ACCOUNTING RECORDS MANAGEMENT AND QUALITY OF AUDIT SERVICES AMONGST PRIVATE AUDIT FIRMS IN KAMPALA DISTRICT

BY

MUSIMENTA CALIST

REG NO: 21/U/GMBA/14384/PE

A RESEARCH DISSERTATION SUBMITTED TO THE DIRECTORATE OF RESEARCH AND GRADUATE TRAINING IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF DEGREE OF MASTER OF BUSINESS ADMINISTRATION OF KYAMBOGO UNIVERSITY

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DECLARATION

I, Musimenta Calist declare that information in this research dissertation is my own original work and it has never been submitted to any institute of higher learning for any award.

Signature:……………………..…… **Date:**………..………………

MUSIMENTA CALIST

21/U/GMBA/14384/PE

APPROVAL

This is to certify that this research dissertation "***Accounting Records Management and Quality of Audit Services Amongst Private Audit Firms in Kampala District***" was done under my supervision and I hereby approve it for submission to the Directorate of Research and Graduate Training.

Signature:……………………..…… **Date:**………..………………

Assoc. Prof. Mary Maurice Nalwoga Mukokoma

Supervisor

Signature:……………………..…… **Date:**………..………………

Dr. Faith Mugisha Ahabyoona

Supervisor

DEDICATION

This research dissertation is dedicated to my beloved Family and my Children. Thank you so much for supporting me mostly with the atmosphere to study up to this level of education.

May the Almighty God award you abundantly.

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LIST OF ACRONYMS

AI:	Artificial Intelligence
AICPA:	American Institute of Certified Public Accountants
CAQ:	Centre for Audit Quality
CVI:	Content Validity Index
EDMS :	Electronic Document Management Systems
EY:	Ernst & Young
IAASB:	International Auditing and Assurance Standards Board
KPMG:	Klynveld Peat Marwick Goerdeler
PwC:	Pricewaterhouse Coopers
RPA:	Robotic Process Automation
SPSS:	Statistical Package for Social Scientists

ABSTRACT

This study investigated the relationship between of accounting records management and quality of audit services amongst private audit firms in Kampala District. Specifically, the study was guided by four objectives which included examining the relationship between record capturing and quality of audit services amongst private audit firms in Uganda, the relationship between records storage and quality of audit services amongst private audit firms in Kampala District, the relationship between records processing and quality of audit services amongst private audit firms in Kampala District and examining the relationship between record capturing, record storage, record processing and quality of audit services amongst private audit firms in Kampala District. A cross sectional survey utilizing both quantitative and qualitative approach was used. The study targeted 205 participants but 201 managed to respond back. Data was collected using questionnaire from 171 clients of private audit firms and interview from 30 private audit firms. The study findings revealed that there a positive and significant relationship between record capturing and quality of audit services at ($r = .766^{**}$, $p<.01$) and record capturing positively predicts quality of audit services at (Beta = .298, $p=.000$ <0.05). It was also revealed that there a significant and positive relationship between the records storage and quality of audit services at ($r = .763^{**}$, $p<.01$) and record storage positively predicted quality of audit services at (Beta =.017, $p=.000$ <0.05). Furthermore, there a significant and positive relationship between the records processing and quality of audit services at ($r = .749^{**}$, $p<.01$) and record processing was also found to be positively predicting quality of audit services at (Beta =.468, $p=.000$ <0.05). Additionally, all the constructs of accounting records management (record capturing, records storage and records processing) combined, affected the quality of audit services by 79.4%. The study recommended that organizations need to implement providing additional training or support where necessary, streamlining recording procedures, and leveraging technological solutions to simplify the record capturing process. It was also recommended that organizations need to prioritize the implementation of robust security measures to protect sensitive accounting data effectively. This may include adopting encryption technologies and implementing secure authentication protocols. Lastly, it was recommended that, it is imperative for organizations to implement robust measures promptly. Establishing stringent timelines for financial reporting, instituting comprehensive record analysis protocols to detect inconsistencies and conducting regular audits.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

The quality of audit services is essential in managing institutional resources and enhancing financial stability as well as performance by averting fraud, financial scandals, losses and embezzlement (IJCBR, 2023). Ensuring compliance with rules and regulations is largely dependent on audit quality and internal controls. Finding serious mistakes and fraud problems early on and taking corrective action before the situation results in the institution performing below or declining in quality improves the quality of the audit (IJCBR, 2023). The term accounting records management pertains to the optimal protocols that address the creation and upkeep of accounting records as well as the safe and secure delivery and handling of documents (Younas & Md-Kassim, 2019). However, it is unknown whether different organisations maintain proper management of accounting records to enhance quality audit services. Therefore, this study seeks to establish how accounting records management influences the quality of audit services. Therefore, this study will entail the background to the study, statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study, the significances of study and conceptual framework of the study.

1.2 Background to the Study

The background of the study was looked at in four different perspectives of historical, theoretical, conceptual and contextual as described below.

1.2.1 Historical Perspective

Globally, the word audit comes from the Latin word "audire" meaning "to hear". "Quality of Audit services is mainly concerned with the verification of accounting data which determines the accuracy and reliability of accounting statement and records". According to Mautz &

Sharaf (1961), the origins of auditing generally can be intuitively understood as follows: *“The origin of auditing goes back to times scarcely less remote than that of accounting”.*

The invention of double-entry bookkeeping in the year 1494 A.D. is a concrete example of the need for exerting control and stewardship. Throughout European history, fraudulent incidents like as the tulip crisis and the South Sea bubble of the 18th century have justified stronger control over managers (Basu & Waymire, 2020). Companies in the railway, defense, and retail sectors were well aware of the advantages of using audit services. Beyond only examining financial records, these businesses went above and beyond to offer trustworthy operations reports that contained non-financial data including "quantities of parts in short supply, adherence to schedules, and quality of the product" (Basu & Waymire, 2020).

Concerns have been raised regarding the quality of audits due to the current environment and high-profile failures that have appeared globally, including the Enron disaster in 2001, Parmalat in 2003, Cadbury Nigeria Plc in 2006, and Afribank Nigeria Plc in 2009 (Okaro & Okafor, 2013). It has been shown that the perceived reliability of financial data that has undergone auditing has decreased. However, audited financial data is now thought to be more pertinent. Recent financial crises in the US and other countries have brought attention to how important it is for investors to have faith in the accuracy of financial reporting and how high-quality financial reports are required to please both current and potential investors. Laws are essential because a market that is poorly regulated might result in a decline in the quality of financial reporting and governance (Karpoff, 2020). The European Union requires a report with audit quality indicators and the US Department of Treasury has recommended that large audit firms submit one similar to that. In response to this request, audit companies have begun to freely share this data (Ajayi-Nifise, Odeyemi & Falaiye, 2024).

In sub–Saharan Africa, the Public Company Accounting Oversight Board (PCAOB, 2015), the International Auditing and Assurance Standards Board (IAASB) and the Centre for Audit Quality (CAQ) have all recently undertaken audit quality projects that highlight the importance of audit service quality to the audit and accounting sectors. The recent introduction of three different frameworks for evaluating past, present, and future audit quality research indicates that audit quality has been a hot topic in academic research (Detzen & Gold, 2021). Although offering different perspectives on audit quality, these frameworks agree that further research is necessary to improve our understanding of audit quality and its possible improvements.

In most African countries, such as South Africa, Ethiopia, Cameroon and Nigeria, it is widely acknowledged that accounting records management has a significant role in a company's financial performance. Mbah, Makinde-Ojo, Samuel, Popoola, & Adegbola (2020) draw a link between the appropriate handling of accounting records and the profitability of small enterprises in Nigeria. They argued that the lack of this kind of management makes it difficult for companies to assess their own performance, and as a result, he supports maintaining accurate accounting records in order to boost productivity and profitability

In Ethiopia, the nation's first Constitution officially recognized auditing in the early 1930s. This text discussed the need for methods to regulate spending and the appropriate collection of state revenue. Another significant event happened in 1944 with the establishment of the Commission for Audit, whose duty was to examine the Ministry of Finance's books of accounts. The profession grew as a result of the establishment of state budget procedures, the focus on deterring fraud and the expansion of trade and industry (Sida, 2018). Specifically, Cameroon, where there is a noticeable increase in corruption, misuse of public monies, and unequal income distribution (Fossung et al., 2022).

In East African countries, Ibrahim et al. (2014) discovered that accounting records management was influenced by the company's age, the type of ownership, the number of employees and the owner's educational background. Kenya implemented accounting records management in the early 1920’s to provide auditing and quality assurance (Ibrahim et al., 2014). The Audit Department was established in Tanzania in 1957 as a division of the British audit services based in London, England, as stated in Audit Ordinance Cap 86.

In Uganda, since the 1970’s, audit quality has developed into a crucial management tool for attaining efficient control in both public and commercial organisations. Control mechanisms are procedures designed to keep an eye on, steer, encourage or restrict an organization's varied actions in order to ensure that its goals are reached. Audit services offer a foundation for addressing shortcomings that have escaped the first line of defense before these shortcomings become unmanageable or disclosed by identifying flaws in management operations (Mahzan & Binti, 2015). We may not be sure whether many businesses in Uganda have proper accounting records management which in return affects the quality of audit services. It is based on the above background that the researcher has gained interest in carrying out a study to assess the effect of accounting records management on the quality of audit services amongst private audit firms in Kampala.

1.2.2 Theoretical perspective

The research was directed by Limperg's 1932 Theory of Rational Expectations, often known as Inspired Confidence. According to the notion of inspired confidence, the auditor's wide range of societal responsibilities as a confidential agent stems from the necessity for both expert and independent examination and an expert opinion backed by the analyses (Limperg et al., 1985), As per the theory, the necessity for audit services is a direct consequence of the engagement of third parties, or the interested parties of a firm in the business. In return for their monetary investments in the company, these stakeholders expect accountability from the management. Regular financial report releases are one way to promote accountability.

Limperg (1932) suggests that the auditor should always strive to meet the public's expectations regarding the provision of audit assurance as the view holds that the auditor has a duty to search for identify and stop fraud. This theory is relevant to the research because it will make it possible to provide reasonable assurance and verification of the accuracy and fairness of the financial statements which will enhance the quality of audit services. The notion of inspired confidence has significance as it posits that the obligations and accountabilities of auditors stem from the public's faith in the audit process' efficacy and the reassurance that the accountant's opinion provides (Sarens & Beelde, 2006). Auditors are consequently required to uphold a reasonable standard of quality assurance as an audit failure might possibly harm a person's career.

Another guiding theory to the study is the agency theory advanced by Meckling and Jensen (2000). Agency theory provides further direction for the study. The contract that exists between one or more parties the principal and another individual or agent to carry out a service on their behalf and entails granting the agent some degree of decision-making ability is referred to as an agency relationship in agency theory. Agency theory according to Roach (2016) is predicated on the idea that principals and agents act rationally and maximise their wealth via contracting. This has the effect of raising the moral hazard problem. Strengthening and promoting confidence in financial information is the main purpose of audits (Fossung et al., 2022). Understanding how the role of an auditor has changed requires an understanding of agency theory's principal-agent relationship. Principals select agents and delegate some decision-making authority to them.

This action demonstrates to the principals that they believe their agents are acting in their best interests. Principals may not feel confident in their agents, nevertheless, because of the knowledge asymmetry and the agents' divergent objectives. To support this confidence, they might thus need to implement rules like audits. As such, the agency theory which explains how audit quality has changed over time is a trustworthy economic theory of accountability. Researchers such as Jensen and Meckling (1976) and Watts and Zimmerman (1986) assess this dependence on external auditing as a means of mitigating the possibility of accounting manipulation by managers. They maintain that the agency relationship is fundamentally based on the need for external auditing.

1.2.3 Conceptual Review

The study was be guided by accounting records management and quality of audit services. According to Al-Qatamin and Salleh (2020), quality of audit services entail evaluating financial, operational and strategic objectives and procedures inside businesses to determine if they comply with stated values and organisational and legal requirements. Al-Qatamin & Salleh (2020) state that an auditor's ability to spot and disclose abnormalities in financial records for a client is a good indicator of their independence and competency. Velte (2023) asserts that quality of audit quality provides a more robust assurance of superior financial reporting. However, in this study it will be looked at in form of reporting timeliness, audit report reliability and type of audit opinion.

On the other hand, accounting records management involves maintaining sufficient accounting records, such as cash books, ledgers and related registers in order to give proper stewardship and accountability (Prempeh, Osei, Osei & Kuffour, 2022). Absence of accounting records suggests that records have not been kept current, which makes it difficult to monitor, compute and pay penalties and claims when they become due in addition to managing disputes. Failure to retrieve accounting records such as inventory schedules, contracts, financial statements bring about audit queries and compromises audit quality (Prempeh, Osei, Osei & Kuffour, 2022). In this study, it will be looked at in form of records capturing, records storage and records processing. Records capturing refers to the act of gathering, producing and transforming data into a format that can be stored and used later (McLeod & Wilkowska, 2020). It entails the preliminary step of collecting information from several sources. In this study, it will be looked at in form of preparation of records and recording of information. According to Kamble and Trivedi (2023), records storage is the orderly and safe retention of recorded data. It involves choosing the location and method of record storage while guaranteeing security, accessibility and adherence to pertinent laws. In this study, it will be looked at in form of information safety and information confidentiality. Then, records processing includes all activities related to organising, modifying, and analysing data in order to get valuable insights (Li & Li, 2021). Sorting, filtering, and manipulating data are some of the tasks involved in order to make decision-making easier. In this study, it will be looked at in form of records analysis and preparation of reports.

1.2.4 Contextual Perspective

Many companies and organisations audited by private audit firms seem to receive no Audit quality which determines the reliability, reality and integrity of financial and operational decisions (Prempeh, 2022). Therefore, lack of successful implementation of audit tasks means compromises independent managerial decision making, information, conclusions, and evaluations.

Private audit firms provide services that do not conform to the international standards because of constraints which include record capturing, record storage and record processing which in turn affect the quality of audit services in terms reporting timeliness, reliability and type of audit opinion. Contextually the study will be conducted from 30 private audit firms in Kampala in a bid to ascertain how accounting records management has affected the quality of their audit services in terms timeliness reporting, reliability of reports and the audit opinions.

1.3 Statement of the problem

Many entities audited by private audit firms seem not to receive quality audit services which determine the reliability, reality and integrity of financial and operational decisions (Prempeh, 2022). Globally, the quality of audit services is demonstrated by identifying critical errors and fraud issues early and taking corrective action before these issues lead to underperformance or a decline in the institution's performance (Okello, 2022).

Globally, the most successful companies use accounting records as a basis of evaluating financial performance (Mwebesa, 2018). Indeed, according to Onaolapo and Adegbite (2014), the variation in financial performance of various enterprises can largely be explained by the level of accounting records kept and managed.

Okello (2022) further revealed that large amount of the variation in the financial performance and quality of audit reports of various organisations is attributed to the degree of care and attention given to accounting records. This implies that the administration of accounting records management is crucial to any reliable and excellent audit services. This is because the way how records are captured, stored and processed will have much impact on the quality of audit services in terms of timely reporting, report reliability and type of audit opinion.

Therefore, this situation calls to establish the overall relationship between accounting records management and quality of audit services amongst private audit firms in Kampala focusing on how accounting records capturing, record storage and record processing has affected the quality of audit services in terms of reporting timeliness, reliability of audit reports as well as the type of audit opinion.

1.4 Purpose of the study

The purpose of the study was to examine the relationship between of accounting records management on quality of audit services amongst private audit firms in Kampala.

1.5 Objectives of the study

The study was guided by the following objectives;

i) To examine the relationship between record capturing and quality of audit services amongst private audit firms in Uganda.

ii) To assess the relationship between records storage and quality of audit services amongst private audit firms in Kampala.

iii) To investigate the relationship between records processing and quality of audit services amongst private audit firms in Uganda.

iv) To examine the combined relationship between records capturing, records storage, records processing and quality of audit services amongst private audit firms in Kampala.

1.6 Research Questions

The study was guided by the following questions.

i) What is the relationship between record capturing and quality of audit services amongst private audit firms in Uganda?

ii) What is the relationship between records storage and quality of audit services amongst private audit firms in Kampala?

iii) What is the relationship between records processing and quality of audit services amongst private audit firms in Uganda?

iv) What is the combines relationship between records capturing, records storage, records processing and quality of audit services amongst private audit firms in Kampala?

1.7 Hypotheses of the Study

The study was guided by the following hypotheses.

Ho_1: There is no significant the relationship between record capturing and quality of audit services amongst private audit firms in Uganda.

Ho_2: There is no significant the relationship between records storage and quality of audit services amongst private audit firms in Uganda.

Ho_3: There is no significant the relationship between records processing and quality of audit services amongst private audit firms in Uganda.

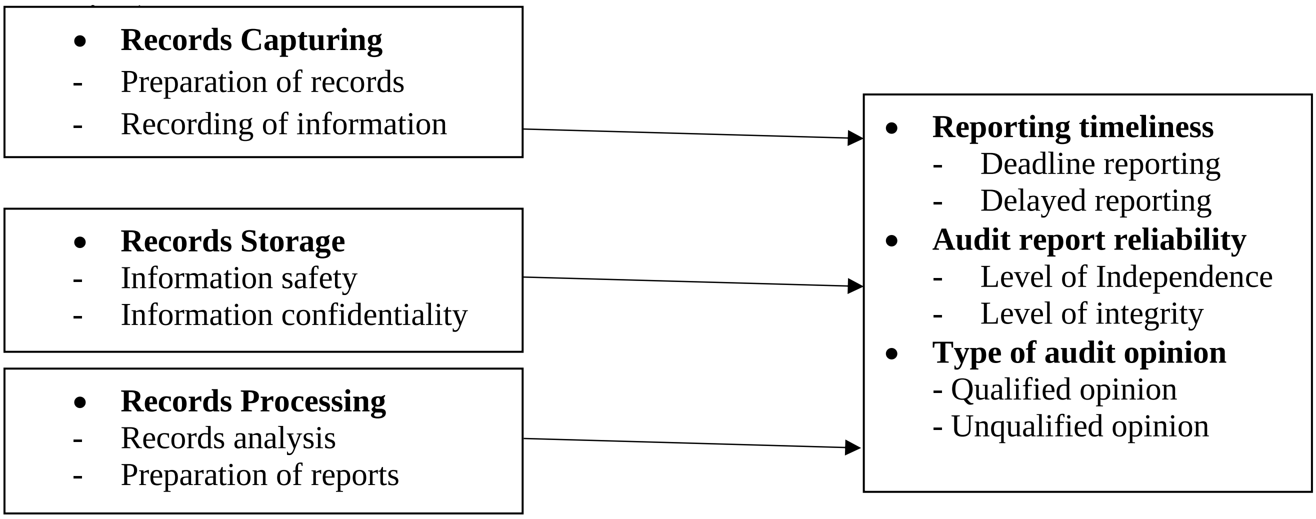
Ho_4: There is no significant the relationship between records capturing, record storage, record processing and quality of audit services amongst private audit firms in Uganda.

1.8 Conceptual framework

This conceptual framework outlines key variables which form the basis for analyzing the effect of accounting records management on quality audit services amongst private audit firms in Kamapala as illustrated below;

Independent variable **Dependent variable**

(Accounting Records Management) **(Quality of Audit**



Source: Adapted with Modified from Corn & Cal Associates Certified Public Accountants (2023) and Jones & Brown (2020).

Figure. 1.1: Study Conceptual Framework

From the conceptual framework above, the independent variable of the study was accounting records management represented by records capturing, records storage and records processing (Jones & Brown, 2020). The dependent variable is the quality of audit services, measured in terms of reporting timeliness, audit report reliability, and the type of audit opinion (Corn & Cal Associates Certified Public Accountants, 2023). The study hypothesized that the way accounting records are managed is related to the quality of audit services. This hypothesis was supported by the findings, which revealed that all constructs of accounting records management record capturing, record storage, and record processing were positively related to the quality of audit services among private audit firms in Uganda.

1.9 Significance of the Study

The study is of great significance as explained below;

The study provides the private audit firms with possible recommendations suggested to improve performance in audit quality besides poor accounting records management from its clients.

It may also act as a key to other related institutions (audit firms) in measuring and finding ways of improving their auditing techniques in cases where there are poor accounting records managements by their clients.

The study findings enable management of private audit firms to institute professional ways of making the role of audit function independent and more relevant to discharging its roles more effectively besides poor accounting records management from some of their clients. This promotes firms' going concern and as well boost the quality of audit services.

The study results enable auditors and private audit firms to gain more knowledge concerning the audit techniques besides poor records management from their clients. This may be done by adopting the suggested recommendations for the different stakeholders and policy makers to improve their performance in records management, financial performance and audit quality.

The study helps academicians, current researchers as well as future researchers and scholars with vivid literature in bid to search for related literature in audit techniques alongside poor accounting records management. This helps them to identify gaps in research and look for ways of filling them.

1.10 Scope of the Study

The scope of the study was classified in terms of; subject scope, geographical and time scope.

1.10.1 Subject Scope

The primary goal of the study was to ascertain the relationship between accounting records management and the quality of audit services among private audit firms in Kampala District. This study was conducted because many entities audited by private audit firms appear not to receive quality audit services, which determine the reliability, accuracy, and integrity of financial and operational decisions (Prempeh, 2022). The administration of accounting records was the independent variable, while audit services were the dependent variable. The primary focus was on examining the relationships between private audit firms' record-keeping practices and the quality of their audit services, as well as the connections between record-processing and audit services. This scope was selected to understand how the management of accounting records influences the quality of audit outcomes, addressing a critical aspect of financial integrity and operational efficiency within private audit firms in Uganda. By focusing on these relationships, the study aimed to provide actionable insights into improving audit service quality through better record management practices.

1.10.2 Geographical Scope

The study was carried from 33 among 35 private audit firms in Kampala District (The Institute of Certified Public Accountants of Uganda, 2023) and 175 clients of such private audit firms. This was because most private audit firms were operating in Kampala and they expected to offer quality audit services which they find challenges because of poor accounting records management from their clients.

1.10.3 Time Scope

The study focused on assessing the effect of accounting record management and audit services for a period of the past 5 years (2019 to 2023). It is upon this time lag that there were high levels of poor accounting records management among the clients of private audit firms

(Prempeh, 2022) and the fact that many private audit firms operate in Kampala, such firms were affected due to technology and related issues which affected the quality of audit services.

1.11 Operationalization of key variables

Accounting records management: This is an organizational function in charge of maintaining accounting data in an organization from the point of generation or reception to the point of disposal.

Records capturing: This refers to process of gathering and assembling data or facts to be preserved as records.

Records storage: This refers to process of keeping documents secure and arranged after they have been taken. This could be in the form of physical storage (paper documents, files) or digital storage (digital files, databases).

Records processing: This refers to the processes involved in maintaining records' organizations from the moment of creation to the end of their existence are collectively. This includes organizing, classifying, updating, retrieving, and, ultimately, deleting documents in compliance with the organization's established

Quality of Audit services: This is the methodical review procedure used to evaluate the timeliness, dependability, and opinion of an audit report, conducted by an audit team or an internal or external quality auditor.

1.12 Conclusion

The accounting records management and quality of audit services amongst private audit firms in Kampala is seen having far reaching effects to each other (Prempeh, 2022). This is because for any audit activity to be carried out, there should be accounting records in place which implies that the way how such accounting records are managed will affect the quality of audit services in terms of reporting timeliness, audit report reliability and type of audit report.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the literature review. This literature review examines the introduction, theoretical review, conceptual review, empirical review and literature gap. Both local and international literature sources were considered in this study. The sources include journals, dissertations, reports, and other internet-based sources.

2.2 Theoretical review

The study was anchored on the theory on agency theory advanced (Meckling & Jensen, 2000). According to agency theory, an agency relationship is a contract that is made between one or more parties, the principal and another person or agent, to perform a service on their behalf and permits the agent to make some decisions. The moral hazard problem, according to Sarens and Abdolmohammadi (2011) stems from the agency theory's tenet that principals and agents behave rationally and utilise contracting to maximise their income. Strengthening and promoting confidence in financial information is the main purpose of audits (Fossung et al., 2022). Understanding how the role of an auditor has changed requires an understanding of agency theory's principal-agent relationship. Agents are chosen by principals, who also give them some decision-making power.

The principals trust that by doing this, their representatives will act in their best interests. However, due to information asymmetry and agents' competing interests, principals could lose faith in their agents. They may thus need to put policies like audits in place to bolster this confidence. As a result, the agency theory advances our knowledge of the evolution of audit quality and provides a solid economic theory of accountability. Academics like Jensen and Meckling (1976) and Watts and Zimmerman (1986) have contended that the necessity of external auditing forms the basis of the agency relationship. They look at how external auditing is used as a technique to lessen the possibility of accounting manipulation by managers. In light of the audit services' attributes, the organization's size, and the range of its operations, agency theory will help this study explain why there is quality in audit services.

The study used the theory of inspired confidence (Theory of rational expectations) which was advanced by Limperg in 1932. The concept of inspired confidence states that the need for an expert opinion supported by analyses and an independent, expert evaluation gives rise to the auditor's extensive social duties as a confidential agent (Limperg et al., 1985). As per the theory, the necessity for audit services is a direct consequence of the engagement of third parties, or the interested parties of a firm, in the business. In return for their monetary investments in the company, these stakeholders expect accountability from the management. Regular financial report releases are one way to promote accountability. The accuracy of this information must be ensured by an audit, because outside parties cannot directly monitor it and may be biased when the management distributes it.

According to Limperg (1932), an auditor should always strive to provide audit assurance in a way that meets the expectations of the stakeholders. The opinion holds that it is the auditor's responsibility to seek for, spot, and prevent fraud. Because it will provide reasonable assurance and verification of the fairness and correctness of the financial statements, this theory is pertinent to the research because it will improve the audit services. The concept of inspired confidence is important because it suggests that the public's trust in the effectiveness of the audit process and the assurance that the accountant's judgement offers is the source of auditors' duties and responsibilities (Sarens & Beelde, 2006). Since an audit failure might potentially ruin a person's career, auditors are therefore obliged to maintain a fair level of quality assurance.

2.3 Conceptual review

A review on the study variables accounting records management and quality of audit services.

2.3.1 Accounting records management

Accounting records serve as the foundation for informed decision-making, financial reporting, and regulatory compliance. The proper management of these records is essential for ensuring the integrity of financial data and enhancing organizational efficiency (Jones et al., 2020). This review provides insights into the multifaceted aspects of accounting records management. The crucial aspects of accounting records management encompass records capturing, storage, and processing. In an era marked by information overload and increasing regulatory requirements, the effective management of accounting records play a pivotal role in ensuring transparency, accuracy, and compliance within organizations (Smith & Jones, 2018). This review explores the significance of maintaining robust accounting records systems, discusses modern approaches to records capturing and storage, and evaluates the evolving landscape of records processing methodologies.

The shift towards electronic accounting records has revolutionized the field of accounting records management. Electronic records offer advantages such as enhanced accessibility, real-time updates and reduced physical storage costs. The adoption of electronic records has led to streamlined financial reporting processes and improved decision-making (Smith & Jones, 2018). As accounting records increasingly transition to digital formats, the security and privacy of sensitive financial information become paramount (Prasetianingrum & Sonjaya, 2024). Data breaches and cyber-attacks can have severe financial and reputational consequences. Thus, the importance of implementing robust cyber security measures to safeguard accounting records from unauthorized access (Prasetianingrum & Sonjaya, 2024).

Records Capturing

Records capturing comprises the first gathering of financial information and pertinent records. More sophisticated digital procedures, like automated data entry systems and optical character recognition (OCR) have replaced labor-intensive manual processes (Tripathi, 2024). These advancements speed up the conversion of paper-based documents into electronic formats, increasing precision and decreasing human error.

Records Storage:

Efficient records storage involves the systematic organization, categorization, and preservation of accounting records. Conventional paper-based filing has been replaced by electronic document management systems (EDMS) and cloud-based storage solutions. These systems offer benefits such as accessibility, security, and disaster recovery capabilities (Jones & Brown, 2020).

Records Processing

The processing of accounting records has evolved alongside technological advancements. Automation, artificial intelligence (AI) and machine learning are revolutionizing data processing tasks. Automation streamlines routine processes like data reconciliation and journal entry creation, allowing accountants to focus on higher-value tasks (Cheng et al., 2019). Therefore, efficient management of accounting records is a fundamental prerequisite for sound financial management and compliance. From records capturing to processing, organizations must adapt to technological advancements and implement best practices to enhance accuracy, accessibility and security. As data volumes continue to grow, the role of technology in accounting records management becomes increasingly vital.

2.3.2 Quality of audit services

In the business world, the efficiency of audit services in guaranteeing financial accountability and transparency is still a major challenge (Tumwebaze, Mukyala, Ssekiziyivu, & Tumwebonire, 2018). Transparency, accountability, and stakeholder confidence have become more important as the field of financial reporting and auditing has developed throughout time (Tumwebaze *et al.*, 2018). The general efficacy of audit services is influenced by the promptness of reporting, the accuracy of audit reports, and the kinds of audit views that are provided. Together, these factors affect how different stakeholders see, use, and depend on financial information.

Reporting timeliness and quality of audit Services

The foundation of financial communication is timely reporting, which enables stakeholders to act quickly and decisively. The significance of prompt financial reporting for mitigating information asymmetry and improving capital market efficiency (Ozer, Merter & Balcioglu, 2023). This component is especially important for audit services, since auditors are required to make sure financial statements are created and audited in a timely manner in order to keep them current and valuable (Ozer, Merter & Balcioglu, 2023).

Audit Report Reliability

The trustworthiness of financial information is directly impacted by the accuracy of audit reports. The significance of audit quality in enhancing investor trust and mitigating information risk. The competence, independence, and ethical standards of auditors are intimately linked to the quality of audit services, as evidenced by the dependability of audit reports (Alsughayer, 2021). An accurate representation of an entity's financial status in an audit report helps to reduce the agency problem between shareholders and management.

Types of Audit Opinion

The different kinds of audit opinions from unqualified, qualified, disclaimer to adverse offer important information about an entity's financial situation. The importance of various audit views is providing information on possible hazards and financial misstatements (Farnham, 2023). The sort of audit opinion that is produced not only indicates the seriousness of the financial irregularities but also provides information to stakeholders on the efficacy of internal controls and the accuracy of financial reporting.

2.4 Empirical review

This section was presented in the order of the study objectives.

2.4.1 Record capturing and quality of audit services.

In the modern business environment, the accurate and timely capture of financial records has become a critical component of maintaining transparent and compliant financial reporting. The quality and dependability of these financial data are also critically checked by the audit services offered by private audit companies (AICPA, 2021). A thorough gathering, categorization, and arrangement of financial data are necessary for efficient record-keeping. It offers the structure for preparing financial statements that faithfully represent an organization's financial situation and performance (Bhadargade & Joshi, 2020). Complete and accurate record keeping raises the trustworthiness of financial reporting and gives audit procedures a solid foundation (Sofik, 2024). Businesses are depending more and more on sophisticated software systems to automate the process of gathering records, reducing the possibility of mistakes and guaranteeing data accuracy as the digital revolution quickens.

According to AICPA (2021), private audit companies play a crucial role in confirming the precision of financial records and guaranteeing adherence to pertinent rules through their audit services. Auditors evaluate internal controls, look over financial transactions, and offer unbiased assessments of the financial statements' fairness (AICPA, 2021). Good audit services increase the legitimacy of financial reports and give stakeholders assurances about the veracity of the data that is revealed. The relationship between record capturing and audit services is symbiotic in nature. High-quality record capturing practices provide auditors with reliable source data, expediting their assessment process and reducing the likelihood of material misstatements (Gaynor et al., 2020). Conversely, the rigor of audit procedures compels organizations to maintain meticulous record capturing practices to withstand scrutiny (Gaynor et al., 2020). Close collaboration between record capturing personnel and auditors is essential to ensure that financial data is accurately represented and accessible for examination.

KPMG (2020) revealed that advancements in data analytics and artificial intelligence are revolutionizing both record capturing and quality of audit services. Automated record capturing processes enable firms to gather and process large volumes of data efficiently, while auditors leverage data analytics to identify patterns and anomalies that could indicate irregularities (KPMG, 2020). In a similar vein, Bhadargade and Joshi (2020) found that legal frameworks like the Sarbanes-Oxley Act highlight the significance of strong internal controls, which affect record-keeping and audit procedures to guarantee data integrity and openness. There are several ramifications for private audit businesses from the changing link between record keeping and high-quality audit services. To guarantee the precision and applicability of financial data, record-capturing teams and auditors must work together more closely and communicate more frequently (Sofik, 2024). Organisations need to adjust to technology breakthroughs in order to maximise the efficiency and efficacy of record-capturing and audit procedures.

Mvunabandi and Maama (2023) revealed that effective record capturing, encompassing the accurate and comprehensive documentation of financial transactions and relevant information, serves as the cornerstone for auditors in substantiating financial statements and evaluating internal controls. The quality of audit services is significantly influenced by the accessibility, accuracy, and completeness of records, as they form the basis for evidence gathering and risk assessment. Inadequate record capturing can impede the auditor's ability to detect errors, irregularities, or instances of fraud, thereby compromising the overall quality of the audit. Relatedly, Cameran et al. (2022) revealed that the impact of record capturing on audit quality extends beyond mere compliance, encompassing the ability to provide valuable insights to stakeholders and regulatory bodies.

2.4.2 Record storage and quality of audit services

According to Tahir, Chen, Khan, Ming, Ahmad, Nazir & Shafiq (2020), effective auditing requires efficient record storage as a basic need. Cloud-based systems and digital repositories are examples of electronic storage solutions that have gained popularity because of their scalability, accessibility, and lower danger of physical loss (Tahir *et al.,* 2020). By enabling simple retrieval, better organisation, and a reduction in paper-based mistakes, advanced record storage increases audit efficiency (Tahir *et al.,* 2020). It is also crucial to preserve the integrity and security of financial documents. Sensitive financial information is protected from potential breaches and unauthorised access through the use of strong cybersecurity protections and encryption methods (Tahir *et al.,* 2020). According to a survey conducted by Deloitte (2020), 86% of respondents emphasized the significance of secure record storage in maintaining client trust and meeting regulatory standards.

Effective record storage and audit services contribute to superior client engagement and relationship building (KPMG, 2020). Timely access to accurate financial information and transparent audit processes foster trust between private audit firms and their clients. The research by PwC (2021) emphasizes how collaborative audit services, coupled with secure record storage, lead to improved client satisfaction and prolonged partnerships. Private audit firms must adhere to rigorous professional standards and regulatory frameworks. Advanced record storage systems aid in meeting documentation requirements and streamlining audit procedures. A study by EY (2019) underscores the role of digital record storage in helping private audit firms adhere to evolving regulatory guidelines and maintain audit quality. The symbiotic relationship between record storage and audit services significantly influences the effectiveness and competitiveness of private audit firms (EY, 2019). Embracing modern storage technologies and integrating audit services with advanced tools enhances efficiency, security, and client relationships.

Whether digital or physical, efficient record-keeping systems are essential to maintaining the integrity and completeness of financial information throughout time (Akhor, 2023). The simplicity of retrieving, validating, and analysing stored documents by auditors has a direct bearing on the quality of audit services. Inadequate record storage can jeopardise the audit process by making it more difficult for the auditor to carry out in-depth investigations and evaluations, whether as a result of disarray, a lack of security, or antiquated technology (Akhor, 2023). Additionally, according to Elmarzouky et al. (2023) proper record storage is essential for maintaining the audit trail, facilitating transparency, and ensuring compliance with regulatory standards.

2.4.3 Records processing and quality of audit services

Financial record examination and manual sampling have always been the mainstays of audit services. But a move towards a data-driven audit strategy is now necessary due to the widespread use of digital records and complex information systems (Fedyk, Hodson & Khimich, 2022). This change encompasses the use of data analytics tools to analyse large volumes of data, enabling auditors to uncover hidden insights and anomalies (KPMG, 2020). The integration of advanced technologies such as artificial intelligence (AI), machine learning, and robotic process automation (RPA) has redefined the efficiency of audit processes. These technologies facilitate the swift extraction, processing, and analysis of data, reducing the time required for audits and enhancing accuracy (Deloitte, 2020). Automation of routine tasks frees auditors to focus on higher-value activities such as strategic analysis and risk assessment.

The integration of records processing and technology-enabled quality audit services has contributed to an elevated level of audit quality. Real-time data access and analysis allow auditors to identify risks and anomalies promptly, resulting in more comprehensive and accurate audit reports (EY, 2019). Furthermore, data-driven insights enhance auditors' ability to provide valuable recommendations for internal controls and risk management (PwC, 2021). Despite the benefits, the adoption of advanced records processing and an audit technology presents challenges. Data security concerns, technical proficiency gaps, and the potential overreliance on automated tools need careful management (KPMG, 2020). Maintaining a balance between human judgment and technological assistance is crucial to preserving the credibility of audit outcomes.

The integration of records processing and advanced audit services reshapes client-auditor relationships (Deloitte, 2020). Private audit firms that effectively leverage technology can offer insights beyond compliance, positioning themselves as strategic advisors (Deloitte, 2021). This evolution adds value to clients' decision-making processes and strengthens the long-term partnership between audit firms and businesses. The dynamic interplay between records processing, technology, and audit services is fundamentally reshaping the landscape of private audit firms. The adoption of advanced technologies has led to increased efficiency, elevated audit quality, and enhanced value propositions (Deloitte, 2020). However, the transition is not without challenges, and audit firms must judiciously navigate the complexities to maintain the integrity and relevance of their services in this digitally-driven era.

Pinto et al. (2019) revealed that since records processing involves the systematic organization, analysis, and interpretation of financial data, it forms the backbone of an auditor's evidentiary support for financial statements. The quality of audit services is intricately tied to the accuracy, completeness, and timeliness of records processing, as it directly influences an auditor's ability to identify risks, assess internal controls, and ultimately render an informed opinion on the financial health of an entity. Furthermore, Elmarzouky et al. (2023) revealed that efficient records processing facilitates the detection of anomalies, errors, or fraudulent activities, contributing to the overall rigor and reliability of the audit.

2.5 Literature gap

From the literature reviewed above, it showed that different scholars have put forward some information regarding accounting records management on quality of audit services. However, there are a number of gaps in that most of the studies did not focus on private audit firms. Therefore, this prompted the researcher to fill this gap by conducting the study.

The previous studies had focused on other sectors mainly public sector.

Besides that, most of the studies were mostly qualitative in nature hence leaving out the aspect of the quantitative nature hence making this important to have a study using quantitative approaches.

Furthermore, most of the studies were not carried out in Uganda. Therefore, the literature lacked the Ugandan Context. Therefore, there was a need for this study to bridge those gaps by examining the relationship between of accounting records management on quality of audit services amongst private audit firms in Kampala District in Uganda.

2.6 Conclusion

Per the reviewed literature, it shows that there is much relationship between accounting records management and quality of audit services Elmarzouky et al. (2023). This is because proper records management helps in audit trails and ascertaining easily where audit issues are. This finally helps to produce audit reports in time and at the same time reliable to the users.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This section outlines the approach that was used to carry out the investigation. This includes the population and study region, sample size and methods, data collecting, and sampling design. Along with the data processing, analysis, and measurement of variables, it also provides the data quality control procedures that were employed and the ethical considerations surrounding the research study.

3.2 Research Design

In addressing the study questions and objectives, a research design serves as a roadmap or plan of action. It serves as the framework or structure for resolving a particular issue. It organizes the study and provides guidance. It describes the procedure that was followed for the study from the beginning to the end (Cooper & Schindler, 2011; Kothari, 2014). A cross-sectional survey research approach was used for this study. The design was implemented due to its ease of use and convenience in conducting interviews, using questionnaires, or using both. Compared to a longitudinal research design, the cross-sectional study design was preferred since it gathers data from a sample of a specific population and conducts measurements at a single moment in time (Mugenda & Mugenda, 2013). This design conserves resources and saves time. The method of gathering data from a sample of individuals chosen to reflect a certain target group is known as a cross-sectional research design. Using a mixed-method approach, the study used both quantitative and qualitative approaches. When working with non-numerical data, a qualitative method was employed, but a quantitative technique was used to get objective insights that were applied to a larger population. Individual, face-to-face interviews were conducted as part of this strategy. The goal of using a mixed-method approach was to make triangulation easier by utilising one data technique's advantage to offset one approach's shortcomings.

3.3 Study Population

A population, according to Creswell (2018), comprises every member of the population that the researcher is considering for the pertinent study. The target population of this study comprised of 30 private audit firms in Kampala and these were considered because it was a reasonable number compared to 161 total number of private firms in Uganda (The Institute of Certified Public Accountants of Uganda, 2023) and they will better position to share experiences with the quality of services and the accounting records management.

3.4 Determination of Sample size

A sample is a portion of the population that is used to make generalisations about the entire population. The sample size was established using the Krejcie & Morgan (1970) as show below.

Table 3.1: Study Sample Size

Population category	Population	Sample	Sampling Technique
Private audit firms	35	32	Purposive Sampling
Clients	320	175	Simple Random Sampling
Total	355	**207**	

Source: Field data (2023)

3.5 Sampling Techniques and Procedure

The study employed simple random sampling and purposive sampling. A simple random sample technique was used to determine the clients' involvement in this investigation. Because it provides equal chance for all clients' private audit firms to be included in the study. Since there was an equal probability of selection for each respondent to participate in the study, simple random sampling was utilised (Amin, 2005). The study employed the purposive sampling approach to choose audit firms and staff members to participate. In this study, firm directors, partners, and managers were considered and one person was selected to represent the firm.

3.6 Data Collection Methods

The management of audit firms and clients provided information for the research using primary and secondary approaches. The researcher gathered data using the following methods: questionnaire surveys and interviews, and document reviews (Barifaijo et al., 2010; Amin, 2005).

3.6.1 Questionnaire Survey

A survey comprised a collection of questions on a form directed at a group of people who possessed certain information needed by the researcher (Amin, 2005). Since this survey primarily targeted literate respondents, the study used closed-ended questions in English. This method provided the benefit of allowing busy people to conveniently answer the questions at a time that suited their schedules (Iwaniec, 2019). Additionally, the questionnaire survey method was used because of its cost-effectiveness and efficiency, while also ensuring the privacy and confidentiality of the respondents.

3.6.2 Interview Method

The research also incorporated the use of interviews to gain a deep understanding of the study variables. Face-to-face interviews were scheduled with key individuals, specifically the directors and management teams of the audit firms. The interviews featured open-ended questions to encourage participants to provide comprehensive insights that aligned with the study's objectives (Nathan et al., 2019). The choice of one-on-one interviews ensured the confidentiality of responses, particularly when addressing sensitive information. To facilitate these interviews effectively, a well-structured interview guide was developed to guide the interview process. This method was used to collect qualitative data that could not be generated using the questionnaire survey method.

3.7 Data Collection Instruments

3.7.1 Questionnaire

A questionnaire is a tool used in research that asks a set of questions with the goal of obtaining data from participants. In order to collect data from the clients of the audit firms, this study employed self-administered questionnaires that had been specially created with the study goals in mind. Closed-ended questions using a 5-point Likert scale style were asked; the answers were5-strongly agree, 4-agree, 3-neutral, 2-disagree, and 1-strongly disagree. The questionnaire was selected based on its ability to optimise the percentage of individuals who answer, or, to put it another way, its high response rate.

3.7.2 Interview Guide

An interview is a discussion in which a researcher records information from the interviewee while attempting to obtain information from them for research purposes. It is a spoken exchange between two individuals with the aim of gathering pertinent data for the purpose of research, primarily gathering qualitative data (Amin, 2005). Data from the directors and management personnel of the selected private audit businesses in Kampala were gathered for this study using a structured interview guide. This particular tool was selected due to its ability to gather a variety of viewpoints. It was also preferred because it makes it easier to understand an interviewee's nonverbal cues and was more effective at gathering precise information.

3.8 Validity and Reliability

3.8.1 Validity

A research instrument's validity is determined by how well it assesses the objectives it was designed to (Amin, 2005). A comprehensive range of the characteristics being studied was indicated by content validity. To accurately outline the objectives of the study and evaluate its content validity, a review of the literature was done. Experts in the fields of auditing and financial management, including my academic supervisor, were consulted to confirm that the tool's components align with the objectives of the study and the literature review. Each item on the instrument was rated by the experts as either relevant or unrelated. The Content Validity Index (CVI) was computed to demonstrate the validity of the study instrument. C.V.I. is the sum of the relevant things scored well by each judge divided by the total number of items in the questionnaire, as shown below. $CVI = \frac{No.of\_items\_rated\_relevant}{Total\_no.\_of\_items}$

According to the recommendations of (Mugenda & Mugenda, 2013), a CVI value were more than 0.7 and were then taken into consideration for a legitimate research instrument.

3.8.2 Reliability

A research instrument is considered reliable if it consistently produces results following several trials (Amin, 2005). From the Office of the Auditor General, the researcher used 35 participants to pilot the research instruments in order to establish reliability. Research instrument comprehensiveness, sentence structure, and linguistic clarity were all evaluated by piloting. Using the SPSS software, a Cronbach alpha coefficient reliability test was conducted to determine the instrument's dependability. According to Mugenda & Mugenda (2013), the research instruments were deemed dependable because coefficients of 0.7 or above were obtained.

3.9 Procedure of Data Collection

The researcher conducted the study among thirty private audit companies located in Kampala by obtaining an introduction letter from the Directorate of Research and Graduate Training. The objective of this correspondence was to seek authorization from the directors/partners of the selected audit firms to conduct scholarly research. In order to use questionnaires in the main study a pilot study was conducted at the Auditor General's office. The questionnaire and interview guide were then improved by the researcher using the feedback from these piloted respondents.

The researcher thereafter scheduled meetings with the participants and significant informants on the study's execution. To guarantee comprehension and clarity, the researcher was made to make sure that questions were asked to respondents while they were present during data collection. With the assistance of a research assistant, the data collection took place over the course of two weeks. The research process came to an end with the writing and submission of a report following data collecting and analysis.

3.10 Data Analysis

3.10.1 Analysis of Quantitative Data

Using percentages, means, and standard deviations in this study, quantitative data was presented as descriptive statistics. The researcher examined the associations at 99 and 95 confidence levels using Pearson's correlation statistics. To find out how much accounting records management affects audit quality services, a regression analysis utilising ANOVA, statistics of adjusted R^2 values, beta, and significance values were performed.

3.10.2 Analysis of Qualitative Data

The audit team identified suggestions, conclusions, and inferences in which audit competence, independence, and integrity were identified through the use of the content analysis technique to analyse qualitative data. Interview responses were organized into major themes. Additionally, there were establishment similarities and discrepancies between the quantitative results and the themes identified during the qualitative interviews.

3.11 Measurement of Variables

Accounting records management was the independent variable in this study while audit services was dependent variable. Preparation or creation of financial records, Record capturing, reporting of financial statements, Audit Competence to Reliable information and offer constructive and timely suggestions to management's action, Audit Independence in providing clear, concise, convincing & unbiased opinion, Audit Integrity were identified and prioritized areas for improvement within the scope of the audit (Corn & Cal Associates Certified Public Accountants (2023; Jones & Brown, 2020). Respondents used a five-point Likert scale to anonymously score the item (1-strongly agree to 5- strongly disagree). Respondents were asked to rank the level of agreement or disagreement to items in the questionnaire. According to Collis and Hussey (2003), the Likert rating scale was used which enabled an opinion to be assigned a numerical value.

3.12 Ethical consideration

Creswell (2018) asserts that ethical issues were seen to be extremely important in any research. Principles including as confidentiality, obtaining consent from respondents and avoiding plagiarism were considered

All of the respondents' answers, including the questionnaires and the interviews, were kept confidential and used only for academic research.

In order to take part in the research, participants had to first voluntarily consent. The researcher gave them a thorough explanation regarding the respondents' duties and rights in the study. The study only included participants who voluntarily give their consent and those who declined were excluded.

In order to prevent instances of plagiarism, several researchers, scholars, and academicians were cited and during the literature review, the literature was rephrased and paraphrased to reduce plagiarism cases. Turnitin was also used to check the research for plagiarism.

3.13 Limitations of the Study

The research study encountered several limitations which included;

Firstly, obtaining information from respondents was challenging due to their rigidity and concerns about privacy of their information. To address this, the researchers clarified the study's purpose and assured participants of strict confidentiality for their data. However, it remains uncertain if some respondents withheld certain information.

Secondly, some respondents faced time constraints and couldn't promptly engage with the researcher due to their work commitments. This resulted in delays in the data collection process. To overcome this issue, the researcher distributed questionnaires to respondents, allowing them to fill them out in their free time and be collected afterwards. Despite these efforts, some questionnaires remained partially unanswered, and errors in the provided information introduced inaccuracies in the data. Nevertheless, the researcher managed to mitigate this limitation by conducting data cleaning procedures.

3.14 Chapter conclusion

In Chapter Three, the researcher outlined the procedures for data collection to be carried out in the field. This section provides a comprehensive explanation of the methodologies to be employed, as well as the subsequent analysis and interpretation of the data. After receiving approval for the research proposal and data collection tools, the researcher commenced fieldwork to gather data according to the study's objectives. Once the data collection phase was complete, Chapter Four was prepared to present the results and findings, categorized by respondents' demographic characteristics and aligned with the study's objectives.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF STUDY FINDINGS

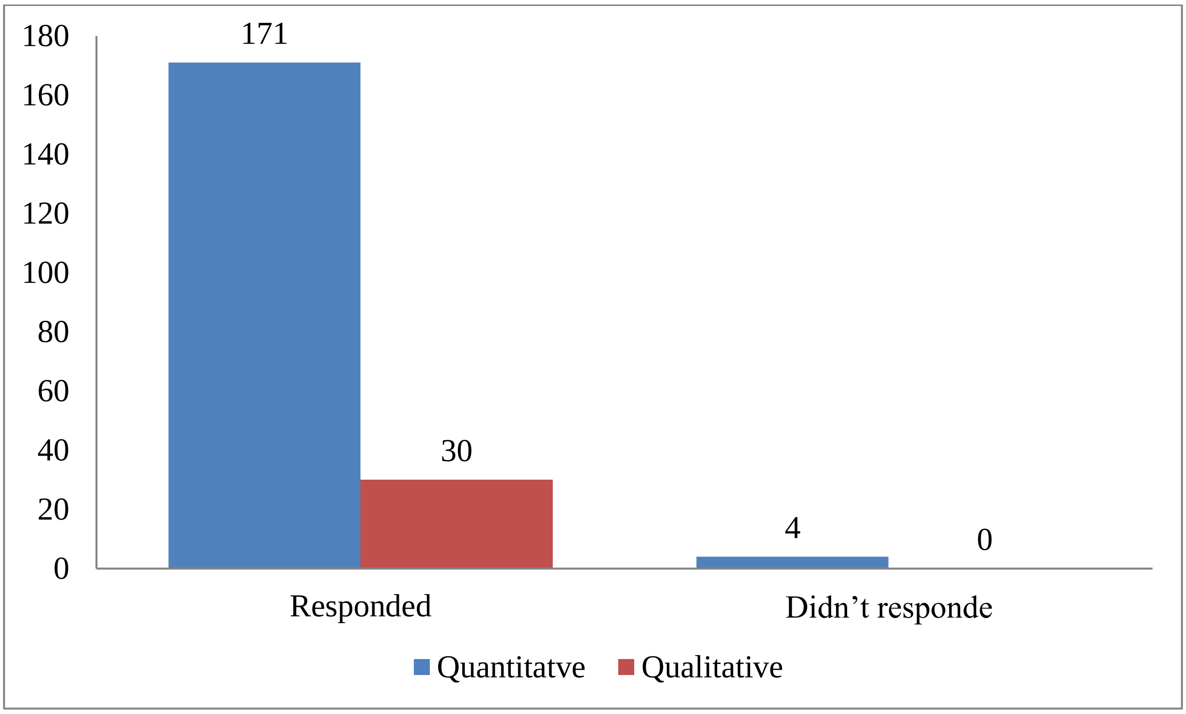
4.1 Introduction

This chapter captures the presentation, analysis and interpretation of the study findings. The chapter includes the presentation of the descriptive statistics of the study, specifically on the demographic characteristics of the respondents and followed by findings on study objectives which include examining the relationship between record capturing and quality of audit services amongst private audit firms in Uganda, the relationship between records storage and quality of audit services amongst private audit firms in Kampala and the relationship between records processing and quality of audit services amongst private audit firms in Uganda.

4.2 Response Rate

The figure below displays the tally of respondents who provided responses and those who did not.

Figure 4.1: Showing the response rate



Source: Field data, 2024

Based on the data presented in Figure 4.1, for quantitative data out of 175 targeted 171 (97.9) managed to respond which means that only 04 (2.3%) didn't respond. For qualitative data, all the 30 targeted participants 100% managed to respond back. This indicates that the response rates for both quantitative and qualitative data exceeded 70%, as recommended by the Guttmacher Institute (2006), making the study's response rate satisfactory.

4.3 Findings on the Bio-data information of the respondents

The study gathered respondents' demographic data to assess several factors, such as gender, age, education, marital status, and duration of engagement with audit firms. The findings are presented in tables, showcasing frequencies and percentages.

Table 4.1: The Bio-data information of the respondents

Bio-data Information	Category	Frequency	Percent
Gender	Male	128	63.7
	Female	73	36.3
	Total	**201**	**100.0**
Education	Diploma	20	10.0
	Bachelor's Degree	162	80.6
	Master Degree	19	9.5
	Total	**201**	**100.0**
Age	18-29 years	15	7.5
	30-39 years	26	12.9
	40-49 years	80	39.8
	50-59 years	61	30.3
	60 years & above	19	9.5
	Total	**201**	**100.0**
Marital Status	Single	57	28.4
	Married	144	71.6
	Total	**201**	**100.0**
Time taken while dealing with audit firms	Less than a year	8	4.0
	1-5 years	72	35.8
	6-10 years	65	32.3
	11-15 years	48	23.9
	16 years and above	8	4.0
	Total	**201**	**100.0**

Source: Field data, 2024

According to the data presented in Table 4.1, it was noted that 63.7% of the respondents were male, while 36.3% were female, indicating a slight predominance of male participants in the study. However, the inclusion of 36.3% female respondents was considered adequate to ensure a gender-inclusive perspective. These findings highlight the consideration of viewpoints from both genders in the study. Nonetheless, it's important to emphasize that the study required objectivity, and thus, gender disparities did not affect the validity or accuracy of the research.

According to the data in Table 4.1, it was revealed that 10.0% of participants possessed diplomas, 80.6% held bachelor's degrees, and 9.5% had master's degrees. This information suggests that the participants had formal educational qualifications. Their educational levels equipped them with the ability to understand the study's questions and offered reliable responses regarding the questions asked.

According to the data in Table 4.1, the majority 79.6% of respondents were over 40 years old, with the remaining 20.4% below that age. This indicates that the participants primarily consisted of individuals who are at an age where they typically engage with audit services. Moreover, their maturity suggests they were capable of understanding the study's objectives and providing accurate information.

From Table 4.1 above, it was observed that majority 71.6% of the respondents were married and 28.4% were single. This indicates a majority of the respondents were married. This could be having responsibilities hence encouraging them to start businesses or work to provide to their family members. That said, the study demanded objectivity, therefore, differences in marital status had no bearing on the validity or accuracy of the study.

The data presented in Table 4.1 shows that majority 60.2% of the respondents had been dealing with audit firms for 6 years and above, whereas 39.8% had dealt with audit firms for less than

6 years. As a result, they had a thorough grasp of the relationship between of accounting records management on quality of audit services amongst private audit firms, enabling them to offer reliable insights aligned with the study's objectives.

4.4 Descriptive Statistics for records management and quality of audit services

4.4.1 Responses for quality of audit services amongst private audit firms

The respondents in the study were asked to provide their feedback on quality of audit services amongst private audit firms and were guided to rank their responses. To interpret the results was done in means, and standard deviations compared to grand mean.

Table 4.2: Description of audit quality of audit services amongst private audit firms

Quality of Audit Services	*Min*	*Max*	*Mean*	*SD*
Reporting Timeliness				
The audit firm consistently meets the reporting deadlines set by regulatory authorities.	1	5	3.07	1.313
Reporting delays might cause miscommunications between auditors and clients.	1	5	3.74	1.186
The audit process becomes less effective when reporting deadlines are not met	1	5	2.99	1.333
Timely reporting enhances the credibility of audit findings and conclusions	3	5	4.33	.592
Delays in reporting are often due to unforeseen complexities in the audit process	2	5	3.71	.986
Adequate resources allocated to the audit process can help prevent delayed reporting	3	5	4.23	.642
Clients are willing to tolerate slight delays in reporting if the audit quality is maintained	1	5	2.98	1.346
Clear communication between auditors and clients can help manage expectations regarding reporting timelines	3	5	4.12	.562
Audit report reliability				
The audit team conducts their work without being influenced by the client's management	1	5	3.82	.998
The audit team ensures that conflicts of interest do not compromise their independent stance	1	5	3.09	1.086
Independence is evident in the audit team's interactions with the client's personnel.	2	5	3.74	.794
Auditors prioritize their professional judgment over any external pressures	1	5	3.51	1.124
The auditors consistently uphold a high standard of ethical behaviour in their work.	1	5	3.56	1.232
The auditors are committed to delivering unbiased and truthful audit opinions.	2	5	3.89	.793
Integrity is reflected in the accuracy of the audit team's findings and conclusions.	2	5	3.95	.781
The audit firm's culture encourages and rewards ethical behaviour among auditors.	1	5	3.54	1.075
Type of Audit opinion				
I believe that a qualified opinion could impact stakeholders' perceptions of a company's financial health and stability	3	5	4.35	.617
The auditor's decision to issue a qualified opinion should be thoroughly explained in the audit report	4	5	4.51	.501
The severity of the issues leading to a qualified opinion should be considered when evaluating the impact on investment decisions	2	5	3.86	.978
Companies receiving a qualified opinion should provide additional explanations or clarifications about the identified issues	4	5	4.46	.500
A company receiving an unqualified opinion demonstrates a strong adherence to accounting standards and proper financial reporting	3	5	4.30	.593
I believe that an unqualified opinion enhances stakeholders' confidence in the accuracy of a company's financial information	3	5	4.16	.611
Investors are reassured by an unqualified opinion that the financial statements include no substantial misstatements or issues.	1	5	3.45	1.223
Auditors should clearly communicate the rationale behind an unqualified opinion to provide transparency to stakeholders	3	5	4.18	.571
Grand Mean			***4.16***	

Source: Field data, 2024

Table 4.2 above presents the descriptive statics of the respondents' views on quality of audit services amongst private audit firms. The findings revealed that timely reporting by audit firms enhances the credibility of audit findings and conclusions (Mean = 4.33), adequate resources allocated to the audit process can help prevent delayed reporting (Mean = 4.23) and participants believed that a qualified opinion could impact stakeholders' perceptions of a company's financial health and stability (Mean = 4.35). Furthermore, there was quality of audit services since the auditor's decision to issue a qualified opinion should be thoroughly explained in the audit report (Mean = 4.51), companies receiving a qualified opinion should provide additional explanations or clarifications about the identified issues (Mean = 4.46), a company receiving an unqualified opinion demonstrates a strong adherence to accounting standards and proper financial reporting (Mean = 4.30), it was believed that an unqualified opinion enhances stakeholders' confidence in the accuracy of a company's financial information (Mean = 4.16) and lastly Auditors should clearly communicate the rationale behind an unqualified opinion to provide transparency to stakeholders (Mean = 4.18). This was so because these items scored mean values above the grand mean of (4.16). This meant that majority of the respondents agreed with these statements.

From the interview results, different opinions were raised. Regarding why timely reporting is crucial in the context of audit services, one of the respondents revealed;

> *…timely reporting is crucial in audit services as it allows stakeholders to make informed decisions based on up-to-date and accurate financial information. ...it enhances transparency, facilitates better risk management, and supports regulatory compliance. …it is also fosters trust and confidence among investors, creditors, and other stakeholders in the reliability of financial statements and the effectiveness of internal controls (**Respondent- 10**).*

Regarding personal experiences where timely reporting positively or negatively impacted the outcomes of an audit engagement one of the respondents revealed that;

> *...in a recent audit engagement, timely reporting positively impacted our client's ability to secure additional funding from investors. …by delivering the audit report promptly, the client was able to demonstrate the financial health and stability of their business, which instilled confidence among potential investors and facilitated the capital-raising process (**Respondent- 05**).* Conversely, another respondent revealed that *….delayed reporting due to unforeseen circumstances resulted in increased scrutiny from regulatory authorities and eroded trust among stakeholders, highlighting the importance of adhering to reporting timelines (**Respondent- 08**).*

Regarding the challenges or obstacles auditors face in delivering timely reports to their clients, one of the respondents said that;

> *…resource constraints, complexity of audit engagements, and unexpected issues or delays encountered during the audit process hinder the process (**Respondent- 13**).* Furthermore, *another respondent revealed that …incomplete or inaccurate financial records, and changes in regulatory requirements can also impede the timely completion of audits (**Respondent- 21**).*

When it came to whether, there are specific industries or types of businesses where timely reporting is more critical than others, respondents said yes and one of the respondents said;

> *….Yes, timely reporting is particularly critical in industries with rapid market dynamics, high regulatory scrutiny, or significant reliance on external financing. For example, in the financial services sector, timely reporting is essential for maintaining investor confidence and regulatory compliance (**Respondent- 01**).*

Regarding the whether the role does audit report reliability play in building trust between auditors and their clients/stakeholders one of the respondents revealed that ;

> *…audit report reliability is paramount in building trust between auditors and their clients/stakeholders. ….a reliable audit report demonstrates the credibility and integrity of the auditing process, reassuring stakeholders that financial statements have been examined rigorously and objectively. .....it enhances confidence in the accuracy of financial information, reduces the risk of misstatements or fraud going undetected, and fosters a positive perception of the company's governance and accountability practices (**Respondent- 02**).*

Regarding the recall of any instances where concerns about the reliability of an audit report surfaced, majority said yes and one of the respondents said that;

> *…Yes, I recall an instance where concerns about the reliability of an audit report surfaced due to perceived conflicts of interest involving the audit firm and the client. ….to address these concerns, an independent review of the audit procedures and findings was conducted by a third-party auditor (**Respondent-19**).*

Regarding the strategies or best practices that auditors can adopt to enhance the reliability of their audit reports, majority pointed out;

> *Adhering to professional auditing standards and regulatory requirements, Maintaining independence and objectivity throughout the audit process, conducting thorough risk assessments and audit planning to identify key areas of focus, performing comprehensive audit procedures, including testing of controls and substantive procedures, obtaining sufficient and appropriate audit evidence to support audit conclusions, communicating clearly and transparently any limitations or uncertainties in audit findings*

and promoting a culture of ethics, integrity, and professionalism within the audit firm.

When it came to the understanding of different types of audit opinions, all the respondents pointed out different audit opinions and these included

> *An unqualified opinion which indicates that the financial statements present fairly, then a qualified opinion is issued when the auditor identifies certain limitations or exceptions to the audit scope or significant uncertainties that may affect the financial statements' reliability, an adverse opinion is issued when the auditor concludes that the financial statements are materially misstated and do not conform to accounting standards and A disclaimer of opinion is issued when the auditor is unable to form an opinion on the financial statements due to significant scope limitations or lack of sufficient evidence.*

Regarding how do various types of audit opinions impact the perception of a company's financial health and credibility, one of the respondents revealed that;

> *…the type of audit opinion issued can significantly impact stakeholders' perception of a company's financial health and credibility. .....an unqualified opinion provides assurance that the financial statements are reliable and comply with accounting standards, enhancing confidence in the company's financial position and performance. In contrast, ……..qualified, adverse, or disclaimer opinions may raise concerns about the accuracy and completeness of financial reporting, casting doubt on the company's financial health and credibility (**Respondent- 16**).*

Regarding the factors might lead to auditors issuing a qualified, adverse, or disclaimer of opinion, different respondents raised different factors and these included;

> *Material misstatements or errors in the financial statements that cannot be rectified or adequately disclosed, significant limitations or restrictions on the scope of the audit, preventing the auditor from obtaining sufficient and appropriate audit evidence, existence of uncertainties or contingent liabilities that cast significant doubt on the company's ability to continue as a going concern, non-compliance with regulatory requirements or accounting standards that materially affect the financial statements' reliability and inadequate disclosure or documentation of key accounting policies, estimates, or transactions, leading to ambiguity or misinterpretation of financial information.*

4.4.2 Records capturing and quality of audit services amongst private audit firms

The first objective of the study focused on examining the relationship record capturing and quality of audit services amongst private audit firms. All participants were directed to rank their responses, and the findings were subsequently analysed using means, and standard deviations compared to grand mean.

Table 4.3: Description of regarding records capturing amongst private audit firms

Records Capturing	***Min***	***Max***	***Mean***	***SD***
My organization captures accounting records	3	5	4.43	.574
I face challenges when capturing accounting records	1	5	3.85	1.206
Different types of accounting records are captured	3	5	4.30	.593
Employees have adequate training in accounting software and recording procedures	1	5	2.78	1.426
Lack of communication between departments, leads to missing or incorrect information	1	5	3.67	1.122
Technological issues (software glitches, system crashes) affect data recording	1	5	3.64	1.305
Grand Mean			***3.78***	

Source: Field data, 2024

Table 4.3 above presents the descriptive statics of the respondents' views on records capturing. The findings revealed that organization captured accounting records (Mean = 4.43), faced challenges when capturing accounting records (Mean = 3.85) and different types of accounting records were captured (Mean = 4.30). This was because these items scored mean values above the grand mean of (3.78). This meant that majority of the respondents agreed with these statements. On the other hand, it was revealed some employees had no adequate training in accounting software and recording procedures (Mean = 2.78), lack of communication between departments didn't lead to missing or incorrect information (Mean = 3.67) and technological issues (software glitches, system crashes) didn't affect data recording (Mean = 3.65). For these items, it was so because they scored the means values below the grand mean of (3.78) which meant that a good number of participants disagreed with the statements.

From the interview results, different opinions of different respondents were raised regarding different questions presented to them. Regarding the methods or tools organizations used to capture accounting records, different tools were raised toots such as ERP and CRM stood out and one of the respondents revealed that;

*…at our organization, we employ a combination of automated software systems and manual processes to capture accounting records. .....Our primary tool is a comprehensive accounting software suite that integrates with our other business systems, such as ERP and CRM. ....This software automates the recording of transactions, tracks financial data in real-time, and generates detailed reports (**Respondent- 01**).*

The main challenges encountered when it comes to capturing accurate and complete accounting records, different issues were raised but timeliness and accuracy of data entry were mainly raised and one of the respondents revealed

*….one of the main challenges we face is ensuring the timeliness and accuracy of data entry. With a large volume of transactions occurring daily, there's a risk of errors or delays in recording (**Respondent- 14**).*

Regarding ensuring that all relevant financial transactions are captured and recorded appropriately, one of the interviewed respondents revealed;

…we have established clear policies and procedures for recording transactions, which are communicated to all relevant staff members. Furthermore, it was revealed that, …. *regular training sessions are conducted to reinforce these protocols (**Respondent- 11**).*

On if there were specific regulatory or compliance requirements that impact how to capture and document accounting records, interviewed respondents said yes and one of the respondents revealed that;

.....Yes, compliance with regulatory standards such as GAAP (Generally Accepted Accounting Principles) and IFRS (International Financial Reporting Standards) significantly influences our accounting record-keeping practices.

*......these standards dictate the format, content, and timing of financial reporting, which directly impact how we capture and document accounting records (**Respondent- 07**)*

4.4.3 Records storage and quality of audit services amongst private audit firms

The second study objectives examined the relationship between records storage and quality of audit services amongst private audit firms. Like objective one, all respondents were instructed to rank their responses analysed basing means, and standard deviations compared to grand mean.

Table 4.4: Description of regarding the records storage amongst private audit firms

Records Storage	***Min***	***Max***	***Mean***	***SD***
There is security of accounting records within our organization	1	5	3.22	1.450
Security assessments or audits are conducted to evaluate the safety of our accounting records	1	5	3.68	1.191
The chosen storage method for accounting records is secure	1	5	2.53	1.432
There are clear policies and processes in place at my company on the privacy of accounting records.	1	5	3.18	1.382
Only authorised staff members are permitted access to accounting records.	1	5	3.28	1.386
Our organization utilizes encryption and secure authentication methods to protect accounting data	1	5	2.12	1.034
Regular training and awareness programs are conducted to educate employees about the importance of information confidentiality	1	5	3.36	1.313
Grand Mean			***3.05***	

Source: Field data, 2024

Table 4.4 above presents the descriptive statics of the respondents' views on records capturing. The findings revealed that there was security of accounting records within different organization (Mean = 3.22), security assessments or audits were conducted to evaluate the safety of accounting records (Mean = 3.68), there were clear policies and processes in place at my company on the privacy of accounting records (Mean = 3.18), only authorised staff members are permitted access to accounting records (Mean = 3.28) and regular training and awareness programs were conducted to educate employees about the importance of information confidentiality (Mean = 3.36). This showed majority of the respondents agreed with these statements since the scored mean values above the grand mean of (3.05). This meant that majority of the respondents agreed with these statements. On the other hand, it was revealed that sometimes the chosen storage method for accounting records were secure (Mean = 2.53) and the many organizations were not utilizing encryption and secure authentication methods to protect accounting data (Mean = 2.12). For these items, it was so because they scored the means values below the grand mean of (3.05) which meant that a majority of the respondents disagreed with the statements.

From the interview results, different responses regarding records storage were raised on the strategies organizations employ for storing accounting records, both physically and electronically, many organizations were found to employ a hybrid approach for storing accounting records, utilizing both physical and electronic methods and one respondent revealed that

> *....physically, we maintain secure storage facilities equipped with climate control and fire suppression systems to preserve paper-based documents. ….electronically, we utilize a cloud-based document management system that allows for secure storage, easy retrieval, and centralized access to digital records (**Respondent - 20**).*

On how they ensure the security and integrity of stored accounting records, one of the respondents revealed that;

> *….we implements multiple layers of security measures to safeguard both physical and electronic records. …for physical records, access to storage*

facilities is restricted to authorized personnel only, and visitors are closely monitored. ….for electronic records, we utilize encryption techniques to protect data in transit and at rest. Furthermore, it was revealed that *….access to digital archives is restricted through role-based permissions, and regular audits are conducted to monitor user activity and detect any anomalies or unauthorized access attempts (**Respondent - 03**).*

Regarding how the cloud technology or digital storage impacted the way the organization stores accounting records. It was advent of cloud technology and digital storage had revolutionized the way organization stored accounting records. It enabled them to streamline document management processes, reduce physical storage costs, and enhance accessibility to information. One of the interviewed respondents revealed that;

*…..with cloud-based storage solutions, we can access accounting records from anywhere with an internet connection, facilitating remote work and collaboration among team members. … it also offers scalability and flexibility, allowing us to easily accommodate growing volumes of data without the need for significant infrastructure investments (**Respondent - 03**).*

4.4.4 Records processing and quality of audit services amongst private audit firms

The third study objectives examined the relationship between records processing and quality of audit services amongst private audit firms. Like objective one and two, all respondents were also instructed to rank their responses and in the same way, analysed basing means, and standard deviations compared to grand mean.

Table 4.5: Description of the records processing

Records processing	***Min***	***Max***	***Mean***	***SD***
Regular record analysis enhances the accuracy of financial statements	1	5	3.47	1.214
Record analysis aids in detecting inconsistencies between different financial documents	1	5	3.46	1.243
Analyzing accounting records is crucial for identifying fraudulent activities	2	5	3.82	.910
Effective record analysis contributes to making informed business decisions.	3	5	4.27	.582
The preparation of accurate reports based on accounting records is essential for financial transparency.	2	5	4.11	.703
Adequate training in report preparation leads to better quality financial reports	3	5	4.14	.556
Timely preparation of financial reports ensures compliance with regulatory requirements	1	5	2.73	1.306
Well-prepared reports facilitate communication with stakeholders and investors	3	5	4.18	.550
Grand Mean			***3.77***	

Source: Field data, 2024

Results from Table 4.5 above presents the descriptive statics of the respondents' views on records processing. The findings revealed that analysing accounting records was crucial for identifying fraudulent activities (Mean = 3.82), effective record analysis contributed to making of informed business decisions (Mean = 4.27), the preparation of accurate reports based on accounting records was essential for financial transparency (Mean = 4.11), adequate training in report preparation led to better quality financial reports (Mean = 4.14) and well-prepared reports facilitated communication with stakeholders and investors (Mean = 4.18). This meant majority of the respondents agreed with these statements since they scored mean values above the grand mean of (3.77). This was because majority of the respondents agreed with these statements. On the other hand, it was revealed that there was no regular record analysis to enhance the accuracy of financial statements (Mean = 3.47), there was no clear record analysis to aids in detecting inconsistencies between different financial documents (Mean = 3.46) and financial reports were not timely prepared in timely ensures compliance with regulatory requirements (Mean = 2.73). This was attributed to the fact that they scored the means values below the grand mean of (3.77) which meant that a majority of the respondents opposed these statements.

From the interview results, issues one records processing were reported and regarding steps organization follow to process and analyze accounting records were a bit similar for the different organizations and one of the respondents revealed that;

> *…our organization follows a structured approach to process and analyze accounting records, ensuring accuracy and reliability in financial reporting and decision-making. Firstly, we gather raw financial data from various sources, including invoices, receipts, bank statements, and transaction logs. This data is then organized and entered into our accounting software system, where it undergoes validation and verification checks for accuracy and completeness. Next, we apply accounting principles and standards to classify and summarize the data, preparing it for analysis. Finally, we utilize analytical tools and techniques to interpret the processed data, identify trends, anomalies, and insights, which inform strategic decision-making and financial reporting (**Respondent- 25**).*

Regarding how to ensure the accuracy and reliability of processed accounting data before it's used for reporting or decision-making, one of the respondents said that;

> *….firstly, we conduct data validation checks at various stages to detect and correct errors or inconsistencies. These checks include reconciliations, cross-referencing with supporting documentation, and comparison with historical data. ….additionally, we adhere to internal control procedures and segregation of duties to minimize the risk of fraud or manipulation (**Respondent- 17**).*

On the challenges related to integrating different sources of accounting records for processing purposes, different challenges were raised and these included;

> *Challenges primarily related to data compatibility, consistency, and completeness, each source may use different formats, codes, or terminology, requiring mapping and transformation efforts to standardize the data for processing and discrepancies or gaps in data quality between sources can hinder the integration process, necessitating manual intervention and reconciliation efforts.*

Regarding the presence of automation or software solutions the organization utilizes to streamline the processing of accounting records, majority talked of such as ERP and CRM tools and one respondent said that;

> *…Yes, our organization leverages automation and software solutions to streamline the processing of accounting records, improving efficiency and accuracy. …we utilize advanced accounting software systems equipped with built-in automation features, such as data extraction, validation rules, and workflow automation. These tools automate routine tasks, such as data entry, reconciliation, and error detection, reducing manual effort and minimizing the risk of human error (**Respondent- 01**).*

4.5 Inferential statistics

In this study, inferential statistics played a crucial role in uncovering relationships between the variables under examination and predictive potential of independent variable on the dependent variable.

4.5.1 Correlation analysis

A Pearson correlation analysis was conducted using SPSS Ver. 23 to explore the relationship between record capturing, records storage and records processing and quality of audit services amongst private audit firms.

Table 4.6: The relationship between record capturing and quality of audit services amongst private audit firms

		Record Capturing	Quality of Audit Services
Record Capturing	Pearson Correlation	1	.766**
	Sig. (2-tailed)		.000
	N	171	171
Quality of Audit Services	Pearson Correlation	.766**	1
	Sig. (2-tailed)	.000	
	N	171	171

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

Results from Pearson correlation results in table 4.6 showed a positive and significant relationship between record capturing and quality of audit services at (r =.766**, $p<.01$). This showed that an increase in the record capturing leads to increase in quality of audit services by audit firms. Since the results showed significant results, the study ***Rejected*** the study hypothesis that: *There is not significant the relationship between record capturing and quality of audit services amongst private audit firms in Uganda.*

Table 4.7: The relationship between records storage and quality of audit services amongst private audit firms

		Records Storage	Quality of Audit Services
Records Storage	Pearson Correlation	1	.763**
	Sig. (2-tailed)		.000
	N	171	171
Quality of Audit Services	Pearson Correlation	.763**	1
	Sig. (2-tailed)	.000	
	N	171	171

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

The results Pearson correlation results also showed a significant and positive relationship between the records storage and quality of audit services at (r = .763**, $p<.01$). These results implied that a positive adjustment in records storage leads to an increase in quality of audit services by audit firms. Since the results showed significant results, the study ***Rejected*** the study hypothesis that: *There is not significant the relationship between records storage and quality of audit services amongst private audit firms in Uganda.*

Table 4.8: The relationship between records processing and quality of audit services amongst private audit firms

		Records Processing	Quality of Audit Services
Records Processing	Pearson Correlation	1	.749**
	Sig. (2-tailed)		.000
	N	171	171
Quality of Audit Services	Pearson Correlation	.749**	1
	Sig. (2-tailed)	.000	
	N	171	171

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

The results from Table 4.8 showed a significant and positive relationship between the records processing and quality of audit services at (r = .749**, p<.01). These results implied that a positive adjustment in records processing leads to an increase in quality of audit services by audit firms. Since the results showed significant results, the study ***Rejected*** the study hypothesis that: *There is not significant the relationship between records processing and quality of audit services amongst private audit firms in Uganda.*

4.5.2 Regression analysis

This study employed a multiple regression analysis to evaluate the degree to which accounting records management characterized by its constructs of record capturing, records storage and records processing served as a predictor for quality of audit services.

Table 4.9: Regression analysis

Regression Coefficients					
	Unstandardized Coefficients		Standardized Coefficients	T	**Sig.**
	B	Std. Error	Beta		
(Constant)	.570	.050		11.428	**.000**
Record Capturing	.257	.026	**.298**	9.722	**.000**
Record Storage	.159	.017	**.239**	9.259	**.000**
Record Processing	.476	.036	**.468**	13.210	**.000**
Model Summary					
Adjusted R Square	**.794**				
ANOVA[b]					
F	**9.5403**				
Sig. (P)	**.000[a]**				

The results in table 4.9 above, indicated that the combined constructs of accounting records management which were record capturing, records storage and records processing, collectively accounted for 79.4% (Adjusted R Square = .794) of the variance in quality of audit services. The remaining 20.6% of the variance was attributed to factors that were considered in this study. These findings suggest that the regression model effectively predicted the dependent variable. The goodness of fit was confirmed by the significant F-value (F= 9.5403, P=.000 <0.05), supporting the model's validity.

For the individual constructs, using Beta values, the results also revealed that record capturing positively predicts quality of audit services at (Beta = **.298**, *p=.000* <0.05). This means that a unit increase in record capturing leads to .298 increase on the quality of audit services, and a unit decrease in record capturing leads to .298 decrease in quality of audit services. For record storage, it positively predicted quality of audit services at (Beta =**.017**, *p=.000* <0.05), this implies that a unit increase in record storage leads to .017 increase in quality of audit services, and a unit decrease in record storage leads to .017 decrease in quality of audit services. Lastly, record processing was also found to be positively predicting quality of audit services at (Beta =**.468**, *p=.000* <0.05), this implies that a unit increase in record processing leads to .468 increase in quality of audit services, and a unit decrease in record processing leads to .468 decrease in quality of audit services.

4.6 Conclusion

This chapter captured the presentation, analysis and interpretation of research findings which all showed that there is a positive significant relationship on the variables of accounting records management which includes records capturing, records processing and records storage. The findings also revealed that all the constructs of accounting records management (records capturing, records processing and records storage) were positive and significant predictors of quality of audit services. These all affect the quality of audit per the study findings in this chapter.

CHAPTER FIVE

SUMMARY, DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter provides a comprehensive summary and discussion of the study's findings, along with presenting the conclusion and recommendations. The section was presented in the order of the study objectives which included examining the relationship between record capturing and quality of audit services amongst private audit firms in Uganda, the relationship between records storage and quality of audit services amongst private audit firms in Kampala and the relationship between records processing and quality of audit services amongst private audit firms in Uganda. Additionally, the chapter captured areas   further studies.

5.2 Summary of the study findings

5.2.1 Record capturing and quality of audit services amongst private audit firms

The study findings revealed that there a positive and significant relationship between record capturing and quality of audit services at (r =.766**, *p*<.01). Basing on the study results, the researcher ***Rejected*** the study hypothesis that: *There is not significant the relationship between record capturing and quality of audit services amongst private audit firms in Uganda.* The results also revealed that record capturing positively predicts quality of audit services at (Beta = **.298**, *p=.000* <0.05).

5.2.2 Records storage and quality of audit services amongst private audit firms

The study findings revealed that there a significant and positive relationship between the records storage and quality of audit services at (r = .763**, *p*<.01). Basing on the study results, the researcher ***Rejected*** the study hypothesis that: *There is not significant the relationship between records storage and quality of audit services amongst private audit firms in Uganda.*

It was also revealed that record storage positively predicted quality of audit services at (Beta =**.017**, *p=.000* <0.05).

5.2.3 Records processing and quality of audit services amongst private audit firms

The study findings revealed that there a significant and positive relationship between the records processing and quality of audit services at (r = .749**, *p*<.01). Basing on the study results, the researcher ***Rejected*** the study hypothesis that: *There is not significant the relationship between records processing and quality of audit services amongst private audit firms in Uganda.* It was also revealed that record processing was also found to be positively predicting quality of audit services at (Beta =**.468**, *p=.000* <0.05).

5.2.4 Record capturing, record storage, record processing and quality of audit services amongst private audit firms in Kampala.

The study findings revealed that the combined constructs of accounting records management which were record capturing, records storage and records processing, collectively accounted for 79.4% (Adjusted R Square = .794) of the variance in quality of audit services. The remaining 20.6% of the variance was attributed to factors that were considered in this study. These findings suggest that the regression model effectively predicted the dependent variable. The goodness of fit was confirmed by the significant F-value (F= 9.5403, P=.000 <0.05), supporting the model's validity.

5.3 Discussion of the study findings

5.3.1 Record capturing and quality of audit services amongst private audit firms

The findings revealed that there was a positive relationship between records capturing the quality of audit services within private audit firms and the results demonstrated that record capturing serves as a strong predictor of audit service quality due to organizations' diligent practices in capturing various types of accounting records. These findings were in line with findings of Mvunabandi and Maama (2023) who showed symbiotic relationship between record capturing and the quality of audit services. They emphasize the pivotal role of thorough record documentation in facilitating effective auditing processes, echoing sentiments expressed by previous scholars such as Bhadargade & Joshi (2020) and Sofik (2024). The implication here is profound: without comprehensive and accurate record-keeping practices, auditors may face significant challenges in substantiating financial statements and evaluating internal controls. In essence, the quality of audit services is intricately linked to the accessibility, accuracy, and completeness of records.

Furthermore, the study's findings highlight the growing importance of technological advancements in record capturing and audit processes, as highlighted by KPMG (2020). Automation and data analytics are revolutionizing these practices, enabling firms to handle large volumes of data efficiently and empowering auditors to identify patterns and anomalies more effectively. This shift towards technological integration presents both opportunities and challenges for private audit businesses. On one hand, it enhances efficiency and efficacy, potentially streamlining audit procedures and improving the accuracy of financial reporting.

Furthermore, the study findings aligned with findings of Cameran et al. (2022) who revealed that effective record capturing not only ensures regulatory adherence but also has the potential to provide valuable insights to stakeholders and regulatory bodies. This suggests that organizations that invest in robust record-keeping practices stand to gain a competitive advantage beyond mere regulatory compliance. They can leverage their data assets to drive informed decision-making, enhance transparency, and build trust with stakeholders. Consequently, the relationship between record capturing and audit quality transcends mere procedural requirements, encompassing broader implications for organizational performance and stakeholder confidence. Thus, private audit firms must recognize the strategic significance of thorough record capturing and invest in the necessary resources and technologies to harness its full potential.

5.3.2 Records storage and quality of audit services amongst private audit firms

The revealed that there was a significant and positive correlation between records storage practices and the quality of audit service quality. This was be attributed to several factors, including the presence of robust security measures ensuring the safety of accounting records across different organizations, regular security assessments or audits to evaluate record safety, well-defined policies and processes governing the privacy of accounting records, strict authorization protocols limiting access to authorized staff members only, and ongoing training programs aimed at enhancing employee awareness regarding the critical importance of information confidentiality. These findings resonated with the findings of Tahir et al. (2020) who highlighted the critical importance of efficient record storage as a fundamental requirement for effective auditing processes. This aligns with the notion that well-organized and secures storage systems, whether cloud-based or digital repositories, facilitate easier retrieval, organization, and analysis of financial documents, ultimately enhancing audit efficiency. Additionally, the emphasis on cybersecurity measures underlines the need to safeguard sensitive financial information from potential breaches and unauthorized access. The findings further resonated with findings by Deloitte survey (2020) who revealed that robust record storage practices are not only conducive to efficient audit processes but also essential for maintaining data integrity and security, thus reinforcing client trust and meeting regulatory standards.

Furthermore, the symbiotic relationship between record storage and audit services extends beyond mere operational efficiency, was highlighted by PwC (2021) where the revealed that effective record storage not only facilitates transparent audit processes but also contributes to superior client engagement and relationship building. This implies that private audit firms that invest in advanced storage technologies and uphold rigorous professional standards are better positioned to deliver satisfactory outcomes, enhance client satisfaction, and foster prolonged partnerships. Moreover, the findings agreed with EY's research results (2019) which emphasized the role of digital record storage in helping audit firms adhere to evolving regulatory guidelines, maintain audit quality, and remain competitive in the marketplace. Thus, suggesting that embracing modern storage solutions is imperative for private audit firms seeking to enhance efficiency, security, and client relationships in an increasingly digitized business environment.

The efficient record storage resonates with Akhor (2023) who emphasize the broader significance of proper record-keeping for transparency, compliance, and maintaining the audit trail. Adequate record storage not only ensures the integrity and completeness of financial information but also facilitates the audit process by enabling auditors to conduct thorough investigations and evaluations. Therefore, private audit firms must prioritize proper record storage to uphold transparency, facilitate compliance, and support rigorous audit procedures, ultimately enhancing the quality and reliability of their services.

5.3.3 Records processing and quality of audit services amongst private audit firms

The study revealed that there was a notable and positive relationship between records processing and the quality of audit services, with record processing also emerging as a strong predictor of audit service quality. This was due the pivotal role of thorough record analysis in detecting fraudulent activities, the contribution of effective record processing to inform business decision-making, the positive impact of adequate training in report preparation on the quality of financial reports, and the facilitation of communication with stakeholders and investors through well-prepared reports. This finding was in line with the findings of Pinto et al. (2019) and Elmarzouky et al. (2023) who emphasized the critical role of records processing in providing evidentiary support for financial statements, underscoring its significance in ensuring the accuracy, completeness, and timeliness of financial data analysis. Therefore, thorough records processing not only forms the backbone of an auditor's evidentiary support but also directly influences their ability to identify risks, assess internal controls, and render informed opinions on the financial health of an entity.

The findings were also in line with findings of Fedyk, Hodson & Khimich (2022) and Deloitte (2020) who revealed that the integration of records processing with advanced audit technologies, as highlighted by has reshaped the landscape of audit services, offering significant opportunities for efficiency gains and enhanced audit quality. The adoption of data analytics tools, artificial intelligence, machine learning, and robotic process automation has revolutionized audit processes, enabling auditors to analyze large volumes of data swiftly and uncover hidden insights and anomalies. Real-time data access and analysis enhance auditors' ability to identify risks promptly, resulting in more comprehensive and accurate audit reports. Furthermore, the integration of records processing and advanced audit services reshapes client-auditor relationships, as discussed by Deloitte (2020). Private audit firms that effectively leverage technology can offer strategic insights beyond compliance, positioning themselves as trusted advisors to businesses. This evolution adds value to clients' decision-making processes and strengthens long-term partnerships between audit firms and businesses. However, as noted by Deloitte (2020), this transition is not without challenges, and audit firms must carefully balance human judgment with technological assistance to maintain the integrity and relevance of their services. Therefore, private audit firms must embrace the dynamic interplay between records processing, technology, and audit services to enhance efficiency, elevate audit quality, and deliver enhanced value propositions to clients while navigating the complexities of the digital age.

5.3.4 Record capturing, record storage, record processing and quality of audit services amongst private audit firms in Kampala.

The study revealed that there was a notable and positive relationship between records capturing, record storage, record processing and the quality of audit services, with record processing also emerging as a strong predictor of audit service quality. This finding was in line with the findings of Pinto et al. (2019) and Elmarzouky et al. (2023) who emphasized the critical role of records processing in providing evidentiary support for financial statements, underscoring its significance in ensuring the accuracy, completeness, and timeliness of financial data analysis. Therefore, there three parameters of accounting records management which includes record capturing, record storage and record processing not only forms the backbone of an auditor's evidentiary support but also directly influences their ability to identify risks, assess internal controls, and render informed opinions on the financial health of an entity.

5.4 Conclusions

It was concluded that there was a positive relationship between records capturing the quality of audit services within private audit firms. Moreover, the results demonstrated that record capturing serves as a strong predictor of audit service quality due to organizations' diligent practices in capturing various types of accounting records. Consequently, it can be firmly concluded that thorough record capturing methodologies significantly contribute to enhancing the quality of audit services provided by private audit firms in Uganda, highlighting the pivotal role of thorough record-keeping in ensuring effective auditing processes.

Furthermore, it was concluded that there was a significant and positive correlation between records storage practices and the quality of audit services also with positive predictive capability of record storage in determining audit service quality. This was be attributed to several factors, including the presence of robust security measures ensuring the safety of accounting records across different organizations, regular security assessments or audits to evaluate record safety, well-defined policies and processes governing the privacy of accounting records, strict authorization protocols limiting access to authorized staff members only, and ongoing training programs aimed at enhancing employee awareness regarding the critical importance of information confidentiality. This implies a crucial role of effective records storage practices in bolstering the quality and reliability of audit services, emphasizing the necessity for organizations to prioritize secure and comprehensive record-keeping strategies to ensure optimal audit outcomes.

Additionally, the study concluded that there was a notable and positive correlation between records processing and the quality of audit services, with record processing also emerging as a strong predictor of audit service quality. This was due the pivotal role of thorough record analysis in detecting fraudulent activities, the contribution of effective record processing to inform business decision-making, the positive impact of adequate training in report preparation on the quality of financial reports, and the facilitation of communication with stakeholders and investors through well-prepared reports. This implies a critical importance of robust records processing practices in enhancing the quality and efficacy of audit services, emphasizing the imperative for organizations to prioritize comprehensive record analysis and reporting procedures to ensure optimal audit outcomes and foster transparency and trust among stakeholders. It was finally concluded that all constructs of accounting records management which were record capturing, records storage and records processing combined predicted the quality of audit services by 79.4%. However, records processing was the heighted predictor of quality of audit services.

5.5 Recommendations

Several recommendations were suggested and these include;

It was recommended that organizations need to implement provision of additional training or support where necessary, streamlining recording procedures, and leveraging technological solutions to simplify the record capturing process. Furthermore, fostering a culture of continuous improvement and feedback mechanisms within the organization can enable ongoing refinement of record capturing practices, ultimately enhancing overall efficiency and accuracy in accounting processes.

It was recommended that organizations need to prioritize the implementation of robust security measures to protect sensitive accounting data effectively. This may include adopting encryption technologies and implementing secure authentication protocols to ensure the confidentiality, integrity, and availability of accounting records. Additionally, organizations should conduct thorough security assessments to identify vulnerabilities and establish comprehensive data security policies and procedures.

Lastly, it was recommended that, it is imperative for organizations to implement robust measures promptly. Establishing stringent timelines for financial reporting, instituting comprehensive record analysis protocols to detect inconsistencies, and conducting regular audits to enhance the precision of financial statements are vital steps. Moreover, investing in advanced technologies and fostering a culture of transparency and accountability within the organization can significantly bolster regulatory compliance and financial integrity. This proactive approach not only mitigates risks but also fosters trust among stakeholders, ultimately safeguarding the organization's reputation and sustainability.

5.6 Areas for further research

The following areas were put forward for future research studies:

i) The effect of internal control systems on the quality of audit services provided by private audit firms in Kampala.

ii) The influence of regulatory compliance requirements on audit quality within private audit firms operating in Kampala.

iii) The integration of technology-driven solutions, such as artificial intelligence, blockchain, and data analytics on the quality accounting records management

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APPENDICES

APPENDIX I: QUESTIONNAIRE

Dear Respondent,

My name is Musimenta Calist, a Masters of Business Administration student undertaking research under Kyambogo University. My study is about Accounting records management and quality of audit services amongst private audit firms in Kampala**.** Due to your expertise in the field, you have been chosen to answer the survey questions. I'm asking for your permission to take part in this research. The information gathered will be treated with the highest confidentially and used solely for academic reasons. I appreciate you taking part.

SECTION A: BIO-DATA

Please tick (✓) in the row below the specified variable.

Age	18-29	30-39	40-49	50-59	60+
Sex	Male	Female			
Marital Status	Single	Married	Divorced	Widowed	
Level of Education	Masters	Bachelors	Diploma	Others specify	
Time spent dealing with audit firm	Less than a year	1-5years	6-10 years	10-15 years	16+

SECTION TWO: ACCOUNTING RECORDS MANAGEMENT

Please use the scale provided to rate the following statements based on your level of agreement.

Scale	1	2	3	4	5
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

RECORDS CAPTURING

Code	**ITEMS**	**SCORE**				
		1	**2**	**3**	**4**	**5**
POR	**Preparation of Records**					
POR1	My organization captures accounting records					
POR2	I face challenges when capturing accounting records					
POR3	Different types of accounting records are captured					
RI	**Recording of Information**					
RI1	Employees have adequate training in accounting software and recording procedures					
RI2	Lack of communication between departments, leads to missing or incorrect information					
RI3	Technological issues (software glitches, system crashes) affect data recording					

RECORDS STORAGE

Code	ITEMS	SCORE				
		1	**2**	**3**	**4**	**5**
IS	**Information Safety**					
IS1	There is security of accounting records within our organization					
IS2	Security assessments or audits are conducted to evaluate the safety of our accounting records					
IS3	The chosen storage method for accounting records is secure					
IC	**Information Confidentiality**					
IC1	There are clear policies and processes in place at my company on the privacy of accounting records.					
IC2	Only authorised staff members are permitted access to accounting records.					
IC3	Our organization utilizes encryption and secure authentication methods to protect accounting data					
IC4	Regular training and awareness programs are conducted to educate employees about the importance of information confidentiality					

RECORDS PROCESSING

Code	ITEMS	SCORE				
		1	**2**	**3**	**4**	**5**
RA	**Records Analysis**					
RA1	Regular record analysis enhances the accuracy of financial statements					
RA2	Record analysis aids in detecting inconsistencies between different financial documents					
RA3	Analyzing accounting records is crucial for identifying fraudulent activities					
RA4	Effective record analysis contributes to making informed business decisions.					
PR	**Preparation Reports**					
PR1	The preparation of accurate reports based on accounting records is essential for financial transparency.					
PR2	Adequate training in report preparation leads to better quality financial reports					
PR3	Timely preparation of financial reports ensures compliance with regulatory requirements					
PR4	Well-prepared reports facilitate communication with stakeholders and investors					

QUALITY OF AUDIT SERVICES

Please use the scale provided to rate the following statements based on your level of agreement.

Scale	1	2	3	4	5
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

REPORTING TIMELINESS

Code	ITEMS	SCORE				
		1	**2**	**3**	**4**	**5**
DR	**Deadline Reporting**					
DR1	The audit firm consistently meets the reporting deadlines set by regulatory authorities.					
DR2	Reporting delays might cause miscommunications between auditors and clients.					
DR3	The audit process becomes less effective when reporting deadlines are not met					
DR4	Timely reporting enhances the credibility of audit findings and conclusions					
RD	**Delayed Reporting**					
RD1	Delays in reporting are often due to unforeseen complexities in the audit process					
RD2	Adequate resources allocated to the audit process can help prevent delayed reporting					
RD3	Clients are willing to tolerate slight delays in reporting if the audit quality is maintained					
RD4	Clear communication between auditors and clients can help manage expectations regarding reporting timelines					

AUDIT REPORT RELIABILITY

Code	ITEMS	SCORE				
		1	2	3	4	5
LI	**Level of Independence**					
LI1	The audit team conducts their work without being influenced by the client's management					
LI2	The audit team ensures that conflicts of interest do not compromise their independent stance					
LI3	Independence is evident in the audit team's interactions with the client's personnel.					
LI4	Auditors prioritize their professional judgment over any external pressures					
LOF	**Level of integrity**					
LOF1	The auditors consistently uphold a high standard of ethical behaviour in their work.					
LOF2	The auditors are committed to delivering unbiased and truthful audit opinions.					
LOF3	Integrity is reflected in the accuracy of the audit team's findings and conclusions.					
LOF4	The audit firm's culture encourages and rewards ethical behaviour among auditors.					

TYPE OF AUDIT OPINION

Code	ITEMS	SCORE				
		1	2	3	4	5
QO	**Qualified Opinion**					
QO1	I believe that a qualified opinion could impact stakeholders' perceptions of a company's financial health and stability					
QO2	The auditor's decision to issue a qualified opinion should be thoroughly explained in the audit report					
QO3	The severity of the issues leading to a qualified opinion should be considered when evaluating the impact on investment decisions					
QO4	Companies receiving a qualified opinion should provide additional explanations or clarifications about the identified issues					
UP	**Unqualified Opinion**					
UP1	A company receiving an unqualified opinion demonstrates a strong adherence to accounting standards and proper financial reporting					
UP2	I believe that an unqualified opinion enhances stakeholders' confidence in the accuracy of a company's financial information					
UP3	Investors are reassured by an unqualified opinion that the financial statements include no substantial misstatements or issues.					
UP4	Auditors should clearly communicate the rationale behind an unqualified opinion to provide transparency to stakeholders					

Thank you for completing the questionnaire! Your responses are greatly appreciated.

APPENDIX II: INTERVIEW GUIDE

Dear Participant,

Thank you for taking the time to participate in this research study on “Accounting records management and Quality of audit services amongst private audit firms in Kampala." The purpose of this questionnaire is to gather insights into the practices, challenges, and strategies related to capturing accounting records for effective management. Your responses will contribute to a better understanding of this important aspect of accounting and record-keeping. Please provide your honest and thoughtful answers to the following questions.

PART A: PARTICIPANT INFORMATION AND BACKGROUND

Name (Optional): ____________________

Position/Title: ____________________

Company/Organization: ____________________

Email Address (Optional, for follow-up): ____________________

Can you briefly introduce yourself and your role in the accounting and records management field?

How many years of experience do you have in accounting and records management?

What types of organizations have you worked with in terms of accounting practices, records management and audit services?

PART B: ACCOUNTING RECORDS MANAGEMENT

Section One: Records Capturing

Could you describe the methods or tools your organization uses to capture accounting records?

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What are the main challenges you've encountered when it comes to capturing accurate and complete accounting records?

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How do you ensure that all relevant financial transactions are captured and recorded appropriately?

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Are there specific regulatory or compliance requirements that impact how you capture and document accounting records?

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Section Two: Records Storage

What strategies does your organization employ for storing accounting records, both physically and electronically?

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How do you ensure the security and integrity of stored accounting records?

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Could you share your insights on the considerations for determining retention periods for different types of accounting records?

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How has cloud technology or digital storage impacted the way your organization stores accounting records?

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Section Three: Records Processing

What steps does your organization follow to process and analyse accounting records?

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How do you ensure the accuracy and reliability of processed accounting data before it's used for reporting or decision-making?

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Can you discuss any challenges related to integrating different sources of accounting records for processing purposes?

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Are there automation or software solutions your organization utilizes to streamline the processing of accounting records?
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PART C: QUALITY OF AUDIT SERVICES

Section One: Reporting timeliness

In your opinion, why is timely reporting crucial in the context of audit services?
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Can you share any personal experiences where timely reporting positively or negatively impacted the outcomes of an audit engagement?
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From your perspective, what challenges or obstacles might auditors face in delivering timely reports to their clients?
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Are there specific industries or types of businesses where timely reporting is more critical than others? If yes, why?
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Section Two: Audit Report Reliability

How would you define the reliability of an audit report? What elements contribute to making an audit report reliable?
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From your experience, what role does audit report reliability play in building trust between auditors and their clients/stakeholders?

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Can you recall any instances where concerns about the reliability of an audit report surfaced? How were these concerns addressed?

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Are there any strategies or best practices that auditors can adopt to enhance the reliability of their audit reports?

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Section Three: Type of Audit Opinion

What is your understanding of different types of audit opinions, such as unqualified, qualified, adverse, or disclaimer?

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How do various types of audit opinions impact the perception of a company's financial health and credibility?

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In your view, what factors might lead to auditors issuing a qualified, adverse, or disclaimer of opinion?

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Can you provide examples of situations where the type of audit opinion influenced business decisions or stakeholder perceptions?

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Section Four: Overall Evaluation

Considering the factors of timely reporting, audit report reliability, and types of audit opinion, how would you prioritize their significance in the audit process?

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What do you think are the emerging trends or changes in audit practices that could affect these factors in the future?

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Are there any technologies or tools that you believe could enhance auditors' ability to address these factors more effectively?

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Is there anything else you would like to share regarding audit services, the discussed factors, or any related insights?

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Do you have any recommendations for improvements in the audit process, considering the factors we discussed?

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Thank you for your participation in this research study. Your insights are invaluable in advancing the understanding of effective accounting records management. Your responses will remain confidential and will only be used for research purposes.

Sincerely,

APPENDIX III: TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN POPULATION

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384

Note: N is Population Size; S is Sample Size *Source: Krejcie & Morgan, 1970*

Krejcie, R, V. and Morgan D. W. (1970). Determining sample size for Research Activities: Educational and Psychological Measurement.