qualitative approaches do not completely address the research problem, whilst a combination of approaches does. It follows therefore that in the current study in order to address questions that are both inductive and deductive, the pragmatic approach is the best. This approach emphasizes that multiple realities do exist in any given study and therefore choice of the paradigm is dependent on the research question the study is trying to solve. In that view, the pragmatic paradigm incorporates the use of both qualitative and quantitative research

methodologies to generate and gather data (Creswell, 2014, Dina, 2012). As argued by Nueman (2014), the pragmatic philosophy makes provisions for the researcher to use mixed methods for data collection and this opens the opportunity for both objective and subjective data from the research participants and respondents.

According to Creswell (2014), the pragmatic research approach permits different views and interpretations of the world and at the same time providing for a combination of methods and the knowledge of providing tentative answers to research questions at hand. As such, the pragmatic research approach, though recent in research philosophies debates, focuses on the problem and tries to find practical solutions with the use of mixed methods. According to Dina (2012), the pragmatic approach provides a balanced point between the deductive and inductive perspectives of thinking which offers practical answers for merging different paradigms and can be very appropriate in assessing the role, compromise and effects of the audit committees in whistleblowing in the SOEs sector in Zimbabwe.

Creswell (2014) has argued that a pragmatic approach provides a better grounding to fully explore the complex phenomenon instead of using a single method approach in the research. The pragmatic approach is a better process to answering “what”, “why”, and “how” research questions which may not be accomplished by one traditional paradigm. Nueman (2014) states that the pragmatic approach can incorporate any research design that is suitable to provide answers to research questions, hence this study found it necessary and appropriate to adopt the descriptive survey strategy in which both questionnaires and interviews were adopted for data collection, while packages for qualitative and quantitative information analyses were considered.

3.2 Research Approach

The current study is a mixed approach study in which both quantitative and qualitative approaches are adopted.

3.2.1 Quantitative research approach

The quantitative research approach has been defined as the numerical representation and manipulation of observations for the purpose of describing and explaining the phenomena that those observations reflect (Leedy & Omrod, 2012; Punch, 2011; Thomas, 2003) According to Yanow and Swartz-Shea (2011), this approach in research employs empirical methods and empirical statements and Cohen and Manion (2011) state that state that an empirical statement is a descriptive statement about what “is” the case in the “real world” rather than what “ought” to be the case. That being the case, such statements are expressed numerically. Cohen and Manion (2011) also further argue that in quantitative studies empirical evaluations are applied. Empirical evaluations are defined as a form that seeks to determine the degree to which a specific program or policy empirically fulfills or does not fulfill a particular standard or norm (Cohen & Manion, 2011; Leedy & Omrod, 2012, Thomas, 2003).

Since the current study seeks to collect numerical data on the effects of the audit committees in whistleblowing in State-Owned Enterprises sector, quantitative research approach is basically essentially and appropriate. Therefore, because quantitative research is essentially about collecting numerical data to explain the role, compromise and effects of the audit committees in

whistleblowing in State-Owned Enterprises sector, particular questions seem immediately suited to being answered using quantitative methods. Quantitative research is also useful to quantify opinions, attitudes and behaviors on the effects of the Audit Committees on the performance of State-Owned Enterprises in Zimbabwe and find out how the whole population of CEOs and audit committees feels about issues at hand. Quantitative research approach provides that opportunity to find out the exact number of people who think a certain way, for example on the effectiveness of audit committees in whistleblowing in SOEs in Zimbabwe. Quantitative research is also appropriate in testing hypotheses. For example, in this study one of the hypotheses to be tested is: There is a positive correlation between audit committee roles and whistleblowing mechanisms in SOEs.

Since there a lot of SOEs in Zimbabwe and the study cannot cover all these enterprises, quantitative researches provide estimates of populations at large, rather than researching on all the populations of SOEs. As argued by Leedy and Omrod (2012), quantitative studies also indicate the extensiveness of attitudes held by a give group of people or population. Cohen and Manion (2011) also note that quantitative research provides results which can be condensed to statistics. In this study, statistics to be adopted include percentages and correlations and these allow for statistical comparison between various groups which include the CEOs and members of the audit committees form the different SOEs in Zimbabwe. Quantitative research approach also allows for measures level of occurrence and trends (Cohen & Manion, 2011; Leedy & Omrod, 2011) and these will show how many CEOs or members of the audit committee either agree or disagree with an issue thus answering questions such as "How many?" and "How often?"

Instead of just focusing on the quantitative aspect, the researcher as guided by the pragmatic philosophy also employed the qualitative approach in the current study.

3.2.2 Qualitative research approach

The qualitative approach to a research study has been defined as an inquiry process of understanding a social or human problem, based on building a complex, holistic picture, formed with words, reporting detailed beliefs and views of participant, and conducted in a natural setting where phenomena are exhibited (Creswell, 2012, Dina, 2012; Flick, 2011).

The qualitative research approach focuses on the use of methods such as interviews and focus group discussions which result in some thick narratives that are descriptive accounts of a setting or practice, in the case of the current study, narratives of how CEOs of the affects SOEs view the issues of whistle blowing (Dina, 2012; Parkinson and Drislane, 2011). The qualitative aspect of the current study was aimed at understanding the meaning CEOs of SOEs had experienced they have in their world as regards to whistle blowing (Dina, 2012; Merriam, 2009). The behaviour of the participants, the CEOs, where in their natural setting, the SOEs which were part of the study was part of the spotlight as the researcher attempted to make sense of the effects of the audit Committees on the performance of SOEs. For that reason, data were generated from the CEOs and examined in greater detail and depth (Creswell, 2012, Cohen et al, 2007; Dina, 2012). For in-depth data to be obtained, through qualitative approaches to data generation non-restrictive instruments such as open ended in-depth interviews were adopted.

The researcher adopted the qualitative approach for the revelation of subjective and multiple realities of the COEs as opposed to searching for one objective reality (Denzin & Lincoln, 2005) through. The approach was employable due to its flexibility in nature as in data collection methods as needed to obtain more detailed descriptions and explanations of experiences, behaviours, and beliefs (Silverman, 2011, Flick 2007, Creswell, 2012). Where the researcher suspected that CEOs could delegate responsibility to respond to instruments, for example, questionnaires, hence misleading the researcher, interviews The qualitative research methods come in handy for studies such as the effects of the Audit Committees on the performance of State-Owned Enterprises in Zimbabwe so as to obtain deep insights into the thoughts and views of different participants who interact with the researcher in a non-standardised manner thus allowing the researcher to study and analyse issues in detail without predetermined processes (Merriam, 1998).

However, qualitative approaches also have their weaknesses. Creswell (2012) and Marshall and Rossman, (2006) both contend that output of such studies depend to a large extent on the researcher's skills. There is also a lot of data generated from the various data generation tools and this requires a lot of time to present and analyse. As such, the researcher had to sharpen her research skills and avail more time for the study especially in data collection from the CEOs as well as during data analysis and interpretation.

3.3 Research Design

A research design can be defined as the plan on which research is carried out (Leedy & Omrod, 2012). Creswell (2014) says the term research design refers to the basic plan or strategy of the research and the logic behind it will make it possible and valid to draw more general conclusions

from it. A research design tells us how the sample is drawn, what sub-groups it must contain, comparisons to be made, variables that need to be measured, how data will be analysed and presented. A research design makes it possible for us to draw valid inferences from our data in terms of generalisation and associations. Generally, it is a plan that guides the researcher to collect, analyse and interpret observations of the study. Leedy and Omrod (2012) support the notion that it is a total plan which show how research data is going to be gathered. Several research designs have been proffered among these are experimental designs, case studies, phenomenology and descriptive surveys. The present study adopts the descriptive survey design.

3.3.1 The Descriptive Survey Design

The descriptive research design is a design that describes and interprets relationships that exist, practices that prevail, beliefs, point of view or attitudes that are held and effects that are being felt in and among a given community. According to Punch (2011), where perceptions of people are required to answer research problems, the descriptive survey is the best vehicle to adopt (Leedy & Omrod, 2012; Punch, 2011). It should be noted that the current study is all about to seeking and understanding the views and beliefs of a given population on the role, compromise and effects of the audit committees in whistleblowing in State-Owned Enterprises sector in Zimbabwe from 2012 to 2016. That being the case, the descriptive survey is deemed the most appropriate design for the current study.

3.4 Population

Defining the target population is an important step in designing the study (Creswell, 2014). For this particular study, the population will be members of the audit committees as well as the CEOs drawn from 51 SOEs. It has been revealed that out of 78 SOEs based in Harare, 27 do not have audit committees. This therefore, leaves the study with only 51 SOEs which are of interest to the current study. Given that 6 members form an audit committee, the total population for the current was 357. This comprised 306 members of the audit committees and 51 CEOs from the 51 SOEs.

3.5 Sample Size

Creswell (2014) says a sample is subset or part of a population from where inferences about a population are drawn. A sample is drawn from the population and should be representative of the population from where it is drawn. Once the population to be studied has been identified, part of the population is chosen to represent the whole population. In support, Nind and Todd (2011) assert that it is a sub-set taken to represent the entire population. From the 51 SOEs, 17 will be chosen into the sample of SOEs from where a representative sample shall be sought. The 17 are representative enough of the 51 SOEs because it constitutes 33% of all the prospective SOEs targeted in the study. Leedy and Omrod (2012) assert that 33% of the total population is adequate a sample to represent a population. From each of the 17 SOEs, the 17 CEOs and two members each (33%) will make the sample from where data will be gathered, giving a total sample of 51 respondents.

3.6 Sampling Techniques

Probability sampling technique will be adopted in this study. This technique is adopted in order to accord every member of the population an equal chance of being selected into the sample (Borg & Gall, 2013). Specifically, the study adopts the simple random sampling method in which the 51 members of the population are put in a single stratum from where the sample is going to be selected. A list shall be drawn of the 51 SOEs in which they will assigned numbers. The researcher will prepare bottle tops numbered 1 to 51. These will represent the SOEs as listed on the presented list. In order to come up with the list of selected SOES to make it into the sample, the 51 bottle tops will be put into a container and the lottery method will be adopted to select only 17 out 51. The researcher will mix the bottle tops thoroughly and pick one bottle top at a time. The SOE with the number of the bottle top picked will be ticked on the list. The bottle top will be returned into the container and when an already selected number has been picked, it shall be ignored and thrown back into the container. The process will be continued until the researcher has 17 selected members from the population. Thus, the 17 so selected are representative enough of the total population of 51 SOEs. All the 17 CEOs make it into the sample while 34 members of the audit committees selected through convenience sampling based on availability at the time of the sampling process.

3.7 Data Sources

There are two types of data namely primary and secondary data. The researcher used both secondary and primary data.

3.7.1 Primary data

Nueman (2014) describes primary data as unprocessed information gathered directly from first-hand experience through a number of initiatives among which are questionnaires, interviews and observation. Leedy and Omrod (2012) argue that these instruments are primary sources that provide first-hand testimony and direct evidence concerning a topic under investigation, in the case of this study, evidence on the effects of the Audit Committees on the performance of State-Owned Enterprises in Zimbabwe. Nueman (2014) also weigh in by remarking that primary data is collected by the researcher using questionnaires and interviews. In the case of the present study, primary data were both quantitative and qualitative in form. Pie charts, graphs and tables took statistical form. Researcher can control the level of accuracy and data is directly related to the problem at hand. However, primary data are expensive to collect as they required funds for travel to and from the respondents as well as time consuming (Leedy & Omrod, 2012). Primary data were also qualitative and included extracts from the conversations held through interviews between the CEOs, members of the audit committee and the researcher (Nueman, 2014). From these data, the researcher could then draw conclusions.

3.7.2 Secondary Data

Sitko (2013) describes secondary data as published data and the data collected in the past. According to Leedy and Omrod (2012), this is the data that have been collected by other researchers for other purposes but related to this particular study. In this study, the researcher used data on statistics pertaining to the existing numbers of SOEs some documents that spelt out the roles and duties of the audit committees in the SOEs. Thus the use of secondary data involved the collection of data from sources which already existed therefore the researcher is the secondary user. Secondary data is generally less expensive to acquire, time to gather data is short as compared to primary data since data is already in existence. However secondary data may not

be problem specific or outdated. It is difficult to control the level of data accuracy and data may not be subject for further manipulation

3.8 Research Instruments

Research instruments are tools used to collect data in research (Punch, 2011; Silverman, 2016) defines. These can also be referred to as data-collection instruments as they contain questions presented in a systematic, highly precise fashion and enable the researcher to obtain uniform data that can be compared, summed, and discussed. Research instruments can, therefore, be termed as data gathering instruments. The current study shall employ a multi-technique approach to data collection in order to obtain a holistic or total view of the subjects under investigation effects of the audit committees in whistleblowing in State-Owned Enterprises sector in Zimbabwe. A combination of the questionnaires and interviews, as data collection instruments, is therefore, preferred in order to collect both quantitative and qualitative data. This also enables the facilitation of gathering valid and reliable data from the respondents over and above enabling triangulation to cross validate the solicited data (Punch, 2011; Morehouse, 2011).

The questionnaire and interview will be used as survey instruments for the study by collecting data from both the members of the audit committee and CEO respectively. Several questions will be constructed based on the objectives of the study. A survey questionnaire will be developed from previous empirical studies from prior researchers (Creswell, 2014; Thomas, 2003). Hence, in this study 23 survey items in the questionnaire shall come actually come from the prior empirical studies as shown in the metadata analysis table, and were modified to fit the context of SOEs in Zimbabwe, more so in Harare. The open-ended questions allowed respondents to give their exact opinions as opposed to closed type questions (Creswell, 2014).

3.8.1 The questionnaire

According to Morehouse (2011), questionnaire is a data gathering instrument through which respondents answer questions or respond to questions in writing. Punch (2011) says a questionnaire is a document containing questions designed to solicit information appropriate for analysis.

The questionnaire was employed because it has a number of advantages. Firstly, it enabled the researcher to collect data from people who were at a distance and at the same time (Punch, 2011; Mackenzie & Knipe, 2006). Secondly, the respondents were not influenced by the presence of the researcher since they answered questions during the researcher's absence (Morehouse, 2011; Punch, 2009). Thirdly, the respondents answered questions at their own pace and during their own spare time without the researcher having to pressurise them to fill in the questionnaires (Punch, 2011; Mackenzie & Knipe, 2006). Lastly, data collected through the questionnaire will be easy to analyse since the questionnaire items have uniform responses.

However, the questionnaire has some shortcomings. Respondents may not understand the questions and the researcher will not be there to clarify. Questionnaires also suffer from low response rates. The researcher therefore had to collect the questionnaires by himself in order to improve on the response rate. If all questionnaires are not returned, conclusions arrived at may not be accurately representative of the population. Respondents may hurry, lack of interest, commitment and dishonestly answer the questions (Nueman, 2014; Silverman, 2016). Another drawback is that the respondents may ask or delegate other people to answer on their behalf of which their perceptions will differ. This may be quiet possible in the current study where some respondents are highly authoritative people in the organisations they work. Furthermore, some respondents may just withhold the information because they do not wish to give it for one reason

or the other. To counter this from happening, the researcher emphasised the importance of the study to the respondents.

Other measures to be taken by the researcher include writing short and clear questions which enabled the respondents to clearly understand the questions, also to formulate questions with a combination of open and closed questions to elicit the required data (Silverman, 2016). This assist in reducing the weakness linked with the method. Open ended questions assist in allowing respondents to have the opportunity to express their feelings and expand their ideas. The researcher shall make a follow up of the respondents to whom the questionnaires were issued. Those who had not received them will be supplied with other copies of the questionnaires. It is important note that the respondents shall be given enough time to go through the questions and answer them without any hurry (Punch, 2011). The researcher appeal to the respondents and discouraged them from using other people to answer the questionnaires for them. The researcher needs to assure the respondents of anonymity and confidentiality thus enabling them to answer questions without any fear since they did not have to write their names on the questionnaires (Creswell, 2014). This may make the respondents not to withhold information.

3.8.2 Types of questions in the questionnaire

The questionnaire shall consist of a variety of questions. The most prevalent questions followed the Likert scale type in which the researcher provided responses on a scale rating. Responses in were closed type that required the responses to choose from Strongly Agree (SA), Agree (A), Neutral (N), Disagree (DA) and Strongly Disagree (SD). Ratings were provided for responses with SA getting 1 point, A, two points, and so on. These questions were easy to respond to as

respondents merely ticked the responses. However, these questions were restrictive to the respondents hence the researcher also made an attempt to have open ended questions for the respondents. These open ended questions were provided in which respondents were given room to express themselves fully rather restrict them to those closed type questions.

The research will also utilise interviews as a means of collecting data from selected respondents.

3.8.3 The interview

An interview is an interaction in which oral questions are posed by the interviewer to elicit responses from the interviewee (Creswell, 2014, Nueman, 2014). Interviews are a systematic way of talking and listening to people and are another way to collect data from individuals through conversations. The researcher will select potential sources of information and structure the interaction in a manner that will elicit the relevant information from the source key to the research (Leedy and Omrod, 2011). It has been said that while other instruments focus on the surface elements of what is happening, interviews give the researcher more of an insight into the meaning and significance of what is happening. The interview will be conducted with aid of interview guides which lists the topics or focus areas the interviewer should attempt to cover in the course of the interview (Nueman, 2014). This guides an interview process by clearly showing the research items to be looked into. An interview guide is the list of questions, topics, and issues that the researcher wants to cover during the interview (Nueman, 2014). The interview guide should be clear and avoid ambiguity. Interview guide will be used because they allow the researcher to obtain in depth data which might not be possible to get using questionnaire. This is made possible by using probing questions which allows the respondent to give detailed responses.

This instrument has merits in that due to the direct involvement as a researcher namely one can achieve a higher response rate to one's questions (Leedy and Omrod, 2012; Nueman, 2014). Furthermore, one can have more detailed and informative data through follow-up questions thereby in most cases providing vast amounts of rich and useful data for further analysis. This is given that while other instruments focus on the surface elements of what is happening, interviews give the researcher more of an insight into the meaning and significance of what is happening.

Interviews have some drawbacks are time-consuming and costly to conduct including the transcription time and interviewing proper. This will be mitigated through selection of a reasonable sample to allow for a focused interview. Extra care must be taken when selecting the sample group of interviewees (Dina, 2012). The aspect of interview consuming a lot of time, can be addressed through avoiding elaborate note-taking which can slow down the interview and distract the interviewer but will be restricted to brief notations or summaries for later elaboration.

3.8.4 Types of questions in the interview

Like the questionnaire, the interview will cover all the five research questions as presented in Chapter one. Six sections are covered in the interview with the first section being on the demographic data of the respondents. The other five sections, Section 1-5 will cover questions set from the research questions. All the questions are open ended to enable respondents the opportunity to express their views on the open ended questions presented in the interview protocol. However, responses to these types of questions are difficult to code as the respondents provide different responses since they are not given any distractors (Leedy, 2013).

3.9 Ethical Considerations

In the present study data will be collected from human beings and as such this entailed strict adherence to some ethical considerations. The researcher is going to consider ethical principles of voluntary participation, informed consent, anonymity of participants and guarantee of their privacy and confidentiality. Despite the fact that the study is not going to involve physical harm to the respondents, there could be some psychological harm as issues discussed would bring about psychological stress among the respondents who would feel that their positions would be at risk especially after revealing information that could be deemed confidential. Respondents' involvement in the study is also voluntary. No participant will be coerced into taking part in the research study (Gray, 2009). The researcher will also consider the principle of informed consent. To begin with, the researcher will explain the benefits and potential dangers of taking part in the study. This will be meant to give the respondents information so that they could make a decision whether or not to take part in the study as respondents. A written consent form will be prepared and all the respondents willing to take part signed the form as proof of acceptance.

The researcher will also consider the principle of anonymity in which respondents' privacy will be guaranteed (Creswell, 2014; Nueman, 2014) in both the questionnaires and interviews. To that effect, respondents will remain nameless (Nueman, 2014). The respondents' identities will be hidden through the use codes for example, the researcher used codes such as SOE1-1 in interviews, to denote to respondent number I from the first SOE, and so on. As related to the questionnaires, no names are supposed to be written on them. The confidentiality of responses also meant that the responses will not in any way linked to any named respondent. Data to be collected will therefore attribute to the whole group of respondents. The researcher will first seek

for permission to administer questionnaires and interviews in the SOEs of concern to the current study. After getting the permission, the researcher will gain the entry into the SOEs under study.

3.10 Data Collection Procedures

The questionnaires and interview guides will be drafted and cognisance will be taken of the type of questions asked, the order of the questions, structure and wording of the questions and the response format. The items on the questionnaire and interview guides will then be checked and altered. A pilot study will be conducted in order to gauge and weigh the practicability of the intended study. Two SOEs outside of the sampled ones will be used for pilot testing the instruments, which will help to iron out some of the challenges that may impede the successful collection and analysis of data. The respondents in the pilot study will be asked to provide comments on the usability of the research instruments which will also focus on the construction of the research instruments` items. Their comments will be used for the refinement of the questionnaires and interview guide before a full scale study is undertaken. After the revision of the instruments based on pilot sample suggestions, the revised questionnaire and interview protocol will then be administered to the sample population.

3.11 Data Validation

Data validation will ensure the correspondence of the final data with a number of characteristics (Simon, 2013a). To that end, the researcher will seek verification of all the data suppliers to authenticate the data provided. The process of data validation entailed getting feedback from the respondents who provided the data during the interview and those who answered questionnaires. After the data were presented and conclusions drawn from the data, the researcher went back to the CEOs and members of the audit committees with the data and conclusions. These

respondents went through the data and the conclusions to confirm whether or not what they had supplied was recorded correctly and represented their views.

The process paved way for the identification of the researcher`s misunderstandings and preconceptions and these were corrected after the input and feedback of the respondents. However, in some cases some respondents were no longer willing to offer assistance to the researcher as they felt that they had already done their part in the interviews and through answering questionnaires. The researcher had to make do with those that were willing despite the fact that in most cases data and conclusions recorded were upheld as valid. In few instances, the researcher had to modify issues that had been overlooked in the initial data collection stages.

3.12 Data Presentation

The data collected shall be collected to answers to the five research questions. Data is going to be coded, categorised, arranged and summarised so as to derive some meaning out of it. Data is going to be presented both quantitatively and qualitatively. Quantitate data shall be presented in form of numbers. These include percentages. Diagrams in the form of graphs, pie chart, and tables are going to be used to provide evidence and to communicate key findings. The use of diagrams is also justifiable in the sense that they are user friendly and present data in a way that are easy to explain (Leedy, 2013; Zio, 2016).

3.13 Data Analysis

Data from questionnaires and interviews are going to be analysed using the number and percentage of respondents with a particular opinion on representative items in interviews and questionnaires. Data from the interview must pass through transcription and analysis (Zio, 2016). Analysis involves the detailed examination and interpretation of the data from the questionnaires and interviews.

3.14 Summary

The chapter presented the research methodology employed in the current study. The research paradigm, research approach and design were presented and discussed. The chapter also presented and discussed the population, sample size and sampling techniques. Research instruments, types of data collected, that is, primary and secondary, and ethical considerations were also discussed. The chapter then presented and discussed the data collection procedures adopted in the study followed by data validation, data presentation and data analysis. The next chapter shall present the data collected through the use of questionnaires and interviews.

CHAPTER 4: DATA INTERPRETATION AND ANALYSIS

4.0 Introduction

This chapter was meant for the analysis of data that was gathered in the previous chapter using the questionnaires and the scheduled interviews carried out by the researcher. The analysis and interpretations were done through the SPSS data analysis tool.

4.1 Questionnaire response rate

Table 4.1: Questionnaire response rate

		Frequency	Percent	Cumulative Percent
Response validity	Returned	45	88.24	88.24
	Not returned	6	11.76	100.00
Total		51	100.00	

Source: Primary data

A total of 51 questionnaires were administered by the researcher and 45 out of 51 were returned while 6 out of 51 were not returned. This represents a response rate of 88.24% and a non-response rate of 11.76% of the administered instruments. According to Creswell (2014) a response rate of 60% and above of the administered instruments warrants further analysis of the data. The implication to the study is that enough responses were obtained for purposes of the analysis of the data.

4.2 Highest level of education

Table 4.2: Highest level of education

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Tertiary	10	19.61	22.22	22.22
	Certificate	6	11.76	13.33	35.56
	Post Graduate	5	9.80	11.11	46.67
	Graduate	21	41.18	46.67	93.33
	Others.....	3	5.88	6.67	100.00
	Total	45	88.24	100	
Missing	System	6	11.76		
Total		51	100		

Source: Primary data

The mean of the data distribution for this study was 9, which falls within the tertiary holding respondents and the median class was Graduates category. This means that the number of people with requisite qualifications falls within graduates. The modal class was also graduates category where there were 21 respondents out of the total of 45 who respondents, meaning that the data distribution had more graduates than any other qualification.

This analysis of data means that respondents were educated enough to be able to participate and comprehend the contents of the questionnaires distributed.

4.3 Duration in organisation

Table 4.3: Duration in organisation

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Below 5 years	11	21.57	24.44	24.44
	5 to 10 years	23	45.10	51.11	75.56
	11-20 years	7	13.73	15.56	
	above 20years	4	7.84	8.89	84.44
	Total	45	88.24	100	
Missing	System	6	11.76		
Total		51	100		

Source: Primary data

A total of 11/45(24.44%) of the respondents have been in the organisation for 5 years and below, while 23/45(51.11%) have been in employment for a period between 6 and 10 years. 7/45(15.56%) were between 11-20 years while the remaining 4/45(8.89%) have been in the company for more than 20 years.

The median class of this data distribution was the category 5-10 years which also forms the modal class. The mean of the distribution falls in the category below 5 years. This analysis can conclude that most of the people were in the employment for more than 5 years and therefore are aware of the operational and technical aspects of the organisation.

4.4 Position in Company

Table 4.4: Position in company

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Senior Management	18	35.29	40.00	40.00
	Middle Management	13	25.49	28.89	68.89
	Executive director	9	17.65	20.00	88.89
	Other	5	9.80	11.11	100.00
	Total	45	88.24	100.00	
Missing	System	6	11.76		
Total		51	100		

Source: Primary data

A total of 18/45(40%) of the respondents were in senior management level within the organisations they work, while 13/45(28.89%) were in Middle Management. 9/45(20%) were executive directors with closer links directorate and the last class with 5/45(11.11%) were in other positions in the organisations like Company secretaries and external Consulting members.

The mode class of the data distribution was senior Management with 18/45 or 40 % and the median was also the senior management class while the mean was also in the senior Management class meaning that the data was symmetrically distributed around Senior Management. This shows that respondents were mostly senior managers who are responsible for

strategy and key decisions in the organisation and therefore knowledgeable enough to provide the data requested for the study.

4.5 The board performs its duties to oversee the performance of SOEs

Table 4.5: The board performs its duties to oversee the performance of SOEs

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	21	41.18	46.67	46.67
	Agree	10	19.61	22.22	68.89
	Uncertain	6	11.76	13.33	82.22
	Disagree	5	9.80	11.11	93.33
	Strongly disagree	3	5.88	6.67	100.00
	Total	45	88.24	100	
Missing	System	6	11.76		
Total		51	100		

Source: Primary data

21/45 representing 46.67% of the respondents strongly agreed that the board performs its oversight role to ensure SOEs performances. 10/45(22.22%) of the respondents agreed while 6/45(13.33%) were uncertain. The remaining, 5/45(11.11%) and 3/45(6.67%) disagreed and strongly disagreed respectively.

In total 31/45(68.89%) were in agreement that the board performs its oversight role over the internal audit committees, while the remainder of respondents representing 14/45(31.11%) were in disagreement. The mean for the distribution falls within the strongly agree class which also denotes the mode while the agree class denotes the median of the data distribution.

According to Bedard and Gendron (2010) when the board plays its oversight role in the management of the ZOE's then there is assurance of improved performances by the SOEs. This is based on the ability to ensure compliance and hence avoid litigations and unqualified audit reports.

It can therefore be concluded that the respondents through the frequencies and the statistical measures of central tendency strongly believe that the board plays its oversight role with diligence.

4.6 The board has influence on the performance of SOEs

Table 4.6: The board has influence on the performance of SOEs

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	24	47.06	53.33	53.33
	Agree	10	19.61	22.22	75.56
	Uncertain	6	11.76	13.33	88.89
	Disagree	4	7.84	8.89	97.78
	Strongly disagree	1	1.96	2.22	100.00
	Total	45	88.24	100.00	
Missing	System	6	11.76		
Total		51	100.00		

24/45(53.33%) strongly agrees that the board has influence on the overall performance of the SOEs, while 10/45(22.22%) agreed and the other 6/45(13.33%) of the respondents were uncertain. The remaining 4/45(8.89%) and 1/45(2.22%) of the respondents disagreed and

strongly disagreed respectively that the board has overall influence over the performance of the SOEs

IN total 34/45(75.56%) of the respondents were in agreement that the board influences the performances of the SOEs while the remaining 11/45(24.44%) were in disagreement. The mean for the data distribution was in the strongly agreed class, which also were the median and the modal class of the distribution.

This means that the respondents strongly agrees that the role of oversight played by the board has influence on the performances of the SOE. This is complemented by Allegrini and Greco, 2011 who argued that the board can ensure the success of failure of the firm depending on how it exercises its oversight role.

Results from the interviews shows that 5/7(71%) of the interviewees were of the opinion that the way the board carries itself in the execution of its duties can reflect the performances of the firm. In cases where the board pulls in one direction towards achievements of goals, there is positive impact on the performances. The remaining 2/7(28%) of the interviewees were not in agreement and noted that other factors beyond the Board have impacted negatively on the performances of the SOEs.

It can therefore concluded that the way in which the board exercises its oversight role influence the overall performances of the SOEs.

4.7 Performance of SOEs have improved as a result of board oversight

Table 4.7: Performance of SOEs have improved as a result of board oversight

		Frequenc y	Percent	Valid Percent	Cumulativ e Percent
Response validity	Strongly agree	27	52.94	60.00	60.00
	Agree	12	23.53	26.67	86.67
	Uncertain	3	5.88	6.67	93.33
	Disagree	2	3.92	4.44	97.78
	Strongly disagree	1	1.96	2.22	100.00
	Total	45	88.24	100.00	
Missing	System	6	11.76		
Total		51	100.00		

Source: Primary data

27/45(60%) of the respondents strongly agrees that performance of SOEs have improved as a result of board oversight. The other 12/45(26.67%) agreed while 3/45(6.67%) were uncertain. Of the remaining 3/45(6.67%), 2/45(4.44%) and 1/45(2.22%) disagreed and strongly disagreed respectively.

A total of 39/45(86.67%) were in agreement that SOEs performance have improved as a result of the board oversight. The remainder of 6/45(13.33%) were in disagreement. The modal class for this distribution was 27 in the strongly agreed category, while the mean was also in the same category. The median of the distribution was also seen to be in the strongly agreed category meaning that the data was asymmetrical in the strongly agreed category

The results from the interviews carried out shows that 6/7(85%) of the interviewees were of the opinion that in their SOEs, the performance of the firm improved when the board improved its exercise of the monitoring and oversight role. The remaining 1/7(14%) were in disagreement, noting that the environmental factors favorable to the firms improves performances.

According to Li et al., 2012 and Akhtaruddin and Haron (2010) were management diligently exercise its oversight role , the implementation of the strategies adopted and agreed will start to be speeded up and hence the advantages of doing things at a high level of appropriateness and within timeliness set to achieve better performances.

It can therefore be concluded that performance of SOEs improves as a results of board oversight.

4.8 Audit committee`s recommendations are overridden by the overall

Table 4.8: Audit committee`s recommendations are overridden by the overall board

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	3	5.88	6.67	6.67
	Agree	6	11.76	13.33	20.00
	Uncertain	5	9.80	11.11	31.11
	Disagree	10	19.61	22.22	53.33
	Strongly disagree	21	41.18	46.67	100.00
	Total	45	88.24	100.00	
Missing	System	6	11.76		
Total		51	100.00		

Source: Primary data

Under this question, 3/45(6.67%) and 6/45(13.33%) strongly agreed and agreed respectively that the audit committee recommendations are overridden by the board. 5/45(11.11%) were uncertain while 10/45(22.22%) disagreed and 21/45(46.67%) strongly disagreed.

In total, 9/45(20%) of the respondents were in agreement while the majority of 36/45(80%) were in disagreement that the board overrides the recommendations of the audit committees.

The modal class for this distribution was strongly agreed category, while the category disagree was the median and the mean was agreed category.

Results obtained from the interviews shows that 1/7(14%) of the interviewees opined that there have never been issues in which the board has overridden the recommendations brought by the audit committees. They noted that the board actually supports the audit committees in the execution of their duties. The remaining 6/7(85%) were in disagreement noting that the committees gets the best of support from the board and related committees.

According to Akhtaruddin and Haron (2010) the modern day boards have embraced the corporate governance practices and as such are aware of the role that they play in ensuring transparency and accountability in the management of resources under their custody

The conclusion drawn here is that the recommendations of the audit committees are taken seriously by the board. The board shows its support to these committees by ensuring that appropriate resources are available in time in order to achieve its mandate.

4.9 The audit committee is entirely independent in the execution of its duties

Table 4.9 :The audit committee is entirely independent in the execution of its duties

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	19	37.25	42.22	42.22
	Agree	11	21.57	24.44	66.67
	Uncertain	9	17.65	20.00	86.67
	Disagree	5	9.80	11.11	97.78
	Strongly disagree	1	1.96	2.22	100.00
	Total	45	88.24	100.00	
Missing	System	6	11.76		
Total		51	100.00		

Source: Primary data

In this data set, 19/45(42.22%) of the respondents strongly agreed that the audit committee enjoy its greater independence in the execution of their duties. 11/45(24.44%) and 9/45(20%) were uncertain on whether the audit committees experience greater independence. The remaining

5/45(11.11%) and 1/45(2.22%) disagreed and strongly agree that independency of the audit committee is guaranteed within SOEs.

In total 30/45(66.67%) of the respondents were in agreement while the remaining 15/45(33.33%) were in disagreement that there is audit committees independence within SOEs.

The mean of the data falls within the strongly agree category, so is the modal class about the mean falls in the agreed category of the data set.

The results from the interviews shows that the 6/7(85%) were of the opinion that the current crop of leaders are conversant with the legal aspects and the codes of both ethics and corporate governance to the extent that they allow the committees to function autonomously without interferences. The remaining 1/7(15%) however disagreed noting that there are times so often when the boards directs how the audit committees should execute their duties and that compromises independence.

According to Allegrini & Greco, 2011 the ability to embrace corporate governance principles by the board has necessitated the independence of the audit committees. The committees are given the relevant support by the board to independently carry out its mandate and then reports to the main board.

It can be concluded therefore that there is a greater degree of audit independence within the SOEs in Zimbabwe.

4.10 There is need to ensure audit independence to in the SOEs' operations

Table 4.10: There is need to ensure audit independence to in the SOEs' operations

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	17	33.33	37.78	37.78
	Agree	11	21.57	24.44	62.22
	Uncertain	4	7.84	8.89	71.11
	Disagree	6	11.76	13.33	84.44
	Strongly disagree	7	13.73	15.56	100.00
	Total	45	88.24	100.00	
Missing	System	6	11.76		
Total		51	100.00		

Source: Primary data

In this data set, 17/45(37.78%) of the respondents strongly agreed that there is need to ensure audit independence in SOEs operations. 11/45(24.44%) and 4/45(8.89%) were uncertain on whether there is need to ensure audit independence in SOEs operations. The remaining 6/45(13.33%) and 7/45(15.56%) disagreed and strongly agree that there is need to ensure audit independence in SOEs operations.

In total 28/45(62.22%) of the respondents were in agreement while the remaining 17/45(33.78%) were in disagreement that there is need to ensure audit independence in SOEs operations.

The mean of the data falls within the strongly agree category, so is the modal class about the mean falls in the agreed category of the data set.

The results from the interviews shows that the 5/7(71%) were of the opinion that there is need to that audit independence is enhanced within the SOEs sector. This is based on the understanding that the independence creates flexibility and removes fear of tackling of tasks by the audit committees. The remaining 2/7(29%) however disagreed noting that there is already independence of the audit committees within SOEs.

According to Karamanou and Vafeas (2005 the ability of the firms to promote audit committees independence across the SOEs will enable clear mandate articulation and hence more professionalism on the part of the boards.

It can be concluded therefore that there is need to promote audit committees independence in order to ensure an impeded articulation of the mandate given.

4.11 Do you agree that SOEs performs better due to audit committee independence

Table 4.11: Do you agree that SOEs performs better due to audit committee independence

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	15	29.41	33.33	33.33
	Agree	10	19.61	22.22	55.56
	Uncertain	11	21.57	24.44	80.00
	Disagree	7	13.73	15.56	95.56
	Strongly disagree	2	3.92	4.44	100.00
	Total	45	88.24	100.00	
Missing	System	6	11.76		
Total		51	100.00		

Source: Primary data

In this data set, 15/45(33.33%) of the respondents strongly agreed that SOES performs better because of the independence of the audit committees. 10/45(22.22%) and 11/45(24.44%) were uncertain on whether the SOEs performances better because of the independence of the audit committees. The remaining 7/45(15.56%) and 2/45(4.44%) disagreed and strongly agree that the performances of the SOEs is as a result of the independence of the Audit Committees.

In total 25/45(55.56%) of the respondents were in agreement while the remaining 20/45(44.44%) were in disagreement that the performances of the SOEs is as a result of the independence of the Audit Committees.

The mean of the data falls within the strongly agree category, so is the modal class while the mean falls in the agreed category of the data set.

The results from the interviews shows that the 4/7(57%) were of the opinion that when the audit committee is independent, there is always ways of improvements that plugs out all the loopholes within the firms. This reviewed and evaluation of the systems of controls enables the firm to focus more on cost reduction processes while enhancing revenues generation mechanisms. The remaining 3/7(43%) however disagreed.

According to Allegrini & Greco, 2011 ability to ensure the independence of the Audit Committees to performs their work will ensure that controls are in place to ensure cost controls and revenue improvement mechanisms which in turn improves overall firm performances.

It can be concluded therefore that the independence of the audit committees has to some extent improved performances of the SOEs.

4.12 The Board impedes the independence of the audit committee`s

Table 4.12: The Board impedes the independence of the audit committee`s

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	3	5.88	6.67	6.67
	Agree	7	13.73	15.56	22.22
	Uncertain	11	21.57	24.44	46.67
	Disagree	10	19.61	22.22	68.89
	Strongly disagree	14	27.45	31.11	100.00
	Total	45	88.24	100.00	
Missing	System	6	11.76		
Total		51	100.00		

Source: Primary data

In this data set, 3/45(6.67%) of the respondents strongly agreed that the board impedes the independence of the audit committees. 7/45(15.56%) and 11/45(24.44%) were uncertain on whether the audit committees experience greater independence. The remaining 10/45(22.22%) and 14/45(31.11%) disagreed and strongly agree that the board impedes the independence of the audit committee`s

In total 10/45(22.22%) of the respondents were in agreement while the remaining 15/45(33.33%) were in disagreement that the board impedes the independence of the audit committee`s

The mean of the data falls within the strongly disagree, so is the modal class about the mean falls in the disagreed category of the data set.

The results from the interviews shows that the 6/7(85%) were of the opinion that the board impedes the independence of the audit committee`s in the execution of their job. They noted that the conflict always arises between what the committee expects in its work and the expectation gap within the stakeholders. The remaining 1/7(15%) however disagreed noting that the independent that the committees enjoy are sure testimony of the non-interference by the board on the work of the Audit committees.

According to Allegrini & Greco (2011), the separation of the functions within the board create independence in that each respective committees will do work in line with its mandate without the interferences of the main board or its chairperson. The separation of the roles of the members also ensures independence of the work performed.

It can be concluded therefore that the board does not impedes the work of the audit committees in Zimbabwe`s SOEs.

4.13 The audit committees is aware of its duties

Table 4.13: The audit committees is aware of its duties

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	21	41.18	46.67	46.67
	Agree	9	17.65	20.00	66.67
	Uncertain	5	9.80	11.11	77.78
	Disagree	9	17.65	20.00	97.78
	Strongly disagree	1	1.96	2.22	100.00
	Total	45	88.24	100.00	
Missing	System	6	11.76		
Total		51	100.00		

Source: Primary data

In this data set, 21/45(46.67%) of the respondents strongly agreed that the audit committee understand and are aware of their duties. 9/45(20%) and 5 /45(11.11%) were uncertain on whether the audit committees experience greater independence. The remaining 9/45(20%) and 1/45(2.22%) disagreed and strongly agree that the audit committee understand and are aware of their duties.

In total 30/45(66.67%) of the respondents were in agreement while the remaining 15/45(33.33%) were in disagreement that the audit committee understand and are aware of their duties.

The mean of the data falls within the strongly agree category, so is the modal class about the mean falls in the agreed category of the data set.

The results from the interviews shows that the 6/7(85%) opined that the selection of the members to sit in the Audit Committee are done based on the ability and expertise of the individuals. It is therefore known amongst the members that they have the continuous development and the skills upgrading in order to get to understand the duties. The remaining 1/7(15%) however disagreed and opined that there are times when appointments are not done by merit but because of convenience and as such most of such members are not able to comprehend the duties for which they can carry out.

Greco (2011) opined that the acts and other statutory requirements are denotes the minimum qualifications that a member of a committee should exhibit and because of this there always and understanding of the respective duties that needs to be carried out. It is also important to note that there is need to continuously develop the skills of the members through trainings and seminars.

It can be concluded therefore that members should be appointed based on their expertise and skills so that it becomes easier for the committees to comprehend their duties.

4.14 The audit committee duties affect the performance of SOEs

Table 4.14: The audit committee duties affect the performance of SOEs

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	1	1.96	2.22	2.22
	Agree	6	11.76	13.33	15.56
	Uncertain	9	17.65	20.00	35.56
	Disagree	11	21.57	24.44	60.00
	Strongly disagree	18	35.29	40.00	100.00
	Total	45	88.24	100.00	
Missing	System	6	11.76		
Total		51	100.00		

Source: Primary data

In this data set, 1/45(2.22%) of the respondents strongly agreed that the audit committee duties affect the performance of SOEs. 6/45(13.33%) and 9/45(20%) were uncertain on whether the audit committees experience greater independence. The remaining 11/45(24.44%) and 18/45(40%) disagreed and strongly agree that the audit committee duties affect the performance of SOEs.

In total 7/45(15.56%) of the respondents were in agreement while the remaining 38/45(84.44%) were in disagreement that the audit committee duties affect the performance of SOEs.

The mean of the data falls within the strongly disagree category, so is the modal class while the mean falls in the disagreed category of the data set.

The results from the interviews shows that the 1/7(15%) were of the opinion the duties of the audit committees affects the performances of the SOEs. The interviewees noted that the work of the internal audit activities, although they are performed concurrently with operations have no real effect on the performances. 6/7(85%) however were in disagreement that the activities of the audit committees affects the SOEs performance. These argued that the SOEs strategic plans and their execution and the environment from which the SOES performs their mandate has a greater effect on performance than the audit committees' activities.

According to Li et al (2012) although the audit committee activities are part the strategic plan of the firms, it is important to know that they are meant to ensure efficiency and effectiveness of the systems and process. Therefore it in only an enhancement of the operational scenario but have no impact on the SOEs performances.

Conclusions drawn here are the audit activities are enhancers to the performance indicators but have no direct impact on the performances of the SOEs.

4.15 There are some limitations governing the duties as audit committee

Table 4.15: There are some limitations governing the duties of audit committee

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	5	9.80	11.11	11.11
	Agree	3	5.88	6.67	17.78
	Uncertain	1	1.96	2.22	20.00
	Disagree	16	31.37	35.56	55.56
	Strongly disagree	20	39.22	44.44	100.00
	Total	45	88.24	100.00	
Missing	System	6	11.76		
Total		51	100.00		

Source: Primary data

In this data set, 5/45(11.11%) of the respondents strongly agreed that there are some limitations governing the duties of audit committees. 3/45(6.67%) and 1/45(2.22%) were uncertain on whether the audit committees experience greater independence. The remaining 16/45(35.56%) and 20/45(44.44%) disagreed and strongly agree that there are some limitations governing the duties of audit committees.

In total 8/45(17.78%) of the respondents were in agreement while the remaining 47/45(82.12%) were in disagreement that there are some limitations governing the duties of audit committees.

The mean of the data falls within the strongly disagree category, so is the modal class about the mean falls in the disagreed category of the data set.

The results from the interviews shows that the 2/7(29%) were of the opinion that there are no limitations of there are no limitations to the execution of the work by the Audit Committees, especially if they are well trained and have the necessary skills 5/7(71%) however disagreed noting that there are limitations in the execution of duties by the audit committees and noting one of these as the lack of the appropriate technology and the complexity of transactions. These challenges can limit the auditing of the technology based transactions within the systems.

Bedard & Gendron (2010) noted that the major challenge faced by the audit committee is the lack of the appropriate auditing tools especially for technology based transactions and the independence that the committees enjoy within their jurisdictions.

Conclusions therefore are that, technology based transactions are not easy to audit in the absence of the proper technological computer assisted auditing techniques.

4.16 The composition of the audit committee exhibit diversity

Table 4.16: The composition of the audit committee exhibit diversity

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	16	31.37	35.56	35.56
	Agree	10	19.61	22.22	57.78
	Uncertain	9	17.65	20.00	77.78
	Disagree	6	11.76	13.33	91.11
	Strongly disagree	4	7.84	8.89	100.00
	Total	45	88.24	100.00	
Missing	System	6	11.76		
Total		51	100.00		

Source: Primary data

In this data set, 16/45(35.56%) of the respondents strongly agreed that the composition of the audit committee exhibit diversity. 10/45(22.22%) and 9/45(20%) were uncertain on whether composition of the audit committee exhibit diversity. The remaining 6/45(13.33%) and 4/45(8.89%) disagreed and strongly agree that composition of the audit committee exhibit diversity.

In total 26/45(56.78%) of the respondents were in agreement while the remaining 19/45(43.12%) were in disagreement that the composition of the audit committee exhibit diversity.

The mean of the data falls within the strongly agree category, so is the modal class about the mean falls in the agreed category of the data set.

The results from the interviews shows that the 6/7(85%) noted that the boards of their SOEs partially exhibit diversity in that there is gender mix, skills mix and cultural mixes amongst the members of the board. The boards that the Government through the respective Ministers have appointed have a mixture of the appropriate skills and as a result that has improve board oversight and monitoring mechanism. The remaining 1/7(15%) however disagreed opining that there are more male participants in the selections committee and as a result there is a bias towards selection of male board members at the expense of the female members.

According to Shehata (2016), diversity of the board has an impact on the performances of the boards and as such there is need to create mechanisms that promotes such within the SOEs. The diverse boards promotes more oversight and monitoring roles for better performances.

It can be concluded that there is need for board diversity on the SOEs in order to improve board oversight and monitoring mechanisms.

4.17 The audit committees' skills have an impact on the oversight role of SOEs

Table 4.17: The audit committees' skills have an impact on the oversight role of SOEs

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	19	37.25	42.22	42.22
	Agree	11	21.57	24.44	66.67
	Uncertain	3	5.88	6.67	73.33
	Disagree	4	7.84	8.89	82.22
	Strongly disagree	8	15.69	17.78	100.00
	Total	45	88.24	100.00	
Missing	System	6	11.76		
Total		51	100.00		

Source: Primary data

In this data set, 19/45(42.22%) of the respondents strongly agreed the audit committees' skills have an impact on the oversight role of SOEs. 11/45(24.44%) and 3/45(6.67%) were uncertain on whether the audit committees' skills have an impact on the oversight role of SOEs. The remaining 4/45(11.11%) and 8/45(2.22%) disagreed and strongly agree that the audit committees' skills have an impact on the oversight role of SOEs.

In total 30/45(66.67%) of the respondents were in agreement while the remaining 15/45(33.33%) were in disagreement that the audit committees' skills have an impact on the oversight role of SOEs.

The mean of the data falls within the strongly agree category, so is the modal class about the mean falls in the agreed category of the data set.

The results from the interviews shows that the 5/7(71%) noted that the skills that are exhibited by the audit committees surely informs the oversight role. This is premised on the fact that these skills are from expert selection to the committees and as such there is a greater influence that these members have on other audit personnel within the organisation. 1/7(29%) however disagreed noting that there the oversight role that the committees undertake is guided by the ability and expertise of the board at large and as such the main board influences oversight than the audit committee itself.

According to Bedard & Gendron (2010) the ability to embrace corporate governance principles by the board has improved the oversight role that is played by the audit committees and meant to enhance the operational and financial. This enhances the compliance to a number of governance issues.

It can be concluded therefore that there is a greater degree that oversight has been improved within the Audit Committee because of their skills.

4.18 There is continuous skills development of the audit committee

Table 4.18: There is continuous skills development of the audit committee

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	23	45.10	51.11	51.11
	Agree	9	17.65	20.00	71.11
	Uncertain	5	9.80	11.11	82.22
	Disagree	7	13.73	15.56	97.78
	Strongly disagree	1	1.96	2.22	100.00
	Total	45	88.24	100.00	
Missing	System	6	11.76		
Total		51	100.00		

Source: Primary data

In this data set, 23/45(51.11%) of the respondents strongly agreed that there is continuous skills development of the audit committee. 9/45(20%) and 5/45(20%) were uncertain on whether there is continuous skills development of the audit committee. The remaining 7/45(15.56%) and 1/45(2.22%) disagreed and strongly agree that there is continuous skills development of the audit committee.

In total 32/45(71.11%) of the respondents were in agreement while the remaining 13/45(28.89%) were in disagreement that there is continuous skills development of the audit committee.

The mean of the data falls within the strongly agree category, so is the modal class about the mean falls in the agreed category of the data set.

The results from the interviews shows that the 6/7(85%) of the respondents agree to the notion that there are continuous skills development within the audit committees to enable understand on the nature and the timing of the appropriate audit that can be carried out. The respondents were of the opinion that the development in the real world have been necessitated the need for continuous skills development within the SOEs. 1/7(15%) of the interviewees opined that because of the lack of funding to enhance skills developments in the SOEs sector, the continuous development has been a challenge.

According to Allegrini & Greco (2011) there is need to have a well-trained audit committee that exhibit greater skill and expertise in order to enhance oversight and monitoring of the SOEs systems of controls and other operational issues that could have a bearing on the firm at large.

It can be concluded therefore that there is need to regularly capacitate the Audit committees' for the purpose of ensuring that systems and process can be evaluated based on the modern technologies and systems.

4.19 The chairperson of the audit committee is qualified in Accounting and Auditing

Table 4.19: The chairperson of the audit committee is qualified in Accounting and Auditing

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	25	49.02	55.56	55.56
	Agree	12	23.53	26.67	82.22
	Uncertain	1	1.96	2.22	84.44
	Disagree	5	9.80	11.11	95.56
	Strongly disagree	2	3.92	4.44	100.00
	Total	45	88.24	100.00	
Missing	System	6	11.76		
Total		51	100.00		

Source: Primary data

In this data set, 25/45(55.56%) of the respondents strongly agreed that the chairperson of the audit committee is qualified in Accounting and Auditing. 12/45(26.67%) and 1/45(2.22%) were uncertain on whether the chairperson of the audit committee is qualified in Accounting and Auditing. The remaining 5/45(11.11%) and 2/45(4.44%) disagreed and strongly agree that the chairperson of the audit committee is qualified in Accounting and Auditing.

In total 37/45(82.22%) of the respondents were in agreement while the remaining 8/45(17.78%) were in disagreement that the chairperson of the audit committee is qualified in Accounting and Auditing.

The mean of the data falls within the strongly agree category, so is the modal class about the mean falls in the agreed category of the data set.

The results from the interviews shows that the 5/7(71%) were of the opinion that the chairperson of the audit committees in their SOEs have qualification in Auditing and Accounting which are the expert skills. They noted that the selection of the various committees are determined by the qualifications that the individuals have and the experience they have and their understanding of the systems at hand. 2/7(29%) of the interviewees were of the opinion that were the selection is done above board, there will always be the scenarios where unqualified personnel are drafted as chairpersons of the audit committees or in cases where there are no qualified members from the board, then there will always be that challenge to have a person who has experience in auditing and Accounting.

It can be concluded therefore that in most cases the individuals who are appointed as the chairpersons are qualified and well vetted to the positions of chairpersons.

4.20 The audit committee is mandated to select the external auditors

Table 4.20: The audit committee is mandated to select the external auditors

		Frequency	Percent	Valid Percent	Cumulative Percent
Response validity	Strongly agree	27	52.94	60.00	60.00
	Agree	9	17.65	20.00	80.00
	Uncertain	7	13.73	15.56	95.56
	Disagree	1	1.96	2.22	97.78
	Strongly disagree	1	1.96	2.22	100.00
	Total	45	88.24	100.00	
Missing	System	6	11.76		
Total		51	100.00		

Source: Primary data

In this data set, 27/45(60%) of the respondents strongly agreed that the audit committee is mandated to select the external auditors. 9/45(20%) and 7/45(15.56%) were uncertain on whether the audit committee is mandated to select the external auditors. The remaining 1/45(2.22%) and 1/45(2.22%) disagreed and strongly agree that the audit committee is mandated to select the external auditors.

In total 30/45(66.67%) of the respondents were in agreement while the remaining 15/45(33.33%) were in disagreement that the audit committee is mandated to select the external auditors.

The mean of the data falls within the strongly agree category, so is the modal class about the mean falls in the agreed category of the data set.

The results from the interviews shows that the 6/7(85%) noted that the interviewees were of the opinion that the audit committees were mandated with the selection of the external auditors as one of their main mandates rather than being done by the main board. This phenomenon is well embraced by the current crop of leaders are conversant with the legal aspects and the codes of both ethics and corporate governance to the extent that they allow the committees to function autonomously without interferences. The remaining 1/7(15%) however disagreed noting the main board of the SOES and the respective Ministers usurps the power of the committees and hence the role and mandate of the committees is compromised.

It can be concluded therefore that audit committees have the mandate to select and appoint the external auditors and have the overall role also to recommend their removal.

4.21 Chapter summary

The chapter used the SPSS data analysis tool to bring about tables and statistical data that was used for interpretation and analysis. The next chapter will provide the findings, conclusions and recommendations drawn from the data interpretation and analysis chapter.

CHAPTER 5: FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter provides the findings of the analysed data and also the conclusions that have been drawn from those findings. There after the study will proffer recommendations to the policy makers.

5.1 Chapter Summaries

Chapter 1 provided the background of the study in which the perennial losses by the SOEs were highlighted as a major concern to the policy makers. Even though the government has brought about a number of reforms for the SOEs in the past, a few were able to report profitably. The role of the audit committees in these SOEs have been emphasised and as such there research was meant to bring about the role that the AC play in the enhancement of the reporting and financial performances of the SOEs. The research problem, the objectives as well as the hypothesis were crafted along this background. There was also highlight of the limitations and delimitations of the study mainly based on the ability to obtain the information given the Secrecy Act requirements.

Chapter 2 brought in the review of literature relating to the Audit Committees issues and set out based on the objectives that have been raised in the previous chapter. Bringing in the aspects that AC has implications based on the size, the scope and the skills that are required for appointment.

Chapter 3 provided the research methodology that was followed by the study, including the pragmatic research methodology and the research design. The population and the sample size determination has been brought about using the Krecie and Morgan 1970 model. The data sources namely, primary and secondary data were proffered including their advantages and disadvantages. Furthermore the research instruments namely, the questionnaires and the scheduled interviews were also highlighted in this research study. Confidentiality of respondents and privacy of information were assured.

Chapter 4, highlighted the data interpretation and presentation from the data collected in the previous chapter. The data were collated, coded classified accordingly and then analysed using the SPSS data analysis tool version 20.

5.2 Findings

Based on the objectives in chapter 1, the following were the research's findings:-

- The board oversight role has a significant effects on the overall performance of the SOEs in Zimbabwe as they set the tone and direction through study,
- Audit committees independence affects the performance of the SOEs as issue pertinent are not addressed in time without Audit Committee investigation,
- Audit committees scope greatly affects the performance of the SOEs as it determines the controls the SOEs can effect and implement.
- Audit committees have sufficient skills for the carryout of their mandate and are selected based on expertise and merit,

5.3 Conclusions

Based on the findings above, the following are the conclusions that can then be drawn of the role, compromise and effects of Audit Committees:-

- The actions and the ability to drive organisation strategy and goals rests with the board through its oversight role,
- Audit committees independence is important in ensuring the control systems functionality and the plugging of loopholes of revenue losses and expenditures overruns,
- When the scope of the Audit Committees is limited, the board usurps the mandate of the Committees
- The selection of the Audit committees membership has been done professionally through the appropriate selection committees

5.4 Recommendations

- There is need to promote the Board oversight and monitoring roles in SOEs in order to improve performances,
- There is need to promote Audit Committees independence in the SOEs as a measure to improve control mechanisms,
- The improvement and expansion of the Audit Committees' scope is also a means of ensuring greater coverage of the control areas that can be instituted by the SOEs.
- Continuous capacity enhancement programmes should be adopted for the Audit committees in order for them to articulate their roles effectively and efficiently.

5.5 Areas for further research

The study was successful given that all the objectives that were set out by the researcher have been adequately and appropriately addressed. The researcher recommends area(s) for further study as the study of Role played by working capital Management in the SMEs in Harare, with a case in point being the Siya-So Entrepreneurial centre in Mbare.

5.6 Chapter summary

The findings, conclusions, recommendation and proposed areas of study were proffered in this chapter.

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APPENDIX I

Cover Letter

Midlands State University
Bag 9055
Gweru
Telephone +263 54 227 411
25 September 2017

The Secretary
Corporate Governance Unit
Office of the President and Cabinet
Munhumutapa Building
Harare
Zimbabwe

Dear Sir/Madam

RE: AUTHORITY TO CONDUCT RESEARCH ON STATE OWNED ENTERPRISES IN ZIMBABWE

I hereby apply for authority to carry a study on State Owned Enterprises in Zimbabwe. Information gathered shall be used for academic purposes and will be treated with utmost confidence.

My research topic is entitled **“AN ANALYSIS OF THE EFFECTS OF THE AUDIT COMMITTEES ON THE PERFORMANCE OF STATE-OWNED ENTERPRISES IN ZIMBABWE (2011-2015).”**

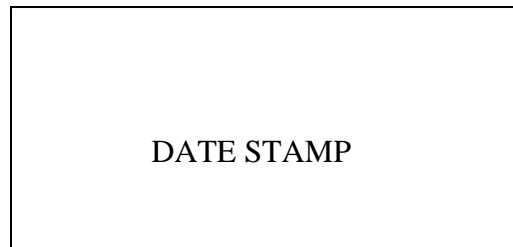
I am a final year student at Midlands State University, pursuing a Master of Commerce Accounting Degree. In Partial fulfillment of the programme, it is a prerequisite to carry out a research project. For further clarity you may contact the University using the above numbers.

Your assistance will be greatly appreciated,

Yours faithfully

Venencia Zimidzi (R168435N)

Approved / Not approved



APPENDIX II
Questionnaire Cover Letter

Midlands State University
Bag 9055
Gweru
Telephone +263 54 227 411

25 September 2017

RE: Request to collect data through questionnaire and interview.

I am a final year student at Midlands State University, pursuing a Master of Commerce Accounting Degree. In Partial fulfillment of the programme, it is a prerequisite to carry out a research project.

My research topic is entitled **“AN ANALYSIS OF THE EFFECTS OF THE AUDIT COMMITTEES ON THE PERFORMANCE OF STATE-OWNED ENTERPRISES IN ZIMBABWE (2011-2015).”**

I hereby request that you spare a moment of your valuable time to respond to the questions in the questionnaire provided. May you please kindly assist by providing relevant information to this research study. In answering this questionnaire, there are no correct or wrong numbers, it is only your factual response that matters. Information gathered through this process shall be used for academic purposes and will be treated with utmost confidence and privacy. For further clarity you may contact the University using the above numbers.

Your cooperation will be greatly appreciated,

Yours faithfully

Venencia Zimidzi (R168435N)

APPENDIX III
INFORMED CONSENT FORM

I personally agree to take part in the research study on an analysis of the Effects of the Audit Committees on the performance of State-Owned Enterprises in Zimbabwe. I am undertaking to take part in the named study out of my own volition and vouch that I have not been coerced to do so in any way. I also take part in the study on the understanding that I may withdraw from the study should I feel the need to do so without any effect thereafter on my part.

It is also my understanding that the research study may not be of any direct benefit to me though it may benefit the Zimbabwean public in general and the SOEs in particular.

I agree to be part of the research participants on the understanding that the researcher shall undertake to commit my responses to utmost confidentiality and thus I shall remain anonymous. I have also understood that, if possible, results of the research study be made available to all interested parties including me, at the end of the study.

.....

.....

Signature of Participant

Date

APPENDIX IV
Specimen Questionnaire

My name is Venencia Zimidzi. I am a student at the Midlands State University studying towards Master of Commerce in Accounting Degree. I am undertaking a research entitled, “**AN ANALYSIS OF THE EFFECTS OF THE AUDIT COMMITTEES ON THE PERFORMANCE OF STATE-OWNED ENTERPRISES IN ZIMBABWE (2011-2015).**” This research is purely for scholarly purposes and all the information you will provide will be treated with utmost confidentiality. Your sincere views and contributions to this research will be greatly appreciated.

INSTRUCTIONS

1. No names and contact details should be disclosed on the questionnaire.
2. May you please attempt all the questions to the best of your knowledge
3. Please tick (✓) in the box of your preferred answer and or a narrative answer in the space provided below each question.
4. **Key:** Strongly Agree (**SA**); Agree (**A**); Unsure (**U**); Disagree (**D**); Strongly Disagree (**SD**)

- | | | | |
|--|-------------------|----------------------------|-----|
| 1. Duration in Organization: | Below 5 Years [] | 5 to 10 Years [] | |
| | 10 to 20Years [] | Above 20 Years [] | |
| 2. Position in your Company | | | |
| Senior Management | [] | Middle Management | [] |
| Executive Director | [] | Other..... | [] |
| 3. Highest Level of education attained | | | |
| | Post Graduate [] | Graduate | [] |
| | Tertiary [] | Others (ACCA, CIMA,) | [] |

AUDIT COMMITTEES AND PERFORMANCES

4. The board performs its duties of oversight and monitoring to oversee the performance of SOEs	SA	A	U	D	SD
5. Weaknesses of board oversight have impact on performance of SOEs					
6. The audit committee is entirely independent in the execution of its duties					
7. There is need to ensure audit independence to in the SOEs' operations					
8. SOEs performs better due to audit committee independence					

	SA	A	U	D	SD
9. The Board impedes the independence of the audit committee`s					
10. The audit committees is aware of its duties of selecting the external auditors, reviewing audit reports					
11. The audit committee duties affect the performance of SOEs					

12. The composition of the audit committee exhibit diversity					
13. There are some limitations governing the duties of audit commit					
14. The audit committees' skills have an impact on the oversight role of SOEs					
15. There is continuous skills development of the audit committee					
16. The chairperson of the audit committee is qualified in Accounting and Auditing					
17. The audit committee is mandated to select the external auditors					

	SA	A	U	D	SD
18. Board Committees regulation influence the SOEs performances					
19. There are statutes govern SOE operations					
20. The audit committees follows international audit guidelines in executing their duties					
21. The scope of the audit committees affect SOEs performances					
22. The Audit committee reports directly to the board chairperson in your SOE					

23. Board oversight influence performances of SOEs					
24. Audit committee`s recommendations are overridden by the overall board					
25. Performance of SOEs have improved as a result of board oversight					

THE END. THANK YOU!!!

APPENDIX V
Specimen Interview Protocol

My name is Venencia Zimidzi. I am a student at Midlands State University studying towards Master of Commerce in Accounting Degree. I am undertaking a research entitled, “**AN ANALYSIS OF THE EFFECTS OF THE AUDIT COMMITTEES ON THE PERFORMANCE OF STATE-OWNED ENTERPRISES IN ZIMBABWE (2011-2015).**” This research is purely for scholarly purposes and all the information you will provide will be treated with utmost confidentiality. Your sincere views and contributions to this research will be greatly appreciated.

Interview Guide

1. Are members in the committees qualified enough to execute their duties for improved performance of the SOEs?
2. Do you have any powers to override decisions for better performances?
3. As audit committees, are you aware of your duties as regards SOEs performances?
4. To what extent does the audit committee duties affect the performance of SOEs?
5. Are there any limitations governing your duties as audit committees?
6. Does the composition of the audit committee augur well for the committee`s duties?
7. Do you have other duties that have been left out of your mandate that could make the committee more effective?
8. Is there a situation where the audit committee`s recommendations are overridden by some other offices?

9. Can you say that the audit committee is entirely independent in the execution of its duties?
10. There is no audit independence to the extent that performance of SOEs has decreased. Do you agree?
11. Can you say SOEs have performed better due audit committee independence?
12. Are there any impediments in the independence of the audit committee`s independence?

THE END. THANK YOU!!!

ZIMIDZI TURNITIN REPORT

Chapter 1: Introduction

1.0 Introduction

The study seeks to analyse the effects of the Audit Committee on the performance of state owned enterprise sector in Zimbabwe. This chapter presents the background to the problem. It also focusses on the research problem that comes out of it and the objectives, research questions and hypotheses. Furthermore, the purpose of the study, significance, the assumptions and the limitations will be explored. The delimitation of the study and the acronyms section will then follow together with the chapter conclusion.

1.1 Background to the Study

The increase in unethical behaviour in corporates has been rising alarmingly in Zimbabwe. The

Match Overview

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