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Internal Control Systems at Ghana Education Service: Evidence from New Juaben Municipal Directorate

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Abstract:

The study seeks to evaluate the internal control practices of the New Juaben Municipal directorate of the Ghana Education Service. A descriptive research approach is adopted for the purpose of achieving the overall objective of the study. Primary data was gathered using a structured questionnaire. The data was gathered from one hundred respondents who play different roles in the Directorate. The results of the study suggest that there exist systems of control over the mobilization and management of IGFs at the New Juaben Municipal directorate of the Ghana Education Service. It was also found that although controls exist, these controls are not adequate to meet the operational needs or demands of the organisation. The study also found that non-compliance to established systems of control are reinforced by the absence of adequate punitive measures for non-compliance. The study found that to a large extent management monitors the activities of workers in an attempt to ensure that rules and procedure are adhered to. However, since cases of non-compliance still prevail, it can be concluded that the monitoring is not as effective as it should be. The study recommends that measures should be put in place by the management of the New Juaben Municipal directorate of the Ghana Education Service to promote awareness and sensitization of staff on both long and short term objectives and need to adhere to established systems of controls. Institution of regular workshops, seminars and educative programmes for not only senior staff but also junior staff aimed at increasing their level of awareness of internal controls would impact positively on the achievement of organizational goals.

Keywords: Control, Education, Ghana, Internal, System

1. Introduction

Over the past decades, there has been increased focus on internal controls within corporate organisations. This shift in attention can be attributed to globalisation of world economies, technological advancements, complex nature of business activities and the allegations of fraudulent financial reporting (see Soh & Martinov-Bennie, 2011; Fenga, Li, & McVay, 2009). Some of the major corporate failures were as a result of weak or the neglect of internal control policies of these organisations, notable among them are the case of Enron and WorldCom. The Treadway Commission report in 1987 revealed that, the absence and/or weak internal control systems are the cause of many fraudulent financial reporting. Internal controls have been defined in diverse ways by both academicians and institutions. This is because internal control is viewed from a plethora of perspectives. For instance, the United States' internal control standards committee (2010) defines internal control as an integral process of an organisation designed to address risks and to provide reasonable assurance that the entity's mission and general objectives are being achieved. These activities are affected by the management and other personnel of the organisation. This definition of internal control by the US General Accounting Office (GAO) urges management of organisations to continually assess and evaluate their internal control structures to provide reasonable assurance that the objectives of the entity are being achieved. The Committee of Sponsoring Organisation's (COSO) report defined internal controls in its broader sense as the process affected by the organisations board of directors, management and other personnel of the organisation, designed to provide reasonable assurance regarding the achievement of effectiveness and efficiency of operations. Hence an effective internal control system provides reasonable assurance for the achievement of the organisational objectives. Achieving reliable financial reports, devoid of fraudulent financial information, calls for the establishment of effective internal controls (Krishnan, 2005; Wittayapoom & Limsuwan, 2012; Badara & Saidin, 2012; Babatunde, 2013). The results of the study by Wittayapoom and Limsuwan (2012) suggest that internal control effectiveness was strongly significant on reliability of financial reporting because internal control is essential for corporate governance statement. The result also indicated that risk management efficiency, compliance quality, and continuous monitoring adequacy significantly influence internal control effectiveness. The results of the study indicate that weak or deficient control systems do not provide reasonable assurance of accurate and reliable financial reporting.

Baxter, Bedard, Hoitash and Yezege (2013) on the other hand studied the correlation between internal controls and enterprise value. The results of the study indicate a positive relationship between internal controls and enterprise value. Thus, an improvement in internal controls effectively improves the value of the enterprise. The value of the enterprise does not only include earned income but also, potential profitability of the enterprise. Cheng, Dhaliwal and Zhang (2013) stress that quality internal control ensures legality of enterprise's operation, safety of enterprise's assets and reliability of enterprise's financial reports and related information. These help improve efficiency of the organisation's operations and help the enterprise to achieve strategic goals, which will absolutely raise the capital turnover rate as well as net assets income rate. As a result, the value of the enterprise will also increase indirectly. Internal controls have been identified in extant literature to be one of the important functions or activities in any organization, both private and public organizations (Skaife, Veenman, & Wangerin, 2013; Ajiboye, Fadipe, & Ajewole, 2013; Babatunde & Dandago, 2014). Over the years, a number of studies have focused on diverse aspects of internal controls or organisational controls in an attempt to help improve organisational efficiency and achieve organisational objectives. Recent studies on internal controls have focused on the internal controls and financial reporting quality (Skaife, Veenman, & Wangerin, 2013; Costello, 2011), corporate governance characteristics and internal controls (Johnstone, Li, & Rupley, 2011; Hazarika, Karpoff, & Nahata, 2012; Xi & Wu, 2014), organisational culture and internal control (Pfister and Hartmann, 2011). Other studies have also focused on internal controls and effective public financial management. For instance, Unegbu and Kida (2011) studied the effectiveness of internal controls as an instrument of improving public sector management. The outcome of all the above re-emphasise the benefits and the need for organisations, both private and public sector; profit and non-profit oriented, to have sound or efficient controls. Currently, governments in sub-Saharan Africa are facing serious financial constraints in their attempts to provide basic education and educational inputs to their people. Coupled with inadequate financial resources, concerns have also been raised about the management of the little available resources. Thus, this suggests that, there is a problem facing the funding or financing of education, especially in sub-Saharan Africa.

Ajiboye et al (2013) argue that, effective and efficient management of resources, largely, depends on the policies over such resources. This argument is also consistent with the studies of Tessier and Otley (2012). They argued that, effective and efficient controls are very critical to achieving organisational objectives as well as safeguarding organisational resources. From the foregoing arguments, this study thus seeks to critically evaluate the controls over internally generated funds (IGFs) of the Ghana Education Service, with particular emphasis on the GES directorate of the New Juaben Municipal Assembly.

2. Literature Review

2.1. *The Concept of Internal Controls or Control Practices*

Internal control issues have received extensive attention, especially in academic literature (Curtis & Wu, 2000). To this, the concept of control practices or internal controls have been defined severally by practitioners, in academic literature as well as internal organisations. This is because internal control is viewed from a plethora of perspectives. The Committee of Sponsoring Organisation (COSO) of the Treadway Commission report defines internal controls in its broader sense as the process affected by the organisations board of directors, management and other personnel of the organisation, designed to provide reasonable assurance regarding the achievement of effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws, rules and regulations. The COCO's model which builds on that of the COSO's and considers the behavioural values rather than the control structure procedures as the primary basis for internal control in an organisation. According to this model, internal controls "are actions that foster the best result for an organization and those elements of an organization (including its resources, systems, processes, culture, structure and tasks) that, taken together, support people in the achievement of the organization's objectives". The COCO's model thus, focuses on how tasks are performed in the organisation. The COSO's framework identified five models of internal control: the control environment, risk assessment, control activities, information and communication, and monitoring. The COSO's model is the standard guide for assessing internal controls in organisations. A survey conducted revealed that about 90% of the respondents, comprising members of the Institute of Management Accountants and Institute of Internal Auditors relied on the framework of the COSO in evaluating internal controls (Cristina, Mariana and Cristina, 2010).

Internal control system can be generally defined as a system which has the features of maintaining the assets of a company, ensuring accuracy and reliability of information and reports related to accounting and other operations, and increasing the effectiveness of the operations. Additionally, the system also covers all assessment and methods that are adopted in order to detect the suitability of operations in accordance with policies determined by management, implementing a chart of accounts and reporting system, specifying the duties, authority and responsibilities, and organization plan of the cooperation (Cook et al. 1980). Doyrangöl, (2002), defines internal control system as a system which is created by management and implemented by management and employees. This process is designed to ensure reasonable assurance to achieve pre-specified organisational objectives. According to the definition by COSO in 1992, an internal control system is defined as a set of methods, designed and controlled by senior management and board of directors to provide a limited assurance regarding reliability of financial reporting, effectiveness and efficiency of operations and their compliance with laws and regulations (Aksoy, 2007). Internal control system asserts that the system should be always kept under control and supervision since people tend to think about their interests more rather than the interests of the corporation. If there is a failure in the financial accounting system of a corporation, a decrease in assets and an increase in abuses will inevitably takes place in the absence of an effective internal control system (Yayla 2006).

The internal control system in an organisation must cover and help to properly organize and control the entire activity of the company. Studies have shown that, internal control is all-inclusive activity in financial and management accounting, as well as in the strategic

management of projects, operations, personnel and the total quality management. More importantly, internal control should not only cover the entire activity of the company, but also take into account its objectives, goals and tasks in order to make its commercial activity as effective as possible. Literature has it that, the relevance of internal control is not only to predict the particular areas of internal control and interrelate them, but also to stress that the most important objective of internal control is the effective management of risk by identifying and eliminating errors and frauds inside the company (Yayla 2006; Aksoy, 2007; Tessier and Otley, 2012; Ajiboye et. al, 2013; Hazarika, Karpoff, & Nahata, 2012; Xi & Wu, 2014).

Presumably, internal control is a system structured within the corporation whose goal is to raise efficiency and effectiveness of the entire activities of the organisation. The internal control system ensures the conformity of activities within the laws and regulations of the country and relevant regulatory bodies. It also improves the reliability of financial reporting. Internal control system possesses vital importance for the institution to attain its ultimate objectives. Internal control system allows firms to foresee potential problems which may cause financial losses and thereby prevent or minimize any future losses.

2.1.1. Empirical Studies

Empirically studies have shown that internal control systems appear to be a life blood of every organisation. According to these researchers effectiveness of the internal control systems impacts on organisational performance. Karagiorgos, Drogalas and Dimou (2011) find a number of interactions between components of internal control system and effectiveness of internal auditing within Greek Banks. According to this study, internal control system's effectiveness makes interactions with internal audit relevant which leads to effective performance of the banks. Olatunji, (2009) examined the impact of internal control system in banking sector and according to the findings the lack of an effective internal control system is the major cause of bank frauds in Nigeria. It is then concluded that the management of every bank should create and establish a standard internal control system, strong enough to stand against the wiles of fraud in order to promote continuity of operations and to ensure the liquidity, solvency and going concern concept of the bank.

Amudo and Inanga (2009) identify the following six essential components of an effective internal control system; control environment, risk assessment, control activities, information and communications, monitoring, and information technology in their study. The findings of the study under evaluation results are that measuring effectiveness of internal control is concerned with the existence and functioning of the six major control components identified by the model. One of the, perhaps the most prominent one, vital components of a bank's structure in modern banking system is internal control system in developed or developing countries. Because effective and efficient performance of the system indicates that the bank operates as desired. Consequently, investors and other customers in the market will prefer to use the services of that bank since they will have confidence and peace of mind about bank's financial stability (Yavuz, 2002). Research has shown that a reliable internal control system should have the following components (Olatunji, 2009; Amudo and Inanga, 2009; Aksoy, 2007; Yayla 2006; Doyrangöl, 2002):

2.2. Control Environment

Control environment sets the tone of the organization, which influences the control consciousness of its people. This foundation provides discipline and structure upon which all other components of internal control are built. Control environment refers to the composite factor that impacts employee awareness of the organizational culture. Factors that impact the control environment include: Employee discretion, values and ability; the management philosophy and operational style of the board and managers; the hiring and training of employees; and the concerns and guidance of the board and supervisors. The control environment is the basis of the other components. Once employees are aware of these it builds their confidence to work within the limits that are permitted for them.

2.3. Risk Assessment

The goals of financial reporting are defined with appropriate clarity and by applying sufficient criteria in order to allow the identification of the risks that may affect reliable financial reporting. The organization identifies and analyzes the risks that may affect the achievement of the goals of financial reporting, and based on this, determines the method of risk management. The possibility of fundamental misrepresentations arising from fraud should expressly be reckoned with in the assessment of risks affecting the achievement of the goals of financial reporting. Risk assessment therefore refers to recognizing the internal and external factors that prevent goals from being achieved, and assessing the potential risk and impact of a variety of factors. The result of assessments can assist the organization in designing, amending and implementing necessary solutions in controlling the organisational operations.

2.4. Control Activities

Control activities refer to designing a comprehensive control framework and setting control procedures at all levels. This guarantees that instructions from the board and managers are carried out, including approvals, authorization, certification, adjustment, re-examination, routine inventory, record verification, division of labour, guaranteeing asset safety, projects, budgets or comparisons with previous results. Measures are taken to handle the risks that jeopardize the achievement of the goals of financial reporting. Selection and development of control activities are done by taking into account the costs related to them, and their expected effectiveness with regard to the reduction of the risks that jeopardize the achievement of the goals of financial reporting. Policies and procedures for reliable financial reporting are developed and communicated to the whole organization and the procedures stipulated in executive directives are executed.

2.5. Information and Communication

Information refers to the targets of an information system, such as recognition, consideration, processing and reporting. The system includes operations, financial reporting and adherence to regulations by financial and non-financial information. Communication refers to the relay of information to various people, and to internal and external communications. The internal control system requires information from production planning to supervision and offers a mechanism for the person requiring specific information to obtain it. Communication allows and supports the understanding and implementation of the internal control goals and processes, as well as the personal tasks on each level of the organization.

2.6. Monitoring

Monitoring refers to the process of self-auditing within the internal control system and includes assessing whether the control environment is satisfactory, whether risk assessment is timely and accurate, whether control operations are appropriate and accurate, and whether information and communication systems include the proper items. Monitoring can be ongoing or done on a case-by-case basis. The former includes routine supervision of operations, while the latter includes monitoring carried out by internal auditors, supervisors or the board. It is by relying on regular or individual assessment that management can conclude whether the internal control of financial reporting exists and works. Reporting of deficiencies of internal control are identified in due time and are communicated to the parties responsible for corrective measures, as well as to the management and the supervisory body, if necessary. Reports are made on ongoing supervision, case assessments and oversights to help management on decision making.

3. Methodology

A descriptive research approach was adopted for the study. According to Hopkins (2008) the quantitative research approach provides unbiased results. To this, Neuman (2007) also argues that the results of the quantitative study can be generalised across several jurisdictions. To achieve the objectives of the study, data was gathered from primary sources. According to Wilson (2010), secondary data are data that have been collected by other researchers which includes everything from annual reports, promotional materials, published case descriptions, magazine, journal articles and newspaper reports as well as government printed sources. According to Marshall (2002) secondary sources of data are data that have been previously collected for some projector study other than the one at hand. The advantage of using secondary data, according to Ghauri & Grønhaug (2005), is the enormous cost saving, especially time and financial resources. Thus, it is relatively less expensive to use secondary data than primary. The use of secondary data retains the advantage of providing unobtrusive measures because they have already been gathered (Thomas, 2004; Saunders, Saunders, Lewis, & Thornhill, 2011). The primary data were gathered using the structured question.

A convenience sampling technique was adopted. The objective of the study was to evaluate the control practices over IGF of the GES in New Juaben Municipality and hence, the purposive sampling technique is an appropriate sampling technique to adopt. The targeted units or groups are the management (that is directors) and staff of the New Juaben GES. The main data collection instrument for the study was a structured questionnaire. The questionnaire is a data collection instrument that contains series of questions or statements that attempts to gather data or information on a particular topic or subject under investigation. The structured questionnaire will be adopted due to its numerous advantages or superiority relative to other data collection instruments. For instance Kerlinger (1973) observed that the questionnaire is widely used for gathering data in academic research because it is very effective for securing factual information about practices and conditions and for enquiring into the opinions and attitudes of subjects. Amedahe (2000) adds that, questionnaires are relatively less expensive compared to other methods. Summarising the advantages of the questionnaire as a data collection instrument Ghauri & Grønhaug (2005) noted that, when properly constructed and properly administered, questionnaires become a vital instrument by which statements can be made about specific groups or people or an entire population.

According to Neuman (2007), questionnaires come in two folds – open-ended and close-ended questionnaires. Open-ended questionnaires ask questions that allows the respondent to provide own responds. Closed-ended questionnaires on the other hand ask questions in which responses are limited to predetermine responses. The questionnaire to be employed to gather data for the study will be made up of mainly closed-ended questions. Closed-ended questions result in uniform responses across respondents and it is reliable since each respondent's response to a question fit into already defined response category (Neuman, 2007; Hopkins, 2008). Thus, the closed-ended questionnaire yields standardised responses compared to the open-ended questionnaire. Another significant superiority of the closed-ended question over the open-ended questionnaire is that the closed-ended questionnaire has relatively high response rates (Neuman, 2007). The data collection instrument was subjected to pre-testing or pilot test in order to gain content validity. Pre-testing of the data collection instrument affords the researcher the opportunity to refine the structure and/or contents of the data collection instrument. The importance of pre-testing the data collection instrument according to (Saunders et al, 2011) provides the researcher a reasonable assurance of the effectiveness of the data collection instrument as far as data gathering is concerned. The data gathered was analysed using descriptive statistics. Distributions were obtained and a percentage of total responses for the variables in the question was presented using charts, where appropriate. The researchers employed a statistical tool known as Statistical Package for Social Sciences (SPSS) version 20 to present the distributions and percentages of the responses for the variables in the data collection instrument.

4. Analysis and Discussion of Findings

4.1. Background of Respondents

The researchers purposively sampled and administered the data collection instrument (questionnaire) to 100 respondents. It is important to note that all the questionnaires were filled and returned by the respondents. Thus, the researcher achieved a hundred percent response rate. The background information or profile of the respondents of the study are presented in the following paragraphs. Tables and figures are used to provide summaries of the results of the study, where appropriate. The results of the data collection process indicates that, majority of the respondents of the study are males. 75% of the respondents of the study are males whilst 25% of the respondents are females. The researchers also sought to find out the educational background of the respondents of the study. This is very important in order not to affect the responses of the respondents by the researcher's own biases. A respondent with a higher educational level suggests that, such an individual can read and relate with the questions on the data collection instrument. Analyses of the data gathered indicate that, majority of the respondents have had some form of tertiary education, that is, either university or polytechnic education. About 85% of the respondents of the study have had tertiary education, while 15% of the respondents have had up to senior high-level education. This finding indicates that, all the respondents have had some form of formal education and hence could relate with the questions contained in the data collection instrument. This also suggests that, the responses of the respondents of the study could not have been influenced by the researcher or persons administering the data collection instrument.

The researchers also sought to find out the number of years the respondents have spent or worked in the current position at the New Juaben Municipal educational directorate. The length of period a respondent has stayed in his/her current position is very critical to the study. The longer the period, the more likely the respondent is to relate with the questions on the data collection instrument and provide appropriate responses. Analysis of the data gathered suggests that majority of respondents have spent considerable number of years in their current position and/or similar position. From the responses, 85% of the respondents have spent over a year in the New Juaben Municipal directorate of the Ghana Educational Service (GES). Thus only 15% of the respondents have spent less than a year in the current position in the organisation. Further analysis indicates that those who have spent less than a year in the New Juaben directorate have had considerable number of years in similar positions in other district educational directorates. This finding means that the respondents of the study have fair knowledge of the systems and policies of the municipal education directorate and hence provided appropriate responses to the questions on the data collection instrument.

4.1.1. Existence, Adequacy and Compliance with Internal Control Policies

This section of the chapter presents an analysis and discussion of results on the existence, adequacy and extent of compliance with internal control policies or systems. Inferences were drawn from the responses of the respondents after statistically analysing them. That is mean scores were obtained from the responses of the respondents. The section is further organised into three subsections – existence of internal control systems; adequacy of internal control systems and compliance with internal control policies or systems on the management of IGFs of the New Juaben Municipal directorate of the Ghana Education Service.

4.2. Existence of Internal Control Systems

The respondents of the study were asked questions relating to the existence of internal control systems in the New Juaben Municipal directorate of the Ghana Education Service. Analysis of the responses of the respondents indicates that the New Juaben municipal directorate of the GES currently has policies or control systems that regulate the mobilization and management of the organisation's IGFs. This is emphasized by the average mean score obtained from analysing the responses of the respondents on the extent of their agreement with the statement that the municipal GES directorate has in place control policies (see table 1). From table 1, the average mean obtained from the analysis of the respondents' responses on the existence of internal control systems is 1.88. This means that the respondents of study agreed that, the New Juaben Municipal directorate of the Ghana Education Service has policies or systems of controls over the management of the directorate's IGFs.

	Mean	Std. Deviation	Std. Error Mean
Existence of Internal Control Policies/Systems			
Internal controls are important in an organization because they are critical to the achievement of organizational objectives.	1.64	0.958956	0.095896
The organization has an organizational chart that clearly defines lines of authority and responsibility	1.59	1.129002	0.1129
The organization has clearly defined internal control systems over the management of IGFs	2.03	1.149923	0.114992
These controls are clearly communicated and known to all staff	2.03	1.086696	0.10867
The laid down procedures are well understood and strictly adhered to	2.11	1.081479	0.108148
<i>Average Mean</i>	1.88		

*Table 1: Summary of Responses on Existence of Internal Controls
Source: Field Survey, 2016*

It is important to note that this finding was expected. The Financial Administration Act, 2003 (Act 654) provides policies or systems for the management of resources by public sector institutions. The Act among others establishes the conditions for the control and management of public funds, outlining the principles by which public institutions generate revenue. The Act establishes budgetary control over public finances related to revenue and expenditure, and to receipts and payments describing the conditions under which appropriations are made. According to Al Sawalqa and Qtish (2012) the importance of internal control policies or systems cannot be over-emphasised. They noted that the establishments of an effective system of control are very critical to efficient management of organisational resources and the achievement of overall organisational objectives. Respondents were asked to respond to questions on the adequacy of existing internal control policies within the New Juaben Municipal directorate of the Ghana Education Service. Summaries of the responses on the adequacy of internal control systems or policies are presented in table 2 below. Analysis of the responses suggests that the internal control policies at the New Juaben Municipal directorate of the Ghana Education Service are not adequate. This is emphasized by the mean scores obtained from the various responses on the adequacy of existing internal control systems.

	Mean	Std. Deviation	Std. Error Mean
The organization has an up-to-date internal control (policies and procedures) manual over the management of IGFs.	3.91	1.104399	0.11044
I consider the controls over IGFs as adequate	3.66	0.976698	0.09767
The laid down procedures are well understood and strictly adhered to	2.95	1.054619	0.105462
<i>Average Mean</i>	3.51		

*Table 2: Summary of Responses on Adequacy of Internal Controls
Source: Field Survey, 2016*

From the table above, the mean of the various responses on the adequacy of existing internal control systems at New Juaben Municipal directorate of the Ghana Education Service are all greater than two (2) and approaching a mean score of four (4). The average Mean of all the responses on the adequacy of internal control systems or policies is 3.51, which is approximately. A mean score closer to 4, according to the data collection instrument indicates that the respondents disagree that the existing systems of control over the mobilization and management of IGFs at the New Juaben Municipal directorate of the Ghana Education service. Thus, while the respondents agree that there are systems of control over the management of IGFs, they feel the control policies are not adequate enough to ensure efficient management and/or control of the IGFs of the organisation. This finding is consistent with the findings of Ajiboye et al (2013), and Tessier and Otley (2012). In their studies, they found that most public sector institutions, especially in developing economies, are not adequate to enhance efficient management and accountability of scarce resources. Some of the respondents indicated reasons why they feel the controls systems in place are not adequate. According to them, the current controls are general public sector-wide policies. The policies do not address or suit the peculiar needs or operations of the New Juaben directorate of the Ghana Education Service. The existence of internal control systems, as emphasized by Al Sawalqa and Qtish (2012), is very critical to the achievement of organisational objectives. This notwithstanding, List and Brewer (2004) argued that, it is not enough to have systems of control in place, however, the control systems or policies must be adequate to envelop every aspect of the organisations operations.

4.3. Compliance with Internal Control Systems/Policies

This section presents analysis of data on the compliance with internal control policies existent at the New Juaben Municipal directorate of the Ghana Education Service. Respondents were asked compliance related questions. The questions amongst others included whether there are incentives to comply or not to comply with existing internal control systems or policies. Summaries of the responses are presented in table 3 below.

	Mean	Std. Deviation	Std. Error Mean
The laid down procedures are well understood and strictly adhered to	2.95	1.054619	0.105462
Management regularly reviews processes to ensure adherence to controls over management of IGFs	1.63	1.011599	0.10116
There are motivations for non-compliance with policies and procedures.	1.28	1.137781	0.113778
Adequate corrective measures are in place to address non-compliance.	4.86	1.110283	0.111028
<i>Average Mean</i>	2.68		

*Table 3: Summary of Responses on Compliance with Control Systems/Policies
Source: Field Survey, 2016*

Table 3 above suggests that the respondents are indifferent about compliance with existing systems of control at the New Juaben Municipal directorate of the Ghana Education Service. This is emphasized by the average mean score obtained from analysing the responses on the extent of compliance with existing control policies over the management of IGFs. It is however important to note

that, while the respondents agree that management regularly reviews processes to ensure compliance with control policies. Periodic review of processes to assess compliance with internal control policies is expected. The various regulations on the management of public resources establishes internal audit units in each public-sector institution. The core mandate of the internal audit unit within the various public sector institutions among others is to ensure compliance with control policies enshrined in the various regulations on the management of public resources.

Although management, through the internal audit unit, reviews compliance with internal control policies, the respondents of the study strongly believe that there are enough motivations for non-compliance with control policies and the perpetuation of fraud. The respondents believe that there adequate corrective measures to correct or address non-compliance with established control systems of policies are non-existent. When asked the reason why they (respondents) believe measures to address non-compliance with control policies are inadequate, some of the respondents noted that, the worst punishment that could be given to an official for non-compliance with established control policies or perpetuation of fraud is only a transfer to a remote district directorate of education. This, according to the respondents is not adequate to deter others from following suit. This finding is consistent with the argument of Amudo and Inanga (2009), and Wittayapoom and Limsuwan (2012). For instance, according to Amudo and Inanga (2009) punishments for non-compliance with established systems of control in the public sector appears not stringent enough to promote or encourage compliance with established systems of control over management of public funds or resources.

4.4. Existence of Mechanisms for Monitoring of Internal Controls

This section presents the analysis and discussion of results on the existence of a mechanism to monitor the effectiveness of internal control systems in the New Juaben Municipal directorate of the Ghana Education Service. Analysis of the data gathered suggests that the monitoring systems or processes are effective to identify lapses in the existing systems of control. This is emphasised by the mean scores obtained from the analysis of the responses of the respondents (see table 4 below).

	Mean	Std. Deviation	Std. Error Mean
Monitoring of controls processes over IGFs are carried out regularly.	2.15	1.104399	0.11044
There are guidelines against which monitoring is carried out	1.66	0.976698	0.09767
Monitoring is effective enough to address non-compliance issues.	1.83	1.054619	0.105462
Monitoring process helps the organization to re-evaluate and adjust controls effectively in response to changes in its environment	3.09	1.001968	0.100197
Updates on control policies and procedures are communicated to staff in a timely manner	3.30	1.011599	0.10116
I consider the supervision exercised in my department as adequate to ensure adherence to internal controls over the management of IGFs	2.28	1.137781	0.113778
<i>Average Mean</i>	3.39		

Table 4: Summary of Responses on Existence of Monitoring Mechanisms
Source: Field Survey, 2016

Table 4 above indicates that the respondents agree that monitoring of existing controls are carried out at regular intervals. The monitoring of compliance and effectiveness of existing controls are done through the internal audit unit within the organisation. Although the respondents agree that the monitoring mechanisms in place to identify control weaknesses, there seem to be little or no change in the existing systems of control. For instance, the respondents seemed indifferent to the statement that the monitoring process helps in adjusting or making changes to existing systems of control. Thus, this suggests that, monitoring mechanisms or processes are as effective as the changes or improvements resulting from such processes.

5. Conclusion

From the analyses and discussion of the results or findings of the study, it can be concluded that the mere existence of internal control policies or systems does not guarantee effective management of organisational resources or the attainment of organisational objectives. However, these internal control policies or systems must be adequate to address all inherent weaknesses in the operations of the organisation. Thus, internal control policies or systems must be adequate to address or meet the demands or operational needs of the organisation. In addition to the above, the findings of the study suggest the prevalence of non-compliance to existing internal control policies or systems. The study revealed further that the compliance to existing control policies or systems could be attributed to structures put in place to address or curb non-compliance to established systems of control over the operations of the organisation. Thus, inadequate punitive actions or measures rather serve as enough motivation to encourage non-compliance to established systems of control. Furthermore, the study found that to a large extent management monitors the activities of workers in an attempt to ensure that rules and procedure are adhered to. However since cases of non-compliance still prevail, it can be concluded that the monitoring is not as effective as it should be. Continuous monitoring, evaluation and review is an integral and/or critical component of effective systems of control practices. Ignorance of various controls by the staff or people within the organisation may be the result of ineffective monitoring and review on the part of management.

The study recommends that measures should be put in place by the management of the New Juaben Municipal directorate of the Ghana Education Service to promote awareness and sensitization of staff on both long and short term objectives and need to adhere to

established systems of controls. Institution of regular workshops, seminars and educative programmes for not only senior staff but also junior staff aimed at increasing their level of awareness of internal controls would impact positively on the achievement of organizational goals. In addition to the above, it is recommended that the monitoring and evaluation of the established systems of control should be enhanced to ensure that established systems of control are always in tandem with the operational needs of the organisation. It is believed that this will afford management the opportunity to detect weaknesses in existing systems of control and potential non-compliance will be identified early and addressed. The study found that the prevalence of non-compliance to established systems of control could be attributed to the absence of adequate punitive measures for non-compliance. The study therefore recommends that more punitive measures must be put in place to serve as deterrence to non-compliance to established systems of control. Additionally, the study recommends that similar studies be undertaken in other district directorates of the Ghana Education to help appreciate overall state of internal control systems in the Ghana Education Service.

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