

International Journal of **Finance**

(IJF)

**Impact of Integrated Financial Management Information System on
Internal Audit Practice. A Case Study of the Ministry of Finance, Juba,
South Sudan**



**CARI
Journals**

Impact of Integrated Financial Management Information System on Internal Audit Practice. A Case Study of the Ministry of Finance in Juba, South Sudan

¹ Awur Majur Nhial; ² Ulayi Owen Shiku; ^{3*} Jacqueline Siwale 

¹ Department of Planning, Monitoring, Evaluation and Reporting, UNICEF, South Sudan

^{2,3*} School of Business Management, Texila American University, Zambia

<https://orcid.org/0009-0005-1719-2699>

Accepted: 24th Jan 2025 Received in Revised Form: 24th Feb 2025 Published: 24th Mar 2025

Abstract

Purpose: This study investigates how the implementation of Integrated Financial Management Information Systems (IFMIS) influences internal audit practices at the Ministry of Finance in Juba, South Sudan. It aims to assess IFMIS's impact on governance and financial accountability, particularly in a developing country like South Sudan, which struggles to provide accurate and transparent financial records.

Methodology: The study employed a descriptive method, surveying 86 respondents selected by multistage selection from a target population of 150. Preliminary findings reveal that IFMIS significantly affects internal audit practices, with key correlations found between internal control systems ($p = 0.003$), organizational accountability ($p = 0.011$), and financial reporting systems ($p = 0.024$). However, no significant link was found between cash management, budgeting systems, and internal audits ($p = 0.092$).

Findings: The research suggests that improving government financial transaction recording and processing facilitates better access to reliable financial data, enhancing transparency and accountability. The study concludes that strengthening cash management, expanding the scope of financial reporting, and improving internal control systems are essential for effective IFMIS integration in South Sudan's public finance management.

Unique Contribution to Theory, Policy and Practice:

The research focused on public sector management in South Sudan, emphasizing the role of the Integrated Financial Management Information System (IFMIS) in enhancing internal audits, transparency, and accountability. It proved beneficial to the Ministry of Finance and Planning, improved taxpayer morale, and encouraged greater private sector investment. Additionally, the study provided a valuable framework for future research on financial management reforms in developing countries (Aguto & Akol, 2018).

Keywords: *Integrated Financial Management Information System & Internal Audit Practice*

1.0. Introduction

The integration of technology, particularly through Integrated Financial Management Information Systems (IFMIS), is crucial for enhancing financial management, efficiency, and transparency. IFMIS enables governments and organizations to plan, execute, and monitor budgets, improving financial reporting and data security (Iravonga, 2023). However, challenges such as corruption and a lack of skilled professionals hinder its full implementation, particularly in Africa (Wasihun, 2018). In South Sudan, the Ministry of Finance adopted IFMIS to improve public financial management (PFM) and enhance fiscal discipline, efficiency, and transparency (Mong'are, 2020; Abele, 2023). This study aims to assess its impact on internal audit procedures at the Ministry.

1.1 Background of the Study

South Sudan's financial management faces inefficiencies and transparency issues due to traditional manual systems. To address these, IFMIS was implemented to automate processes and support internal auditing. Internal auditing plays a key role in governance, risk management, and fraud prevention in the public sector (Noor & Mansor, 2018). IFMIS helps detect fraud, theft, and inefficiencies by automating budgeting, accounting, and treasury management. Despite its effectiveness in other countries, challenges remain in developing nations regarding its implementation and impact on governance. This study aims to assess the influence of IFMIS on internal audit practices in South Sudan, focusing on financial oversight improvements.

1.2 Research Problem and Justification

Although IFMIS was introduced to enhance financial performance at South Sudan's Ministry of Finance, challenges persist due to unreliable data, insufficient independence, and lack of capacity in the accounting department. These issues have led to poor resource allocation, corruption, tax evasion, and delays in salary payments (Lobong, 2020). The lack of comprehensive financial reports has worsened perceptions of poor governance (Aguto & Akol, 2018). Despite the adoption of IFMIS, there is limited research on its effectiveness in supporting audit functions. This study aims to assess the impact of IFMIS on internal audit practices in South Sudan, addressing these persistent financial management challenges.

1.3. Research Objective

The study's primary goal is to evaluate the impact of the Integrated Financial Management Information System on Internal Audit Practice in South Sudan.

1.3.1. Specific Objectives

The following research objectives guided the study;

To analyze the effectiveness of IFMIS's cash management and budgeting systems on internal audit practice in South Sudan.

To verify the effects of financial reporting systems in IFMIS on Internal Audit Practice in South Sudan.

To assess how internal control systems in IFMIS have affected Internal Audit Practice in South Sudan.

To establish how organizational accountability systems in IFMIS have affected Internal Audit Practice in South Sudan.

1.3.4 Hypotheses of the Study

The following hypotheses guided the study.

H₀₁: There is no significant relationship between cash management and budgeting systems in IFMIS and Internal Audit Practice in The Public Sector of South Sudan.

H₀₂: There is a significant relationship between cash management and budgeting systems in IFMIS and Internal Audit Practice in The Public Sector of South Sudan.

2. Theoretical Framework

The research draws on three key theories, systems theory, contingency theory, and meta-theory, to understand the implementation and impact of IFMIS. Systems theory emphasizes the synergy between components within a system, highlighting how IFMIS integrates ICT tools to enhance internal audits in South Sudan's Ministry of Finance. Contingency theory suggests that IFMIS must be adaptable to meet the specific needs of the organization and its evolving financial context. Meta-theory assesses how IFMIS addresses South Sudan's public sector accounting challenges and evaluates its design for optimizing internal audit practices.

2.2.1 IFMIS and Cash Management and Budgeting

IFMIS improves cash management and budgeting by enabling better control, transparency, and decision-making, making strategic goals and budgets easier to create and ensuring accountability throughout the government.

2.2.2 IFMIS and the Quality of Financial Reporting

IFMIS enhances the quality of financial reporting, ensuring accurate and transparent data for internal and external stakeholders, which is crucial for decision-making and assessing government performance.

2.2.3 IFMIS and the Strength of Internal Controls

The system strengthens internal controls by improving financial monitoring, reducing fraud, and promoting efficient resource allocation, thereby increasing governance and accountability.

2.2.4 IFMIS and Organizational Transparency and Accountability

IFMIS contributes to organizational transparency and accountability by providing quick access to verifiable financial data, improving the management of public resources, and ensuring that all stages of transactions are properly monitored.

2.3 Empirical Review

The empirical review highlights various studies on IFMIS's influence on budget transparency, cash management, and report generation, as well as its role in public sector financial management. Researchers have found that IFMIS enhances financial management but also faces challenges such as security threats and the need for sufficient funding.

2.4 Conceptual Framework

The conceptual framework establishes that independent variables (financial reporting, internal control, organizational accountability, and budgeting) impact the dependent variable, which is internal auditing, highlighting how changes in these factors can influence audit practices.

Independent variables

Mediator

Dependent Variable

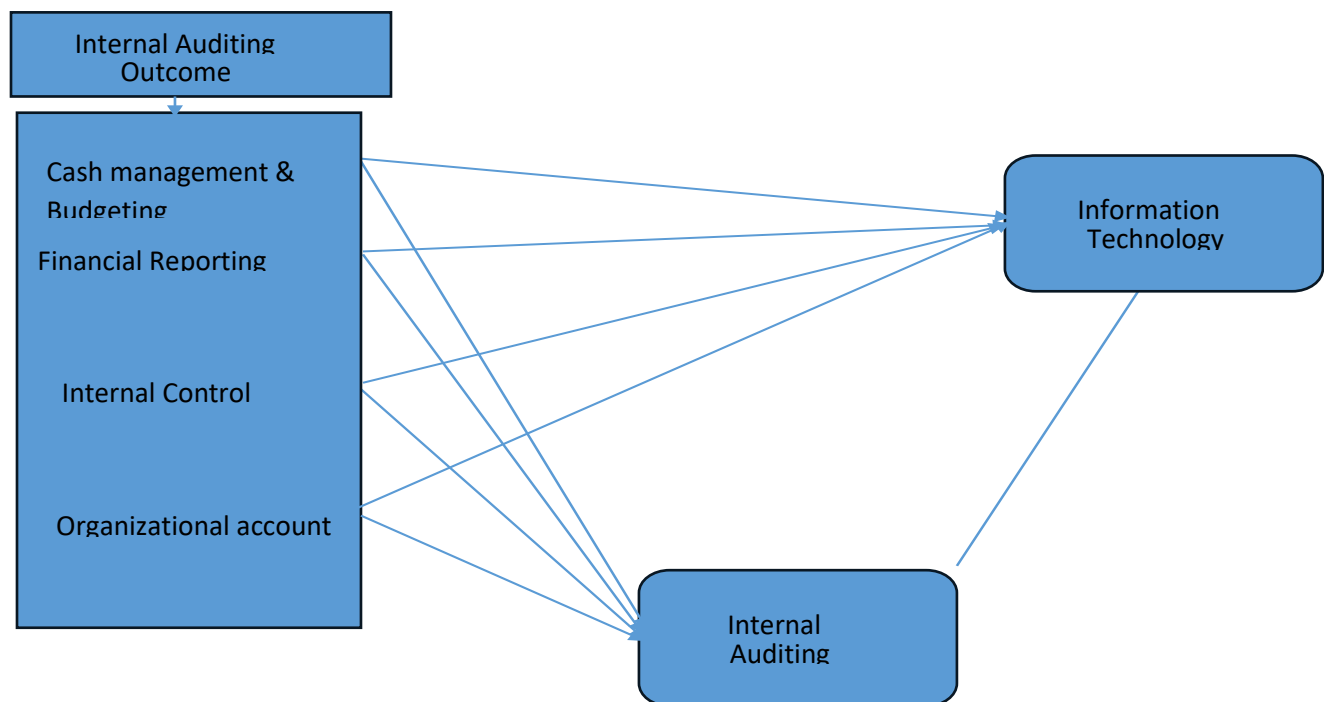


Figure 2.1: Conceptual Framework (Source: Authors Data (2022))

3. Methodology

The study employed a descriptive research design to explore the relationship between IFMIS and internal audit practices, offering insights into its impact on financial management within the Ministry of Finance in Juba, South Sudan. Conducted at the Ministry of Finance and Planning (MOFP) research facility, the study followed Kothari's (2010) approach, which focuses on describing the characteristics of a specific group without manipulating responses, making it suitable for the research objectives. The methodology encompassed research location, population sample, data collection methods, data analysis tools, and empirical challenges.

3.1 Target population

The study's primary emphasis was on the MOFP National Headquarters staff. The researcher only included employees who had been with the MOFP for at least a year. The study's sample size comprised 110 Ministry of Financial employees, including IT officers, accountants, financial officials, and procurement officers.

3.2. Sample Size and Sampling Method

The sample consisted of 86 respondents. Mugenda Mugenda's (2018) Fischer's formulas were used to ensure the sample size chosen is representative.

$$Nf = \frac{N}{(1 + N/n)}$$

Nf represents the desired sample size.

N represents Sample size when the population is more than 10,000 (384)

n represents the Target Population

$$Nf = \frac{384}{(1 + 384/110)} = 86$$

The desired sample size was 86 respondents.

A sample of 86 respondents was chosen from a target population of 110. The investigation employed multistage sampling, which used stratified sampling to split the respondents into user categories before selecting them.

3.3. Data Collection Instruments

3.4 Data Analysis

Data was collected using a self-administered questionnaire with both closed and open-ended questions, along with a Likert scale to assess demographics and attitudes. The questionnaire was validated by experts and pre-tested for clarity. Reliability was confirmed using the test-retest method and Cronbach's alpha (≥ 0.7). Data was analyzed using SPSS, with descriptive statistics (averages, percentages, frequency distributions) to summarize responses, and regression analysis to explore the correlation between independent and dependent variables. This approach ensured the study's validity, reliability, and comprehensive analysis.

This relationship is described in the following model. The regression equation will be as follows:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Where:

Y = Internal Audit Practices

X₁ = Cash Management and Budgeting

X_2 = Quality of Financial Reporting

X_3 = Strength of internal controls

X_4 = Organizational Transparency and Accountability

ε =is the error in the observed value for the case equation

β_0 = the constant in the equation

β = is the Coefficient of X

While β_1 , β_2 , β_3 , and β_4 are coefficients of determination, and ε is the random error term.

4. Analysis of Results

4.1 Response Rate and Pilot Results

The study used an electronic form to collect data from 86 MOFP personnel at the National Headquarters. The figure was obtained by guaranteeing a sample size of 100%. Furthermore, according to a pilot conducted by the treasury department at MOFP, the assertions were trustworthy, with Cronbach's alpha values greater than 0.7 in all categories, as shown in Table 1.

Table 1: Pilot results

Cronbach's Alpha N of Items	
Reliability Statistics Cash Management and Budgeting	
0.824	8
Reliability Statistics on Quality of Financial Reporting	
0.890	10
Reliability Statistics on the Strength of Internal Controls	
0.953	8
Reliability Statistics on Organisational Transparency and Accountability	
0.734	7
Reliability Statistics on Internal Audit Practice	
0.886	8

Source: Authors Data (2022)

4.2 Descriptive Analysis of Research Objectives

The study sought to analyze the responses relating to the research objectives.

4.2.1 Cash Management and Budgeting

Results on cash management and budgeting were analyzed and presented in Table 2.

Table 2: Cash Management and Budgeting

Descriptive Statistics

	N	Min	Max	Mean	% Mean	Std. Dev	Skewness	Kurtosis		
	Stat	Stat	Stat	Stat	n	Stat	Stat	Std. Error	Stat	Std. Error
IFMIS seeks to enhance the confidence and credibility of the budget through greater comprehensiveness of information	86	1	5	4.547	90.93	0.93	-0.03	0.26	2.265	0.51
IFMIS seeks to improve budget planning by providing timely and accurate data for budget management and decision-making	86	1	5	4.337	86.74	1.14	-1.62	0.26	1.425	0.51
IFMIS seeks to enhance the confidence and credibility of the budget through greater transparency of information	86	1	5	4.337	86.74	1.14	-1.62	0.26	1.425	0.51
Macro fiscal forecasting is now a reality for the department	86	1	5	4.326	86.51	1.16	-1.59	0.26	1.258	0.51
There is enhanced security in managing finances	86	1	5	4.314	86.28	1.20	-1.68	0.26	1.633	0.51
Cash management and budgeting is now a reliable process that can be quantified	86	1	5	4.279	85.58	1.20	-1.45	0.26	0.760	0.51
IFMIS seeks to improve execution by providing timely and accurate data for budget management	86	1	5	4.221	84.42	1.14	-1.08	0.26	-0.284	0.51
Budget preparation and approval is a seamless process as a result of IFMIS	86	1	5	3.954	79.07	1.47	-0.99	0.26	-0.644	0.51
Valid N (listwise)	86									

Source: Authors Data (2022)

Overall, the study's findings revealed that 90.93% (mean 4.547) of respondents believe that IFMIS aims to improve budget trust and credibility through broader information coverage. Furthermore, 86.74% (mean =4.337) believe that IFMIS aims to improve budget planning by delivering timely and reliable data for budget management and decision-making. Furthermore, 86.74% (mean = 4.337) thought that IFMIS seeks to boost the budget's trust and credibility through increased information openness, and 86.51% (mean = 4.326) believed that macro-fiscal forecasting is now a reality for the department.

Also, 86.28% (Mean = 4.314) of the respondents believed that there is enhanced security in managing finances, 85.58% (Mean = 4.279) believed that cash management and budgeting is now a reliable process that can be quantified, and 84.42% (Mean = 4.221) believed that IFMIS seek to improve execution by providing timely and accurate data for budget management and decision making, and 79.09% (Mean = 3.954) believed that Budget preparation and approval is a seamless process as a result of IFMIS.

4.3.2 Quality of Financial Reporting

Study results on Quality of Financial Reporting were analyzed and presented in Table 3

Table 3: Quality of Financial Reporting**Descriptive Statistics**

	N	Min	Max	Mean	% Mean	Std. Dev	Skewness	Kurtosis		
	Stat	Stat	Stat	Stat		Stat	Stat	Std. Error	Stat	Std. Error
Through IFMIS, I can reconcile transaction data in real-time	86	1	5	4.407	88.14	1.09	- 1.83	0.26	2.35	0.51
I can easily extract and present data from IFMIS in ways that facilitate analysis	86	1	5	4.314	86.28	1.20	- 1.68	0.26	1.63	0.51
I can access IFMIS to derive the specific information I require to carry out my work	86	1	5	4.151	83.02	1.32	- 1.31	0.26	0.27	0.51
IFMIS accurately discloses its financial position to the public	86	1	5	4.140	82.79	1.29	- 1.13	0.26	- 0.29	0.51
IFMIS offers real-time financial information that enhances my decision-making abilities	86	1	5	4.081	81.63	1.41	- 1.21	0.26	- 0.09	0.51
The IFMIS system enables me to generate custom reports for internal and external use	86	1	5	4.035	80.70	1.47	- 1.21	0.26	- 0.14	0.51
I can easily access non-financial information such as employee numbers and cadre	86	1	5	4.023	80.47	1.45	- 1.16	0.26	- 0.20	0.51
IFMIS enables me to understand the actual cost of service delivered per activity	86	1	5	3.954	79.07	1.43	- 1.00	0.26	- 0.48	0.51
There are built-in analytical tools within IFMIS that enable trend analysis of various elements of fiscal operations in the office	86	1	5	3.884	77.67	1.58	- 0.97	0.26	- 0.77	0.51
With IFMIS, I have at my disposal information that can quickly provide year-to-year balances, which can be used for analysis	86	1	5	3.861	77.21	1.18	- 0.91	0.26	0.02	0.51
Valid N (listwise)	86									

Source: Authors Data (2022)

Overall, the survey found that 88.14% (Mean = 4.407) of respondents believed that IFMIS enabled them to reconcile transaction data in real-time. Furthermore, 86.28% (Mean = 4.314) of the respondents believed that they could easily extract and present data from IFMIS in ways that facilitate analysis, 83.02% (Mean = 4.151) of the respondents believed that they could access IFMIS to derive the specific information they require to carry out my work, and 82.79% (Mean =4.140) believed that IFMIS accurately discloses the financial position to the public.

Furthermore, 81.63% (Mean =4.081) of the respondents believed that IFMIS provides real-time financial information that improves their decision-making abilities, 80.70% (Mean =4.035) believed that the IFMIS system allows them to generate custom reports for internal and external use, and 80.47% (Mean = 4.023) believed that they could easily access non-financial information such as employee number and cadre.

Furthermore, 79.07% (Mean =3.954) of the respondents were of the opinion that IFMIS enables them to understand the actual cost of service delivered per activity, 77.67% (Mean = 3.884) were of the opinion that there are built-in analytical tools within IFMIS that enables trend analysis of various elements of fiscal operations in the office, and 77.21% (Mean = 3.861) were of the opinion that with IFMIS, they have at their disposal information that can quickly provide year-to-year balances which can be used for analysis.

4.3.3 Strength of Internal Controls

Study results on the Strength of Internal Controls were analyzed and presented in Table 4.

Table 4: Strength of Internal Controls

	N	Mini	Max	Mean	% Mean	Std. Dev	Skewness	Kurtosis	Std. Error	Std. Error
	Stat	Stat	Stat	Stat		Stat	Stat	Stat		
IFMIS has improved the effectiveness and efficiency of public expenditure programs	86	1	5	4.570	91.4	0.97	-2.50	0.26	5.76	0.51
Since the implementation of IFMIS, duplication and jurisdictional problems in exchanging information have been minimized	86	1	5	4.384	87.67	1.05	1.63	0.26	1.70	0.51
IFMIS can trace all the stages of a transaction process, hence enhancing transparency and accountability of the process	86	1	5	4.361	87.21	1.15	1.76	0.26	1.99	0.51
IFMIS allows for cross-referencing of personal identification numbers and asset inventories and has reduced cases of fraud significantly	86	1	5	4.349	86.98	1.11	1.62	0.26	1.59	0.51
Built-in features within IFMIS facilitate effective monitoring and evaluation of the public sector's activities	86	1	5	4.349	86.98	1.11	1.62	0.26	1.59	0.51
IFMIS provides auditable financial statements from the ministry	86	1	5	4.302	86.05	1.16	1.50	0.26	1.04	0.51
The use of IFMIS has dramatically enhanced the security of information, which minimizes the risk of corruption and improves the reliability of the system	86	1	5	4.291	85.81	1.16	1.57	0.26	1.45	0.51
Since the implementation of IFMIS, there has been enhanced confidence and credibility in the ministry's budget	86	1	5	4.140	82.79	1.33	1.28	0.26	0.18	0.51
Valid N (listwise)	86									

Source: Authors Data (2022)

Overall, the study findings indicated that 91.40% (Mean =4.570) of the respondents were of the opinion that IFMIS has improved the effectiveness and efficiency of public expenditure

programs, 87.67% (mean =4.384) were of the opinion that since the implementation of IFMIS, duplication and jurisdictional problems in exchanging information have been minimized, and 87.21% (Mean =4.361), were of the opinion that IFMIS can trace all the stages of a transaction process thus enhancing transparency and accountability of the process and 86.98% (Mean =4.349) were of the opinion that IFMIS allows for cross-referencing of personal identification numbers and asset inventories that has reduced cases of fraud significantly.

Moreover, 86.98% (mean =4.349) were of the opinion that built-in features within IFMIS facilitate effective monitoring and evaluation of public sector activities, 86.05% (mean = 4.302) were of the opinion that IFMIS provides auditable financial statements from the ministry, 85.81% (mean=4.291) were of the opinion that use of IFMIS has dramatically enhanced security of information, which minimizes the risk of corruption and improves the reliability of the system, and 82.79% (mean = 4.140) were of the opinion that since the implementation of IFMIS, there is enhanced confidence and credibility of the ministry's budget.

4.3.4 Organizational Transparency and Accountability

Study results on IFMIS and Organizational Transparency and Accountability were analyzed and presented in Table 5.

Table 5: Organizational Transparency and Accountability**Descriptive Statistics**

	N	Min	Max	Mean	% Mean	Std. Dev	Skewness	Kurtosis		
	Stat	Stat	Stat	Stat		Stat	Stat	Std. Error	Stat	Std. Error
Disclose are meaningful and provide a complete picture of their financial activity to the public	86	1	5	4.302	86.05	1.07	- 1.57	0.26	1.73	0.51
Improved recording and process of government financial transactions allows prompt and efficient access to reliable financial data	86	1	5	4.023	80.47	1.49	- 1.21	0.26	- 0.16	0.51
IFMIS assists management in ensuring accountability for the deployment and use of public resources and in improving the effectiveness and efficiency of public expenditure program	86	1	5	3.791	75.81	1.08	- 1.08	0.26	0.81	0.51
By tracking financial events through an automated financial system, management can exercise improved control over expenditure and improve transparency and accountability	86	1	5	3.767	75.35	1.09	- 0.58	0.26	- 0.31	0.51
IFMIS assists management in ensuring accountability for deploying and using public resources.	86	1	5	3.733	74.65	1.05	- 0.96	0.26	0.55	0.51
IFMIS aims to improve the quality and availability of information necessary at various stages of public financial management, such as budgeting, treasury management, accounting, and auditing	86	1	5	3.721	74.42	1.24	- 0.69	0.26	- 0.63	0.51
The Commitment Control System has led to the elimination of overspending and a substantial reduction in domestic arrears	86	1	5	3.663	73.26	1.27	- 0.60	0.26	- 0.74	0.51
Valid N (listwise)	86									

Source: Authors Data (2022)

According to the study's findings, 86.05% (mean = 4.302) of respondents believe that

disclosing is meaningful and provides the public with a complete picture of their financial activity, and 80.47% (mean = 4.023) believe that improved recording and processing of government financial transactions allows prompt and efficient access to reliable financial data. 75.47% (mean = 3.767) believed that IFMIS helps management ensure responsibility for the deployment and use of public resources and improve the efficacy and efficiency of public expenditure programs. 75.35% (mean = 3.733) believed that by documenting financial events using an automated financial system, management may exert better control over expenditure and promote transparency and accountability.

Furthermore, 74.65% (mean = 3.733) of the respondents were of the opinion that IFMIS assists management in ensuring accountability for the deployment and use of public resources, 74.42% (mean = 3.721) were of the opinion that IFMIS aims at improving the quality and availability of information necessary at various stages of public financial management, such as budgeting, treasury management, accounting and auditing, and 73.26% (mean = 3.663) were of the opinion that the Commitment Control System has led to the elimination of overspending and a substantial reduction in domestic arrears.

4.3.4 Internal Audit Practice

Study results on Internal Audit Practice were analyzed and presented in Table 6.

Table 6: Internal Audit Practice**Descriptive Statistics**

	N	Min	Max	Mean	% Mean	Std. Dev	Skewness	Kurtosis		
	Stat	Stat	Stat	Stat		Stat	Stat	Std. Error	Stat	Std. Error
Internal audit reports have shown growing governance in public financial management	86	2	5	4.663	93.26	0.78	- 2.26	0.26	4.07	0.51
Necessary support is accorded to internal auditors	86	1	5	4.523	90.47	0.97	- 2.19	0.26	4.14	0.51
Internal auditors can work without undue influences	86	1	5	4.372	87.44	1.12	- 1.72	0.26	1.85	0.51
Internal auditors provide regular reports to stakeholders on public financial management (Accurate, complete, and current)	86	1	5	4.314	86.28	1.20	- 1.68	0.26	1.63	0.51
Different internal auditors perform internal audit functions at different stages of the reporting	86	1	5	4.302	86.05	1.08	- 1.57	0.26	1.73	0.51
Internal audit reports have few to no errors	86	1	5	4.267	85.35	1.25	- 1.60	0.26	1.29	0.51
Internal auditors can use IFMIS to acquire all relevant information that needs to be reported	86	1	5	4.267	85.35	1.25	- 1.60	0.26	1.29	0.51
The process of internal auditing is cheap and takes a short time	86	1	5	4.256	85.12	1.22	- 1.47	0.26	0.84	0.51
Valid N (listwise)	86									

Source: Authors Data (2022)

The study found that 96.26% (Mean = 4.663) of respondents believed internal audit reports showed improved governance in public financial management, while 90.47% (Mean = 4.523) felt necessary support was provided to internal auditors. Additionally, 87.44% (Mean = 4.372) felt auditors worked independently, and 86.28% (Mean = 4.314) agreed that auditors provided

regular, accurate, and complete reports. Furthermore, 86.05% (Mean = 4.302) noted auditors perform functions at different stages, 85.35% (Mean = 4.237) stated reports had few errors,

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.925 ^a	0.855	0.848	0.3251

a. Predictors: (Constant), Organisational Accountability Systems, Internal Control Systems, Cash Management and Budgeting Systems, Financial Reporting Systems

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	50.607	4	12.652	119.68	.000 ^b
Residual	8.563	81	0.106		
Total	59.170	85			

a. Dependent Variable: Internal Audit Practice

b. Predictors: (Constant), Organisational Accountability Systems, Internal Control Systems, Cash Management and Budgeting Systems, Financial Reporting Systems

Coefficients^a

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1 (Constant)	0.463	0.23		2.01	0.048
Cash Management and Budgeting Systems	0.166	0.097	0.157	1.703	0.092
Financial Reporting Systems	0.270	0.118	0.31	2.298	0.024
Internal Control Systems	0.344	0.112	0.406	3.062	0.003
Organisational Accountability Systems	0.155	0.059	0.138	2.613	0.011

a. Dependent Variable: Internal Audit Practice

and 85.12% (Mean = 4.256) found the auditing process to be cost-effective and efficient. These

findings emphasize the critical role of IFMIS in enhancing governance and supporting internal audits in public financial management

4.4 Inferential Analysis

The regression results highlighted the goodness of fit, including the model summary, goodness of fit test, and regression coefficients, emphasizing the importance of each variable to internal

audit practice. The Coefficient of determination (R^2), which measures how much variability in one variable is explained by another (Field, 2005), showed an adjusted R^2 value close to R^2 , indicating good model fit. The model, with the Integrated Financial Management Information System as the independent variable, had an R^2 of 0.855, meaning 85.5% of the variance in the dependent variable was explained, while 14.5% was attributed to other factors, suggesting the model's applicability for generalization.

Table: 7: Multiple Regression Results

Source: Authors Data (2022)

The Analysis of Variance (ANOVA) or Goodness of Fit test ensures that the data used to build the regression model was not generated by coincidence. Table 4.8 shows the findings, with a p-value of 0.000 (less than 0.05), showing that the model is statistically significant.

The impact of an Integrated Financial Management Information System is presented as follows:

$$Y = 0.463 + 0.166 (\text{Cash Management and Budgeting Systems}) + 0.270 (\text{Financial Reporting Systems}) + 0.344 (\text{Internal Control Systems}) + 0.155 (\text{Organizational Accountability Systems}) + 0.239(\text{Std. Error})$$

This implies that Cash Management and Budgeting Systems affect Internal Audit Practice by 16.6%, Financial Reporting Systems by 27%, Internal Control Systems by 34.4%, and Organizational Accountability Systems by 15.5%. Overall, the data are evaluated using Internal Control Systems, the primary rationale for IFMIS.

4.5 Hypotheses Testing

The study sought to test the study's hypothesis, and the results were presented.

HO1: The study found no significant relationship between cash management and budgeting systems in South Sudan IFMIS and Internal Audit Practice ($p = 0.092$). Therefore, the null hypothesis was not rejected. This is due to the budgeting process still relying on manual methods, where the Ministry of Finance outlines budget parameters for sector agencies (Erdem, 2021).

HO2: A significant relationship was found between financial reporting systems in IFMIS and Internal Audit Practice ($p = 0.024$), leading to the rejection of the null hypothesis.

HO3: A significant relationship was also found between internal control systems in IFMIS and Internal Audit Practice ($p = 0.003$), resulting in the rejection of the null hypothesis.

HO4: The study revealed a significant association between organizational accountability systems in IFMIS and Internal Audit Practice ($p = 0.011$), leading to the rejection of the null hypothesis.

5. Discussion of research findings

5.1 Cash Management and Budgeting

90.93% (mean = 4.547) believed IFMIS improved budget trust, but no significant link was found between cash management, budgeting, and internal audit practices ($p = 0.092$), suggesting a need for better implementation of these tools.

5.2 Financial Reporting

88.14% (mean = 4.407) stated IFMIS enabled real-time reconciliation. A significant relationship was found between financial reporting systems and internal audit practices ($p = 0.024$), highlighting IFMIS's role in providing accurate, timely financial data.

5.3 Internal Audit Control

91.40% (mean = 4.570) felt IFMIS improved public expenditure efficiency. A significant link was found between internal control systems and internal audit practices ($p = 0.003$), suggesting IFMIS enhances governance and reduces fraud.

5.4 Organizational Accountability

86.05% (mean = 4.302) believed financial disclosure was important. A significant relationship was found between accountability mechanisms and internal audit practices ($p = 0.011$), indicating IFMIS enhances transparency and accountability in financial management.

6. Conclusion and Recommendations

6.1. Conclusion

IFMIS improves budget confidence and credibility by offering detailed, transparent data for planning and decision-making. It generates accurate, timely financial reports, enhancing internal controls, governance, and reducing fraud. The system promotes transparency, accountability, and efficient resource allocation, ensuring equity across policies and projects. Additionally, it improves financial transaction recording, providing easy access to reliable data for better public resource management.

6.2 Recommendations of the Study

The study makes the following research recommendations.

- i. According to the report, the MOFP oversees IFMIS integration and should improve the reward system because it helps with financial management.
- ii. External agencies and international institutions, such as the International Monetary Fund, have reporting obligations that should be addressed in IFMIS reports (IMF).
- iii. The scope and functionality of an IFMIS system, which can range from a basic general ledger accounting application to a comprehensive system covering budgeting, accounts receivable or payable, cash management, internal control, financial reporting, and accountability, should be the focus of public finance policymakers.
- iv. According to the report, installing the IFMIS system should be viewed as a public finance reform that alters how things are done across government ministries and parastatals rather

than just automating jobs that did not need to be done in the first place.

References

- Abele, M. T. T. (2023). A systematic assessment of budgeting and budgetary management system of South Sudan: The case of the Ministry of Finance and Economic Planning. *Technium Social Sciences Journal*, 40, 174.
- Aguto, A. D., & Akol, Z. D. (2018). Reforming public financial management in South Sudan.
- Alabi, F. Z. (2021). Accounting system and financial reporting quality of microfinance banks in Kwara State, Nigeria (Doctoral dissertation, Kwara State University, Nigeria).
- Field, A. (2005). *Discovering statistics using SPSS* (2nd ed.). Sage Publications.
- Hughes, P. (2016). *An introduction to auditing and financial management*. Pearson Education.
- Iravonga, J. J. (2023). Integrated financial management information systems, organizational resources and financial management in selected county governments, Kenya.
- Kalemeera, J. M. (2018). Internal controls and the financial performance of public higher institutions of learning in Uganda: A case study of Uganda Management Institute (Doctoral dissertation, Uganda Management Institute).
- Leila, K. (2019). Integrated financial management system and financial reporting in selected commercial banks in Bujumbura, Burundi (Doctoral dissertation, Kampala International University, College of Economics and Management).
- Lobong, P. (2020). Factors influencing e-procurement implementation in the public sector in South Sudan. *International Research Journal of Business and Strategic Management*, 1(1).
- Mong'are, E. M. (2020). The impact of integrated financial management information system re-engineering on financial performance of public sector in Kenya (Doctoral dissertation, University of Nairobi).
- Mugenda, O. M., & Mugenda, A. G. (2018). *Research methods: Quantitative & qualitative approaches*. Nairobi: ACTS Press.
- Noor, M. N. R. A., & Mansor, N. (2018). Whistleblowing practice in the public sector and internal audit effectiveness. In *Proceedings of the International Conference on Islam and Global Issues* (pp. 423–428).
- Wasihun, A. (2018). Factors affecting successful implementation of integrated financial management information system (IFMIS) at Ministry of Finance and Economic Cooperation (MOFEC) (Doctoral dissertation, St. Mary's University).



©2025 by the Authors. This Article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>)